



IL&FS TRANSPORTATION NETWORKS LIMITED

Our Company was incorporated under the Companies Act, 1956 on November 29, 2000 at Mumbai as 'Consolidated Toll Network India Private Limited'. The name of our Company was changed to "Consolidated Toll Network India Limited" pursuant to a special resolution of the shareholders of our Company dated March 28, 2002. The fresh certificate of incorporation consequent to change of name was issued by the RoC on July 22, 2002. The name of our Company was further changed to "Consolidated Transportation Networks Limited" pursuant to a special resolution of the shareholders of our Company dated July 5, 2004 and a fresh certificate of incorporation was granted to our Company by the RoC on September 24, 2004. Subsequently, the name of our Company was changed to "IL&FS Transportation Networks Limited" pursuant to a special resolution of the shareholders of our Company dated September 29, 2005 and a fresh certificate of incorporation was granted to our Company by the RoC on October 18, 2005.

Registered Office: 'The IL&FS Financial Centre', Plot No. C 22, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051, India

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Contact Person: Mr. Krishna Ghag, Company Secretary and Compliance Officer

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Corporate Identity Number: L45203MH2000PLC129790

PROMOTER OF OUR COMPANY: INFRASTRUCTURE LEASING & FINANCIAL SERVICES LIMITED

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY ONLY

ISSUE OF 82,240,007 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") FOR CASH AT A PRICE OF ₹ 90 PER EQUITY SHARE ("ISSUE PRICE") INCLUDING A PREMIUM OF ₹ 80 PER EQUITY SHARE AGGREGATING UP TO ₹ 7,401.60 MILLION BY IL&FS TRANSPORTATION NETWORKS LIMITED (THE "COMPANY" OR THE "ISSUER") TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY ON RIGHTS BASIS IN THE RATIO OF ONE EQUITY SHARES FOR EVERY THREE EQUITY SHARES HELD ON OCTOBER 8, 2015 (THE "RECORD DATE") (THE "ISSUE"). THE ISSUE PRICE IS 9 TIMES OF THE FACE VALUE OF THE EQUITY SHARES. THE ENTIRE ISSUE PRICE FOR THE EQUITY SHARES IS PAYABLE ON APPLICATION.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer. **Investors are advised to refer to the section titled "Risk Factors" on page 12 before making an investment in the Issue.**

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Letter of Offer is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Equity Shares are listed on the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"). The Equity Shares offered through this Letter of Offer are proposed to be listed on the BSE and the NSE. Our Company has received "in-principle" approval from BSE and the NSE for listing of the Equity Shares to be allotted pursuant to the Issue vide letters dated September 30, 2015. The NSE shall be the Designated Stock Exchange for the Issue.

LEAD MANAGER TO THE ISSUE

REGISTRAR TO THE ISSUE



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Link Intime India Private Limited

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SEBI Registration Number: INR000004058
CIN: U67190MH1999PTC118368

ISSUE PROGRAMME

ISSUE OPENS ON

October 15, 2015

LAST DATE FOR RECEIPT OF REQUEST FOR SPLIT APPLICATION FORMS

October 23, 2015

ISSUE CLOSES ON

October 29, 2015

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SECTION I - GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or requires, the following terms shall have the meanings given below in this Letter of Offer. References to statutes, enactments or regulations shall include any amendments and supplements thereto made from time to time.

Issuer and Industry Related Terms

Term	Description
Articles/ Articles of Association/ AoA	The articles of association of our Company, as amended from time to time.
Auditors	The statutory auditors of our Company, being M/s Deloitte Haskins & Sells LLP, Chartered Accountants.
Board/ Board of Directors/ our Board/ Committee of Directors	Board of Directors of our Company or a duly constituted committee thereof, as the context may refer to.
Directors/ our Directors	Directors of our Company.
Equity Shares	The equity shares of our Company of face value ₹ 10 each.
Eligible Equity Shareholders	The holders of Equity Shares, as on the Record Date i.e. October 8, 2015
Group Companies	Such companies as defined in Schedule VIII of the SEBI Regulations, including the Subsidiaries, Associates, Joint Ventures and any other entities covered under Accounting Standards-18.
IL&FS Transportation Networks Limited/ Company	IL&FS Transportation Networks Limited, a company incorporated under the provisions of the Companies Act, 1956.
Material Affiliates	Material Affiliates shall mean Chongqing Yuhe Expressway Company Limited, Noida Toll Bridge Company Limited, Road Infrastructure Development Company of Rajasthan Limited, N.A.M. Expressway Limited, Thiruvananthapuram Road Development Company Limited, Warora Chandrapur Ballarpur Tollroad Company Limited, Jorabat Shillong Expressway Limited and Ramky Elsamex Hyderabad Ring Road Limited.
Memorandum/ Memorandum of Association	The memorandum of association of our Company, as amended from time to time.
Promoter/ IL&FS	The promoter of our Company, being Infrastructure Leasing & Financial Services Limited.
Promoter Group	Includes the Promoter and entities covered by the definition under regulation 2(1)(zb) of the SEBI Regulations.
Registered Office	The IL&FS Financial Centre, Plot No. C 22, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051, India.
“Subsidiaries” or “our Subsidiaries”	The direct and indirect subsidiaries of our Company.
“our Company” or “we” or “us” or “our”	IL&FS Transportation Networks Limited and its Subsidiaries.

Issue Related Terms and Abbreviations

Term	Description
Abridged Letter of Offer	The abridged letter of offer to be sent to the Eligible Equity Shareholders, in accordance with the SEBI Regulations and the Companies Act.
Allotment	The allotment of Equity Shares pursuant to the Issue.
Allotment Date	The date on which Allotment is made.
Allottee(s)	An Investor who is Allotted Equity Shares pursuant to Allotment.
Application	Application made between the Issue Opening Date and the Issue Closing Date, whether submitted by way of CAF or on plain-paper, to subscribe to the Equity Shares issued pursuant to the Issue at the Issue Price, including applications by way of the ASBA process.
Application Money	The aggregate amount payable in respect of the Equity Shares applied for in the Issue at the Issue Price.
“ASBA” or “Application Supported by Blocked Amount”	Application supported by blocked amount, i.e., the Application (whether physical or electronic) used to apply for Equity Shares in the Issue, together with an authorisation to an SCSB to block the Application Money in the ASBA Account.
ASBA Account	An account maintained with an SCSB which will be blocked by such SCSB to the extent of the Application Money, as specified in the CAF or plain paper Applications, as the case may be.
ASBA Investor	An Investor applying in the Issue through an account maintained with an SCSB. In

Term	Description
	terms of the circular (no. CIR/CFD/DIL/1/2011) dated April 29, 2011, all QIBs and Non Institutional Investors are mandatorily required to make Applications in the Issue through the ASBA process. Further in terms of SEBI circular no. SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, for being eligible to apply in the Issue through the ASBA process, an Eligible Equity Shareholder: (a) should hold the Equity Shares in dematerialised form as on the Record Date and has applied for his Rights Entitlement and/ or additional Equity Shares in dematerialised form; (b) should not have renounced his/ her Rights Entitlement in full or in part; (c) should not be a Renouncee; and (d) must apply through blocking of funds in an account maintained with an SCSB.
CAF/ Composite Application Form	The application form used by Investors to make an Application for Allotment.
Category III foreign portfolio investor(s)	Includes all other investors who are not eligible under category I and category II foreign portfolio investors (as defined under the SEBI FPI Regulations) such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices.
Controlling Branches	The branches of the SCSBs which coordinate with the Registrar to the Issue and the Stock Exchange and a list of which is available at http://www.sebi.gov.in .
Designated Branches	Such branches of the SCSBs which shall collect the CAF or the plain paper Application, as the case may be, from the ASBA Investors and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries .
Demographic Details	Demographic details of Investors available with the Depositories, including address and bank account details.
Depository	A depository registered with the SEBI under the Depository Regulations.
DP	Depository Participant.
Designated Stock Exchange	NSE
Escrow Collection Bank	IndusInd Bank Limited
Foreign Portfolio Investor(s)/FPI(s)	Foreign portfolio investor under the SEBI (Foreign Portfolio Investors) Regulations.
Investor(s)	Eligible Equity Shareholder(s), Renouncee(s) and any other persons eligible to subscribe in this Issue applying in the Issue.
Issue/ the Issue/ this Issue	Issue of 82,240,007 Equity Shares for cash at a price of ₹ 90 per Equity Share including a premium of ₹ 80 per Equity Share aggregating up to ₹ 7,401.60 million by the Company to the Eligible Equity Shareholders of our Company on a rights basis of 1 Equity Share for every 3 Equity Shares held on the Record Date.
Issue Closing Date	October 29, 2015.
Issue Opening Date	October 15, 2015.
Issue Price	₹ 90 per Equity Share.
Issue Proceeds	The gross proceeds raised through the Issue.
Lead Manager	JM Financial Institutional Securities Limited
Letter of Offer	This letter of offer dated October 6, 2015 filed with the Stock Exchanges.
Listing Agreement(s)	The equity agreement(s) entered into between us and the Stock Exchanges.
Net Proceeds	The Issue Proceeds less Issue related expenses.
Non – ASBA Investor	All Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process.
Non-Institutional Investors	An Investor other than a Retail Individual Investor and Qualified Institutional Buyers.
QIBs/ Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI Regulations
Record Date	October 8, 2015
Refund Banker(s)	IndusInd Bank Limited
Registrar and Transfer Agent	The registrar and transfer agent of our Company, being Link Intime India Private Limited.
Registrar/ Registrar to the Issue	Link Intime India Private Limited.
Renouncees	Persons who have acquired Rights Entitlements from Eligible Equity Shareholders, and have applied as Non-ASBA Investor.
Retail Individual Investors	Individual Investors who have applied for Equity Shares for an amount less than or equal to ₹ 200,000 in the Issue (including HUFs applying through the Karta).
Rights Entitlement	1 Equity Share that an Equity Shareholder is entitled to apply for under the Issue for every 3 fully paid up Equity Share(s) held as on the Record Date.

Term	Description
Self Certified Syndicate Bank or SCBS	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, and offers services of ASBA, including blocking of bank account and a list of which is available on http://www.sebi.gov.in .
Split Application Form(s)	The application form(s) used in case of renunciation in part by an Eligible Equity Shareholder in favour of one or more Renouncees.
Stock Exchanges	BSE and NSE where the Equity Shares are presently listed.

Conventional/ General Terms and References to other Entities

Term	Description
Air Act	The Air (Prevention And Control Of Pollution) Act, 1981.
Act/ Companies Act	The Companies Act, 1956 and the Companies Act, 2013
APEL	Andhra Pradesh Expressway Limited.
CESTAT	Customs, Excise and Service Tax Appellate Tribunal.
Competition Act	Competition Act, 2002.
Contract Labour Act	The Contract Labour (Regulation and Abolition) Act, 1970.
CHDCL	Chhattisgarh Highway Development Company Limited.
DBFMO	Design, Build, Finance, Maintenance and Operation
DBFMT	Design, Build, Finance, Maintenance and Transfer.
Depository Regulations	The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.
Environment Protection Act	The Environment (Protection) Act, 1986
FCNR Account	Foreign Currency Non Resident Account.
FEMA Regulations	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and amendments thereto.
FII	Foreign institutional investors as defined under Regulation 2(1)(g) of the SEBI FPI Regulations
Financial Year/ Fiscal/ FY	Period of twelve months ended 31 March of that particular year.
GRICL	Gujarat Road and Infrastructure Company Limited.
ICRA Report	Report dated August 2015 titled “Indian Road Sector” issued by ICRA Limited.
IFRS	International Financial Reporting Standards.
IFIN	IL&FS Financial Services Limited.
IL&FS	Infrastructure Leasing & Financial Services Limited.
IL&FS Capital	IL&FS Capital Advisors Limited.
IT Act	The Income Tax Act, 1961.
Indian GAAP	Generally Accepted Accounting Principles in India.
JARDCL	Jharkhand Accelerated Road Development Company Limited.
JRPICL	Jharkhand Road Projects Implementation Company Limited.
Mutual Fund	Mutual fund registered with SEBI under the Mutual Fund Regulations.
Mutual Fund Regulations	The Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
NKEL	North Karnataka Expressway Limited.
NRE Account	Non Resident External Account.
NRO Account	Non Resident Ordinary Account.
“Non Resident” or “NR”	Non-resident or person(s) resident outside India, as defined under the FEMA, including FPIs and FVCIs.
Regulation S	Regulation S under the Securities Act.
RIDCOR	Road Infrastructure Development Company of Rajasthan Limited.
“Rs.” Or “INR” or “Rupees” or “₹”	Indian Rupees.
SEBI Act	The Securities and Exchange Board of India Act, 1992.
SEBI Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
SEBI FPI Regulations / SEBI (Foreign Portfolio Investors) Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992.
Securities Act	The United States Securities Act of 1933, as amended.
Takeover Code	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
Transfer of Property Act	The Transfer of Property Act, 1882.
U.S./ USA/ United States	United States of America, including the territories or possessions thereof.
Water Act	The Water (Prevention & Control Of Pollution) Act, 1974

Term	Description
WGEL	West Gujarat Expressway Limited.

Industry/ Project Related Terms, Definitions and Abbreviations

Term	Description
AGM	Annual general meeting.
AS	Accounting Standards.
AY	Assessment Year.
BOO	Build own and operate.
BOOT	Build own operate transfer.
BOT	Build operate transfer, and includes BOO, BOOT and DBFOT.
BSE	BSE Limited.
CAGR	Compounded Annual Growth Rate.
CDSL	Central Depository Services (India) Limited.
CEO	Chief Executive Officer.
COD	Commercial Operations Date.
CRAR	Capital-to-Risk Asset Ratio.
CRR	Cash Reserve Ratio.
DBFOT	Design, build, finance, operate and transfer.
DORTH	Department of Road Transport and Highways.
DP ID	Depository Participant's Identity.
EBITDA	Earnings before interest, tax, depreciation and amortization.
ECB	External Commercial Borrowings.
ECS	Electronic Clearing Service.
EGM	Extraordinary general meeting.
EPC	Engineering, procurement and construction.
FDI	Foreign direct investment, as laid down in the Consolidated FDI Policy dated May 12, 2015
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations promulgated thereunder and any amendments thereto.
FIR	First Information Report.
GAAP	Generally Accepted Accounting Principles.
GDP	Gross Domestic Product.
GOI/ GoI/ Government	Government of India.
GIS	Geographic Information System.
HUF	Hindu Undivided Family.
IDC	Interest During Construction or Internal Development Charges, as the context may require.
IPC	The Indian Penal Code, 1860.
IRDA	Insurance Regulatory and Development Authority.
km.	Kilometres.
Lane Km.	A measurement unit generally used in the road industry to represent the length and width of roads. One Lane Km. equals one kilometre long and single lane road which is generally three-and-a-half meters wide. Lane Kms are computed based on the length of road specified under the concession agreements, multiplied by the number of lanes.
LIBOR	London Interbank Offered Rate.
MDR	Major district road.
MT	Metric tonne.
MODVAT	Modified Value Added Tax.
NECS	National Electronic Clearing Services.
NEFT	National Electronic Fund Transfer.
NH	National Highway.
NHAI	National Highways Authority of India.
NHDP	National Highways Development Project.
NRI	Non Resident Indian, is a person resident outside India, as defined under FEMA and the FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
NSDL	National Securities Depositories Limited.
NSE	National Stock Exchange of India Limited.
OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the FEMA Regulations and which was in existence on October 3, 2003 and immediately

Term	Description
	before such date had taken benefits under the general permission granted to OCBs under the FEMA.
OMT	Operate, maintain and transfer.
O&M	Operations and maintenance.
p.a.	Per annum.
PAN	Permanent Account Number allotted under the IT Act.
PBDIT	Profit before depreciation, interest and taxes.
PPP	Public private partnership.
PMIS	Project Management Information System.
PPPAC	Public Private Partnership Appraisal Committee
RBI	The Reserve Bank of India.
ROBs	Road over bridges or railways over bridges, as the context may refer to, in respect of our projects.
RTGS	Real Time Gross Settlement.
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act.
SLR	Statutory Liquidity Ratio.
Stock Exchanges	BSE and NSE.
STT	Securities Transaction Tax.
SH	State Highway.
Sq. ft.	Square foot.
Sq. mt.	Square meter.
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
VAT	Value Added Tax.
VOC	Vehicle operating cost.
VOT	Vehicle operating time.

Notwithstanding the foregoing, terms in sections titled “*Statement of Tax Benefits*”, “*Financial Information*” and “*Outstanding Litigation and Defaults*” on pages 70, 99 and 380, respectively, have the meanings given to such terms in these respective sections.

OVERSEAS SHAREHOLDERS

The distribution of this Letter of Offer, the Abridged Letter of Offer or CAS and the Issue to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons who come into possession of this Letter of Offer are required to inform themselves about and observe such restrictions. The Company is making the Issue on a rights basis to Eligible Equity Shareholders and will dispatch the Abridged Letter of Offer and Composite Application Form to only those shareholders who have a registered address in India or who have provided an Indian address to our Company.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, Abridged Letter of Offer or any offering materials or advertisements in connection with the Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer or Abridged Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Letter of Offer must be treated as sent for information only and should not be copied or redistributed. Accordingly, persons receiving a copy of this Letter of Offer or the Abridged Letter of Offer should not, in connection with the Issue or the Rights Entitlements, distribute or send this Letter of Offer or Abridged Letter of Offer in or into jurisdictions where it would or might contravene local securities laws or regulations. If this Letter of Offer is received by any person in any such territory, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlements referred to in this Letter of Offer and the Abridged Letter of Offer.

Neither the delivery of this Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer.

NO OFFER IN THE UNITED STATES

The Rights Entitlement and the Equity Shares offered in this Issue have not been and will not be registered under the United States Securities Act of 1933 as amended ("**Securities Act**"), or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof, or to, or for the account or benefit of U.S. Persons (as defined in Regulation S of the Securities Act ("**Regulation S**")), except in a transaction exempt from the registration requirements of the Securities Act. The offering to which this Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said Equity Shares offered in this Issue or Rights Entitlement. Accordingly, this Letter of Offer and the enclosed CAF should not be forwarded to or transmitted in or into the United States at any time.

Neither we nor any person acting on behalf of us will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who we or any person acting on behalf of us has reason to believe is, either a U.S. Person or otherwise in the United States when the buy order is made. Envelopes containing a CAF should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Equity Shares in this Issue and wishing to hold such Equity Shares in registered form must provide an address for registration of the Equity Shares in India. We are making the Issue on a rights basis to Eligible Equity Shareholders and the Letter of Offer and CAF will be dispatched only to Eligible Equity Shareholders who have an Indian address. Any person who acquires rights and the Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed, (i) that it is not and that at the time of subscribing for such Equity Shares or the Rights Entitlements, it will not be, in the United States, (ii) it is not a U.S. Person and does not have a registered address (and is not otherwise located) in the United States when the buy order is made, and (iii) it is authorised to acquire the rights and the Equity Shares in compliance with all applicable laws and regulations.

We reserve the right to treat any CAF as invalid which: (i) does not include the certification set out in the CAF to the effect that the subscriber is not a U.S. Person and does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the Equity Shares offered in the Issue or Rights Entitlement in compliance with all applicable laws and regulations; (ii) appears to us or our agents to have been executed in or dispatched from the United States; (iii) appears to us or our agents to have been executed by a U.S. Person; (iv) where a registered Indian address is not provided; or (v) where we believe that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements; and we shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such CAF.

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

Unless otherwise specified or the context otherwise requires, all references to “India” in this Letter of Offer are to the Republic of India, together with its territories and possessions, and all references to the “US”, the “USA”, the “United States” or the “U.S.” are to the United States of America, together with its territories and possessions. Unless the context otherwise requires, a reference to the “Company” is a reference to IL&FS Transportation Networks Limited and unless the context otherwise requires, a reference to “we”, “us” and “our” refers to IL&FS Transportation Networks Limited and its Subsidiaries, as applicable in the relevant fiscal period.

References to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

Financial Data

In this Letter of Offer, we have included (i) our audited standalone financial statements for the Fiscal 2015; (ii) our audited consolidated financial statements for the Fiscal 2015; (iii) our unaudited condensed standalone financial statements for the three-month period ended June 30, 2013; and (iv) our unaudited condensed consolidated financial statements for the three-month period ended June 30, 2013 along with the respective reports issued by Deloitte Haskins & Sells LLP.

Our fiscal year commences on April 1 and ends on March 31 of the next year. Unless stated otherwise, reference herein to a particular “financial year” or “fiscal year” or “Fiscal” are to the 12-month period ended March 31 of that year.

The Company prepares its financial statements in accordance with the generally accepted accounting principles in India, which differ in certain respects from generally accepted accounting principles in other countries. Indian GAAP differs in certain significant respects from IFRS. The Company publishes its financial statements in Indian Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Letter of Offer have been derived from industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that the industry and market data used in this Letter of Offer is reliable, neither we nor the Lead Manager nor any of their respective affiliates nor advisors have prepared or verified it independently. The extent to which the market and industry data used in this Letter of Offer is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled “*Risk Factors*” on page 12. Accordingly, investment decisions should not be based on such information.

Currency of Presentation

All references to “Rs.” or “INR” or “Rupees” or “₹” refer to Indian Rupees, the lawful currency of India. Any reference to “USD” or “US\$” or “\$” refers to the United States Dollar, the lawful currency of the United States of America. All references to “Euro” or “Eur” or “€” are to the single currency of the participating member states in the Third Stage of the European Economic and Monetary Union of the treaty establishing the European Community, as amended from time to time.

FORWARD-LOOKING STATEMENTS

We have included statements in this Letter of Offer which contain words or phrases such as “will”, “aim”, “is likely to result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward – looking statements”. Similarly, statements that describe our objectives, strategies, plans or goals are also forward-looking statements.

All forward – looking statements in this Letter of Offer are based on our current plans and expectations and are subject to a number of uncertainties, assumptions and risks that could significantly affect our current plans and expectations, and our future financial condition and results of operations and may differ materially from those contemplated by the relevant forward-looking statement. These factors include, but are not limited to:

- volatility in interest rates and other market conditions;
- general political economic and business conditions in India and other countries;
- the performance of the Indian and global financial markets;
- our ability to successfully implement our strategy, our growth and expansion plans and technological changes;
- changes in competition in the industries we operate in, including the surface transport infrastructure sector;
- performance of the Indian debt and equity markets;
- occurrence of natural calamities or natural disasters affecting the areas in which we have operations;
- changes in toll rates or the concession arrangements under which we operate;
- failure to commence operations of our projects as expected;
- our inability to raise the necessary funding for our capital expenditures, including for the development of our projects; and
- changes in laws and regulations that apply to companies in India, to our clients, suppliers and the surface transport infrastructure sector;

For a further discussion of factors that could cause our actual results to differ, see the sections titled “*Risk Factors*” and “*Our Business*” on pages 12 and 78 respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

Neither our Company, the Lead Manager, nor any of its respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI and Stock Exchange requirements, our Company will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges.

SECTION II - RISK FACTORS

An investment in equity shares involves a high degree of risk. Investors should carefully consider all the information in this Letter of Offer, including the risks and uncertainties described below, before making an investment in our Equity Shares. If any of the following risks actually occur, our business, results of operations and financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. The risks and uncertainties described below are not the only risks that we currently face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations and financial condition. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risks where the effect is not quantifiable and hence has not been disclosed in the applicable risk factors.

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing all or a part of their investment. Investors are advised to read the risk factors described below carefully before making an investment decision in this Issue. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including the merits and risks involved. To obtain a complete understanding, this section should be read in conjunction with the sections titled "Our Business" on page 78, as well as the financial statements and other financial information included elsewhere in this Letter of Offer.

This Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including considerations described below and in the section titled "Forward Looking Statements" on page 11.

INTERNAL RISK FACTORS

Risks related to our Business

- 1. Our business is significantly dependent on policies of the Government of India and various government entities in India and other countries in which we have operations and could be materially and adversely affected if there are adverse changes in such policies.***

Our business is significantly dependent on various central and state government entities, in terms of policies, incentives, budgetary allocations and other resources provided by these entities for the surface transportation industry, as well as in terms of the contractual arrangements, concessions and other incentives we receive from these government entities for our existing and potential projects. Sustained increases in budgetary allocations by the Central Government and various state governments for investments in the infrastructure sector, the development of structured and comprehensive infrastructure policies that encourage greater private sector participation and increased funding by international and multilateral development financial institutions in infrastructure projects in India have resulted in and are expected to continue to result in increase in the amount of transportation infrastructure projects undertaken in India. Any adverse change in the focus or policy framework regarding infrastructure development or the surface transportation industry, of the Government and various government entities in India and other countries in which we have operations, could adversely affect our existing projects and opportunities to secure new projects.

Additionally, the projects in which government entities participate may be subject to delays, extensive internal processes, policy changes, changes due to local, national and internal political pressures and changes in governmental or external budgetary allocation and insufficiency of funds. Since government entities are responsible for awarding concessions and maintenance contracts to us and a party to the development and operations of our projects, our business is directly and significantly dependent on their support. Any withdrawal of support or adverse changes in their policies, though not quantifiable monetarily, may lead to our agreements being restructured or renegotiated and could also materially and adversely affect our financing, capital expenditure, revenues, development or operations relating to our existing projects as well as our ability to participate in competitive bidding or bilateral negotiations for our future projects.

- 2. Our ability to negotiate standard form government contracts may be limited and we may be forced to accept unusual or onerous provisions in such contracts.***

We rely on government-owned entities (within and outside India), such as NHAI, the Public Works Department and Departments of Road Transport and Highways of state governments for our revenues. Political or financial pressures could cause them to force us to renegotiate our contracts and could adversely affect their ability to pay. For example, NHAI's revenues are dependent upon grants from the Government of India, premiums from private road developers and cash flows generated by its toll road operations, and if such revenues are not sufficient to discharge its liabilities, there may be pressure to reduce the payments we are entitled to receive from NHAI. We cannot assure that the payments we are entitled to receive under our road concession agreements will not be subject to reductions by government entities. Any such reduction, if material, could materially and adversely affect our business, prospects and results of operations. In addition, our ability to negotiate the terms of contracts with government-owned entities is limited and we may be forced to accept unusual or onerous provisions in such contracts in order to be hired for the projects. Such provisions may limit amounts we recover for our services or cause us to incur additional costs not typically borne by us.

3. Our financial condition and business prospects could be materially and adversely affected if we do not complete our projects as planned or if our projects experience delays.

Our projects under development have a long gestation period before they become operational or generate profit. Our projects are typically required to achieve financial closure no later than the commencement of construction as specified under the relevant concession agreement. The completion targets for our projects are based on our estimates and are subject to various risks, including, among other things, contractor performance shortfalls, unforeseen engineering problems, *force majeure* events, unanticipated cost increases or changes in scope and delays in obtaining certain property rights and government approvals, fluctuations in market interest rates, changes in governmental policies or budgetary allocations any of which could give rise to delays, cost overruns or the termination of a project's development.

In projects where we experience such events, we typically submit a claim for change in scope or an x-factor claim for costs incurred due to delays or overruns. Such claims, which are often of a significant amount, are recommended by the independent consultants appointed in relation to the concessions, and then approved by NHAI, which is a time-consuming process. There can be no assurance that claims made by us will be accepted by NHAI and we will be compensated for additional costs incurred without considerable delay, or at all.

In addition, completion of our projects can be delayed by other risks, including increased raw material or labor costs, unfavorable financing conditions, damage or injury to third parties, interruptions to construction due to bad weather, unforeseen environmental or engineering problems, failure to perform by our contractors or their suppliers, site accidents or other incidents and contractual disputes with our construction contractors. We may also experience disruptions to our operations due to disputes with, or strikes, lock-outs or protests by our work force or the local public, including because of political unrest or agitation, which may adversely affect our business. We enter into contracts with independent contractors to complete specified assignments, and typically do not directly engage the labour necessary to complete such assignments. Pursuant to a notification dated July 17, 2014 issued by the Ministry of Labour & Employment, Government of India, it has been clarified that with respect to projects undertaken in the BOT-PPP mode, NHAI would be the principal employer, and the concessionaires would be the contractors for the purposes of the Contract Labour (Regulation and Abolition) Act, 1970 and the rules made thereunder. As a result, we are likely to be held responsible for wage payments to labourers engaged by contractors should the contractors default on wage payments, or may even be required to absorb a portion of such contract labourers as permanent employees.

We also may not be able to recover costs incurred during the concession period from the relevant authorities as per the terms of the concession agreements in a timely manner, or at all. For instance, in relation to the bus services being provided in Nagpur, we have sent a notice of demand cum reference of dispute to arbitration to the Nagpur Municipal Corporation ("**NMC**") in August 2014, for reimbursement of costs incurred in providing concessions to passengers in accordance with the terms of the concession agreement, which are recoverable from NMC. There can be no assurance that we will be successful in recovering this amount, or similar amounts claimed from concessioning authorities in the future.

The failure to complete our projects within the required period and in accordance with agreed specifications could render benefits granted by the government unavailable or may result in higher costs, penalties or liquidated damages, invocation of performance guarantees, cancellation of our concession, loss of our equity contribution in the project, lower returns on capital or reduced earnings. In addition, such delays or failure would delay the commencement of our toll operations and annuity payments from such projects. Moreover, any loss of our goodwill, though not quantifiable monetarily, could adversely affect our ability to pre-qualify for new projects.

Such loss of revenue or any of the foregoing factors could materially and adversely affect our business, cash flows, reputation, prospects and results of operations.

4. *Our business is working capital intensive and we may not be able to finance our working capital needs or secure other financing when needed on acceptable commercial terms.*

Our business is working capital intensive. In many cases, significant amounts of working capital are required to finance the purchase of materials, the hiring of equipment and the performance of engineering, construction and other work on projects before payments are received from clients. In certain cases, we are contractually obligated to our clients to fund the working capital requirements of our projects. Funding our working capital requirements requires access to debt at reasonable interest rates. If interest rates increase, our ability to service our debt and our ability to obtain additional debt for future projects could be adversely affected with a concurrent adverse effect on our financial position and results of operations.

Our working capital requirements may increase if, under certain contracts, payment terms do not include advance payments or such contracts have payment schedules that shift payments toward the end of a project or otherwise increase our working capital burdens. Our Company has, in the past, on an unconsolidated basis experienced negative cash flows from operating activities due to increase in the working capital of our Company. Our working capital requirements have increased in recent years because we have undertaken a growing number of large projects and more projects with an overlapping timeframe and due to the growth of our Company's business generally. All of these factors have resulted and will continue to result in increases in our working capital needs.

Due to various factors, including certain extraneous factors such as changes in interest rates or borrowing and lending restrictions, we may not be able to finance our working capital needs or secure other financing when needed on acceptable commercial terms. Any such situation would adversely affect our business and growth prospects.

5. *We do not have a controlling interest in some of our joint ventures, associate companies and SPVs and our business will be adversely affected if the interests of our joint venture partners or associates do not align with our interests or our shareholders' interests or if they discontinue their arrangements with us.*

We do not have controlling interests in certain of our joint ventures, associate companies and SPVs. For further details see the section titled "*Financial Information*" on page 99. As a result, our joint venture partner or associates may:

- be unable or unwilling to fulfill their obligations, whether of a financial nature or otherwise, including enforcing our right to consolidate our shareholding in these entities;
- have economic or business interests or goals that are inconsistent with ours;
- take actions contrary to our instructions or requests or contrary to the joint ventures' policies and objectives;
- take actions that are not acceptable to regulatory authorities;
- have financial difficulties;
- have disputes with us; or
- take actions which may be in conflict with our and our shareholders' interests.

We may also need the cooperation and consent of joint venture partners or associates in connection with project operations, which may not always be forthcoming and we may not always be successful in managing our relationships with such partners. Any joint venture partner or associate disputes leading to deadlock could cause delays and/or impact our operations while the matter is being resolved. Additionally, if any of our joint venture partners or associates discontinues its arrangements with us, is unable to provide expected expertise, resources or assistance, or competes with us for business opportunities that are attractive to us, we may not be able to find a substitute for such strategic partner immediately or at all. As a result, such entities may not be able to qualify for new contracts, complete existing projects or obtain new projects. Further, we may be jointly and severally liable for the performance of obligations by our joint venture partners or co-sponsors if they discontinue their arrangements with us. As we do not have controlling interest in such joint ventures, associates and SPVs, we may not be able to assure you that such companies have all obtained all approvals and are in compliance with all applicable laws and regulations in relation to their business and operations. Further, such companies may be involved in legal and regulatory proceedings from time to time, and we cannot assure you that such proceedings will not be adversely decided against them. Any of the foregoing factors, though not quantifiable monetarily, will materially and adversely affect our business, prospects, financial condition and results of operations.

6. *We are subject to risks associated with debt financing in our loan arrangements and the limitations imposed on us by our loan arrangements could have significant adverse consequences.*

We have substantial indebtedness on account of loans availed from Indian and overseas financial institutions, and will continue to have substantial indebtedness and debt service obligations following the Issue. We are therefore subject to various risks associated with debt financing. Our level of debt and the limitations imposed on us by our current or future loan arrangements could have significant adverse consequences, including, but not limited to, the following:

- our cash flows may be insufficient to meet our required principal and interest payments;
- payments of principal and interest on borrowings may leave us with insufficient cash resources to fund our operations or make new strategic acquisitions;
- we may be unable to borrow additional funds as needed or on favorable terms;
- the duration of cash flows from our assets may not match the duration of the related financing arrangements and we may be exposed to refinancing risk. We may be unable to refinance our indebtedness at maturity or the refinancing terms may be less favorable than the terms of the original indebtedness;
- fluctuations in market interest rates may adversely affect the cost of our borrowings, since the interest rates on most of our borrowings may be subject to changes based on the prime lending rate of the respective bank lenders;
- we may be subject to certain restrictive covenants, which may limit or otherwise adversely affect our operations, such as our ability to incur additional indebtedness, acquire properties, make certain other investments or make capital expenditures;
- we may also be subject to certain affirmative covenants, which may require us to set aside funds or reserves for maintenance or repayment of security deposits or maintain debt servicing or leverage ratios within a certain level;
- we may be more vulnerable to economic downturns, may be limited in our ability to withstand competitive pressures and may have reduced flexibility in responding to changing business, regulatory and economic conditions;
- we may be subject to adverse revisions to our credit ratings for domestic and international debt by rating agencies; and
- we cannot assure you that we will generate cash in an amount sufficient to enable us to service our debt or fund other liquidity needs. In addition, we may need to refinance all or a portion of our debt on or before maturity. We cannot assure you that we will be able to refinance any of our debt on commercially reasonable terms, or at all.

A significant portion of our loans are repayable within 24 months from the date of disbursement. As of June 30, 2015, the aggregate amount of our Company's borrowed funds was ₹ 80,517.88 million on a standalone basis and ₹ 248,322.32 million on a consolidated basis. Our debt-equity ratio, as of June 30, 2015 stood at 2.50 : 1 and 4.50: 1 on a standalone and consolidated basis, respectively. For further details see the section titled "*Financial Information*" on page 99.

7. *We are subject to certain restrictive covenants under financing arrangements entered into by us.*

Certain loan agreements entered into by us with our lenders contain restrictive covenants, such as requiring consent of the lenders, inter alia, for issuance of new shares, creating further encumbrances on its assets, disposing of its assets and declaring dividends or incurring capital expenditures beyond certain limits. Some of these loan agreements also contain covenants which limit our ability to make any change or alteration in our capital structure, our Memorandum and Articles, make investments and affect any scheme of amalgamation or restructuring. There can be no assurance that we will be able to comply with the financial and other covenants imposed by the loan agreements in the future. In addition, our Subsidiaries, joint ventures and associates, also have entered into various financing arrangements and we cannot assure that they are and shall continue to be in compliance with all conditions and covenants stipulated under the financing arrangements.

Any failure by us, our by our Subsidiaries, joint ventures or associates to service our indebtedness, maintain the required security deposits, maintain debt/equity ratios or otherwise perform our obligations under financing agreements could lead to a termination of one or more of our credit facilities, trigger cross default provisions, penalties and acceleration of amounts due under such facilities, or enforcement of substitution rights by the lenders. As a result, we may lose certain or all of our concession rights over the project and the entity substituted by our

lender may replace us as the concessionaire to implement the project, any of which may adversely affect our business, financial condition and results of operations.

8. There can be no assurance that we may be able to successfully undertake future acquisitions or efficiently manage the businesses we have acquired or may acquire in the future.

Our growth strategy in the future may involve strategic acquisitions, partnerships and exploration of mutual interests with other parties. We intend to continue looking for opportunities for enhancing our international footprint by partnering selectively with local businesses in other jurisdictions and by pursuing projects in other countries. In December 2011, we acquired 49% stake in Chongqing Yuhe Expressway Company Limited through our Subsidiary, ITNL International Pte Limited. While we intend to further expand our geographical reach through such joint ventures, we may not be able to identify or conclude appropriate or viable acquisitions in a timely manner, or be able to raise capital to effectively finance our existing equity investments in existing projects. The success of our past acquisitions and any future acquisitions will depend upon several factors, including the ability to identify and acquire businesses on a cost-effective basis, ability to integrate acquired personnel, operations, products and technologies into our organization effectively, unanticipated problems or legal liabilities of the acquired businesses and tax or accounting issues relating to the acquired businesses. We cannot assure you that these proceedings will be resolved in favour of the acquisitions in a timely manner, or at all and any adverse decision in these proceedings could affect our business, reputation and results of operations. Therefore, there can be no assurance that we will be able to achieve the strategic purpose of such an acquisition or operational integration or an acceptable return on such an investment.

9. Our ability to invest in overseas subsidiaries and joint ventures may be constrained by Indian and foreign laws.

Under the ODI Regulations, an Indian company is, subject to certain exceptions, permitted to invest in overseas joint ventures or wholly owned subsidiaries, not exceeding 400% of the Indian company's net worth as at the date of its last audited balance sheet under the automatic route. However, any financial commitment exceeding USD 1 billion, or its equivalent, in a financial year would require the prior approval of the RBI even when the total financial commitment of the Indian company is within 400% of the net worth as per the last audited balance sheet. This limitation also applies to any other form of financial commitment by the Indian company, including in terms of any loan, guarantee or counter guarantee issued by such Indian company. Further, there may be limitations stipulated in the country where we may propose to make an investment or acquisition. These limitations on overseas direct investment could constrain our ability to acquire or increase our stake in overseas entities as well as to provide other forms of financial assistance or support to such entities, which may adversely affect our growth strategy and business prospects.

10. We are dependent on our Promoter to successfully source and implement certain of our projects and business objectives and in the event it does not continue to support us in the future, we may not be able to bid for or win new projects or sustain and implement our existing projects which may have a material adverse effect on our business strategy, results of operations and financial condition.

We are highly dependent on our Promoter for the successful implementation and completion of certain of our projects. For instance, we are dependent on our Promoter to meet pre-qualification criterion and negotiation of bilateral contracts with state governments, during the competitive bidding process and for arranging financing for certain of our projects. In the event our Promoter does not continue to support us in the future and though not quantifiable monetarily, we may not be able to bid for or win new projects or sustain and implement our existing projects, which may have a material adverse effect on our business strategy, results of operations and financial condition.

11. We may continue to be controlled by our Promoter following this Issue and our other shareholders may not be able to affect the outcome of shareholder voting.

As on June 30, 2015, our Promoter holds 69.49% of our fully paid up equity share capital, and will continue to hold the majority of our equity share capital post the completion of this Issue. Consequently, our Promoter would exercise substantial control over us and determine the outcome of proposals for certain corporate actions requiring approval of our Board or shareholders. Our Promoter will be able to influence our major policy decisions. This control could also delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from obtaining control of our Company even if it is in our best interests. The interests of our controlling shareholders could conflict

with the interests of our other shareholders, including the holders of the Equity Shares, and the controlling shareholders could make decisions that adversely affect your investment in the Equity Shares.

12. All of the Equity Shares held by our Promoter are encumbered.

Our Promoter, as on June 30, 2015, held 69.49% of our equity share capital. 100% of such Equity Shares held by our Promoter, i.e. 69.49 % of our equity share capital, are currently included in the common pool of assets, consisting primarily of group investments, on which charge has been created for the benefit of the certain lenders of our Promoter, which has been disclosed to the Stock Exchanges and carry the risk associated with such encumbrance. For further details in this regard, see the section titled “*Capital Structure*” on page 58.

13. Our international projects expose us to certain execution risks.

We have significant international operations. For further details, see the section titled “*Our Business – International Operations*” on page 81. Our international operations contribute significantly to our revenue and expenses. For any geographic expansion outside India, we may have to use sub-contractors with whom we are not familiar, which could increase the risk of cost overruns, construction defects and failures to meet scheduled completion dates, which could all have a materially adverse effect on our revenues, financial condition, and results of operations.

14. Elsamex's operations contribute significantly to our revenues and we are therefore highly dependent on Elsamex's performance and hence any material adverse effect on Elsamex's business, financial condition, profitability and results of operations could have a material adverse effect on our revenues, financial condition, and results of operations.

Elsamex's maintenance business has low profit margins as a result of relatively high interest expenses and a relatively high percentage of fixed costs. Elsamex's maintenance revenues fluctuate depending on the economic conditions in the locations where it operates, changes in governmental policies or budgetary allocations for spending on maintenance of roads or the non-renewal of contracts.

In Fiscal 2014, Fiscal 2015 and the three months ended June 30, 2015, 15.99%, 16.65% and 12.32% of our consolidated revenues, respectively, were attributable to our interest in Elsamex. As a result, any condition which might have a material adverse effect on Elsamex's business, financial condition, profitability and results of operations, such as changes in the economic conditions or applicable regulations in Spain, Portugal or other countries where Elsamex has its operations, though not quantifiable monetarily, could have a material adverse effect on our revenues, financial condition, and results of operations.

15. The information we have provided in relation to our “projects-under-development”, are not representative of our future results and do not provide indications in relation to cancellations or scope adjustments that may occur to some of such projects.

The information we have provided in relation to our “projects-under-development,” is not representative of our future results. We may not be awarded the projects for which we have pre-qualified or have been selected as preferred bidders. Even if we are eventually awarded a project, we may not be able to achieve financial closure, enter into a concession agreement and commence or complete construction due to a number of factors, including those relating to construction, financing and operational risks. Additionally these projects are subject to cancellations or changes in scope or schedule. We may also encounter problems executing such projects or executing them on a timely basis. Moreover, factors beyond our control or the control of our customers may cause projects to be postponed or cancelled, including because of delays or failures to obtain necessary permits, authorizations, permissions, and other types of difficulties or obstructions.

Even relatively short delays or surmountable difficulties in the execution of a project could result in our failure to receive, on a timely basis or at all, all payments otherwise due to us on a project. In addition, even where a project proceeds as scheduled, it is possible that the contracting parties may default or otherwise fail to pay amounts owed.

16. Our projects under construction and development are subject to construction, financing and operational risks and failure in development, financing or operation of any such projects will materially and adversely affect our business and results of operations.

The development of our new projects involves various risks, including, among others, land acquisition risk, regulatory risk, construction risk, financing risk and the risk that these projects may ultimately prove to be

unprofitable. Entering into any new projects may pose significant challenges to our management, administrative, financial and operational resources. For instance, certain entities of our group are currently involved in litigation wherein the allotment of land for certain projects has been challenged or injunctions have been sought to restrain such entities from dispossessing the plaintiffs from, and/ or interfering in the use of the property of such persons.

We cannot provide any assurance that we will succeed in any new projects we invest in or that we will recover our investments. Any failure in the development, financing or operation of any of our material new projects, though not quantifiable monetarily, is likely to materially and adversely affect our business, prospects, financial condition and results of operations. We may be adversely affected if the completion of the projects under construction or development is delayed or not as envisaged by our Company under the respective concession agreement, due to:

- the contractors hired by us may not be able to complete the construction of the project on time, within budget or to the specifications and standards as set out in the contracts entered into with them;
- failure to obtain necessary government approvals in time or at all;
- delays in completion and commercial operation could increase the financing costs associated with the construction and cause the forecasted budget to be exceeded;
- while revenue to grow at pre-determined rates as per the agreements, costs may grow at a higher rate, impacting profitability;
- we may not be able to obtain adequate working capital or other financing to complete construction of and to commence operations of the project; and
- we may not be able to recover the amounts we have invested in the projects if the assumptions contained in the feasibility studies for these projects do not materialize.

Any of the foregoing factors could materially and adversely affect our business, financial condition, cash flows, profitability and reputation.

17. We may be subject to increases in our operations and maintenance costs, which may adversely affect our business, financial condition and results of operations.

The operation and maintenance costs of our projects may increase due to factors beyond our control, including:

- the standards of maintenance or road safety applicable to our projects prescribed by the relevant regulatory authorities;
- we being required to restore our projects in the event of any landslides, floods, road subsidence, other natural disasters accidents or other events causing structural damage or compromising safety; or
- higher axle loading, traffic volume or environmental stress leading to more extensive or more frequent heavy repairs or maintenance costs. The cost of major repairs may be substantial and repairs may adversely affect traffic flows.

Such factors, though not quantifiable monetarily, may reduce our profits and could materially and adversely affect our business operations, financial condition and prospects.

18. Our revenues from annuity projects are fixed and our returns from these projects could decline with an increase in costs associated with these projects.

The payments received under our annuity contracts are fixed and are classified as “financial assets”. We are unable to renegotiate the financial terms of the annuity during its term, and we may be unable to renew such annuities on commercially acceptable terms. As a result, in the event that our costs increase, we may be unable to offset such increases with higher revenues, which though not quantifiable monetarily, may adversely affect our business, financial condition and results of operations. Further, such payments are contingent on our ensuring that the infrastructure meets the specified quality or efficiency requirements.

19. Our revenues from BOT toll roads are subject to significant fluctuations due to changes in traffic volumes and decline in traffic volumes could also affect our revenues.

In Fiscal 2014, Fiscal 2015 and the three months ended June 30, 2015, respectively, we generated 6.14%, 5.53% and 7.06% respectively, of our revenues from toll receipts. All toll revenues depend on toll receipts and are affected by changes in traffic volumes. Traffic volumes are directly or indirectly affected by a number of factors, many of which are outside our control, including toll rates, fuel prices, the affordability of automobiles, the quality, convenience and travel time on alternate routes outside our network and the availability of alternate means of

transportation, including rail networks and air transport. Moreover, our cash flows are affected by seasonal factors, which may adversely affect traffic volumes. Traffic volume tends to decrease during the monsoon season, and increases during holiday seasons.

Traffic volumes are also influenced by the convenience and extent of a toll road's connections with other parts of the local and national highway and toll road network, as well as the cost, convenience and availability of other means of transportation. There can be no assurance that future changes affecting the road network in India, through road additions and closures or through other traffic diversions or redirections, or the development of other means of transportation, such as air or rail transport, will not adversely affect traffic volume on our toll roads. Revenue from toll receipts is affected by traffic volume and tariff rates, both of which are outside our control. The tariff structure is fixed upon acceptance of a project and we do not have the ability to change it. In addition, we are also subject to decreases in receipts from our BOT toll roads projects for which we have auctioned the toll receipts for one-year periods. In the event that we experience a significant decrease in traffic volumes on our BOT toll roads, and though not quantifiable monetarily, we would experience a corresponding decrease in our revenues, and our profitability, cash flows, financial condition and results of operations may be materially and adversely affected.

20. Traffic saturation may occur on certain of our BOT toll roads and an inability to resolve this problem could affect the results of our operations.

Certain of our BOT toll roads may experience high traffic levels and congestion at certain times of the day or on certain days of the week. Although we may consider possible solutions and take appropriate steps in order to ease traffic flow and reduce congestion on such roads, there can be no assurance that the saturation problems will be resolved under conditions that are economically satisfactory to us. This could also lead to user dissatisfaction and could potentially reduce the traffic volume. In that case, though not quantifiable monetarily, our business, financial condition and results of operations could be materially and adversely affected.

21. Our financial results may be subject to seasonal variations

Our business and operations are affected by seasonal factors, which may require the evacuation of personnel, suspension or curtailment of operations, and often results in damage to construction sites or delays in the delivery of materials. While the northern parts of India experience monsoon rains during the period from June or July until September or October every year, certain parts of southern parts of India experience monsoon rains during the months of October to December. In particular, the monsoon season in India may restrict our ability to carry on activities related to our projects and fully utilize our resources. This may result in delays to our contract schedules and reduce our productivity. During such periods of curtailed activity, we may continue to incur operating expenses but our project related activities may be delayed or reduced. Such fluctuations may adversely affect our cash flows and business operations related to the toll roads operated and managed by us.

22. For projects that may be awarded to us on the basis of joint venture partnerships or co-sponsors, we may be jointly and severally liable for the performance of obligations by our joint venture partners or co-sponsors.

In our business, delay or failure on the part of a joint venture partner to timely perform its obligations could result in delayed payments to us, additional liabilities, or termination of a contract.

In our business, lenders to project SPVs may require joint and several undertakings and guarantees by us and the other co-sponsors of the project SPVs of, among others, the following:

- unpaid equity capital contributions;
- a shortfall in funds necessary to complete the project and/or project cost overruns;
- shortfalls from time to time in operation and maintenance expenses;
- shortfalls in the debt service reserve accounts or shortfalls in interest payments;
- shortfalls between the outstanding debt and a project termination payment on the occurrence of a termination event; and
- performance of work divided among joint venture partners under fixed-price, lump sum contracts.

The inability of a joint venture partner to continue with a project due to financial or legal difficulties could mean that, as a result of our joint and several liabilities, we may be required to make additional investments and/or provide additional services to ensure the performance and delivery of the contracted services. With respect to BOT projects in our business, we may be required to draw funds from the operations of our business or from external

sources in order to satisfy our joint and several obligations to lenders of project SPVs. In either case, such joint and several obligations could have an adverse effect on our financial results and business prospects.

23. Leakage of the tolls collected on our BOT toll roads may adversely affect our revenues and earnings.

Our toll receipts are primarily dependent on the integrity of toll collection systems. We generate revenues from some of our BOT toll roads through collection of tolls. In such projects, generally each motorist pays a one-time entry tariff to the toll operator at the point of entry to our toll roads based on the average trip distance calculated for all the users of the toll road.

The level of revenues derived from the collection of tolls may be reduced by leakage through toll evasion, fraud or technical faults in our toll systems. If toll collection is not properly monitored, leakage may reduce our toll revenue. Although we have systems in place to minimize leakage through fraud and pilfering, any significant failure by us to control leakage in toll collection systems, though not quantifiable monetarily, could have a material adverse effect on our business, prospects, financial condition and results of operations.

24. If we fail to keep pace with technical and technological developments in the surface transportation infrastructure industry, it could adversely affect our business and results of operations.

To meet the needs of our business operations, we must regularly update existing technology and acquire or develop new technology for our surface transportation infrastructure services. In addition, rapid and frequent technology and market demand changes can often render existing technologies and equipment obsolete, requiring substantial new capital expenditures and/or write-downs of assets. Our future success will depend in part on our ability to respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis. Our failure to anticipate or to respond adequately to changing technical, market demands and/or client requirements could adversely affect our business and results of operations. Further, the cost of implementing new technologies could be significant and could adversely affect our financial condition and results of operations.

25. Our concession agreements with NHAI contain certain restrictive covenants.

The terms of certain concession agreements with NHAI require the concerned SPV to indemnify the NHAI for losses arising out of the design, engineering, construction, procurement, operation and maintenance of the toll road or arising out of breach of the obligations of the SPVs under the concession agreements. Certain concession agreements also contain provisions that mandate substitution clauses in the project agreements that allow NHAI to step in to project agreements in place of the SPVs in case of suspension or termination of the concession agreements due to a breach or default by the SPVs. In the event any of these events are triggered and NHAI invokes the restrictive covenants, our business and results of operations may be adversely affected.

26. An inability to obtain, renew or maintain our statutory and regulatory permits and approvals required by us or to comply with the laws applicable to us may have a material adverse effect on our business.

We require approvals, licenses, registrations and permissions under numerous regulations, guidelines, circulars and statutes regulated by several Indian and foreign regulatory and government authorities. In addition, we are required to comply with a wide variety of Indian as well as foreign regulatory laws and regulations. We cannot assure you that we, and our Subsidiaries, associates and joint ventures are in compliance with such laws and regulations, have obtained all necessary approvals or that they will continue to obtain the necessary approvals or have been and will continue to be in compliance with all applicable laws and regulations. For instance, certain of our subsidiaries have not renewed their labour licenses. Additionally, we sub-contract certain construction and maintenance activities to third party contractors in relation to certain of our projects. We cannot assure that such contractors will obtain, maintain and renew construction related and environmental related approvals required for such activities, in a timely manner or at all. If we fail to obtain, or renew, necessary approvals required by us, including in relation to undertaking our business, or if there is any delay in obtaining these approvals, our business and financial condition could be adversely affected. Further, these permits, licenses and approvals could be subject to several conditions, and we cannot assure you that we, and our Subsidiaries, associated and joint ventures, have in the past complied with all such conditions and would be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities. Any non compliance may lead to cancellation, revocation or suspension of relevant permits, licenses or approvals, which may result in the interruption of our operations and may adversely affect our business, financial condition and results of operations.

In addition, our foreign subsidiaries, joint ventures and associates may be required to adhere to stringent corporate and regulatory requirements, including compliance with investment norms, environmental regulations, labour regulations as well as technical compliances with corporate and statutory procedures as may be prescribed under the relevant laws applicable in such jurisdictions. We may not be able to confirm to you that our foreign subsidiaries, associates and joint ventures are in, or have in the past been, or shall continue to be in compliance with all such corporate and regulatory requirements. For instance, certain shares allotments made to our Company by IIPL (in which our Company is the sole shareholder), particularly 22,650,000 ordinary shares with effect from October 1, 2009 and 5,000,000 ordinary shares with effect from April 13, 2013, may entail irregularities under Singapore law. The failure of our foreign subsidiaries, joint ventures and associates to comply with such corporate and regulatory requirements, could result in penalties, revocation or suspension of applicable approvals or other actions and may also require us to undertake rectification procedures, which may be time consuming and expensive. These factors could *inter alia*, adversely affect our business, reputation, profitability and results of operation.

27. Failure to comply with, and changes in, safety, health and environmental laws and regulations in India and overseas may adversely affect our business, prospects, financial condition and results of operations.

We are required to adhere to various environmental, health and safety laws and regulations and various labour, workplace and related laws and regulations in India as per the requirements of our concession agreements, and even otherwise. Infrastructure projects, including surface transport projects, must ensure compliance with environmental legislation such as the Water (Prevention and Control of Pollution) Act 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Environment Protection Act, 1986 and rules made therein such as the Hazardous Waste (Management and Handling) Rules, 1989, the Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989 and the Environment Protection Rules, 1986. Further, we are required to adhere to environmental regulations of overseas jurisdictions where we operate. We cannot assure you that we and our Subsidiaries, associates and joint ventures have been and shall continue to be in compliance with all such environmental, health and safety and labour laws and regulations. Further, any changes in, or amendments to, these standards or laws and regulations could further regulate our business and could require us to incur additional, unanticipated expenses in order to comply with these changed standards. There can be no assurance that we will not become involved in future litigation or other proceedings or be held responsible in any such future litigation or proceedings relating to safety, health and environmental matters in the future. Clean-up and remediation costs, as well as damages, payment of fines or other penalties, other liabilities and related litigation, could adversely affect our business, prospects, financial condition and results of operations.

28. Labour laws in certain jurisdictions where we operate are highly protective of employees, which may make it difficult and costly for us to streamline our workforce in the event of an economic downturn.

In addition to India, our operations are spread across various jurisdictions, including Spain, Portugal, Botswana, China and Columbia, and we have employees based in such jurisdictions. Labour laws in these countries are highly protective of employees. We may be prohibited from discharging employees without severance payments and/or compensation in the absence of gross misconduct, neglect, or acts of dishonesty. As such, we have limited measures at our disposal to reduce headcount in order to increase efficiencies, reduce costs or achieve similar objectives. Any changes to employment terms and conditions that diminish employees' rights and benefits would require consent from employees. In relation to our employees based in India as well, we are subject to laws governing our relationship with our employees, including minimum wage, overtime, working conditions, termination of employment and work permit requirements. Compliance with these laws and regulations can *inter alia*, increase costs and reduce revenues and profits.

29. Our growth primarily depends upon the award of new contracts. Our financial condition would be materially and adversely affected if we fail to obtain new contracts.

The growth of our business mainly depends on us winning new contracts. Generally, it is very difficult to predict whether and when we will be awarded a new contract since many potential contracts involve a lengthy and complex bidding and selection process that may be affected by a number of factors, including changes in existing or assumed market conditions, financing arrangements, governmental approvals and environmental matters. Our future results of operations and cash flows can fluctuate materially from period to period depending on the timing of contract awards.

30. Tender processes and qualification criteria through which new projects are awarded may be delayed or cancelled, thereby reducing or eliminating our ability to undertake a project.

Most infrastructure development projects are awarded through competitive bidding processes and satisfaction of other prescribed pre-qualification criteria. While service quality, technological capacity and performance, health and safety records and personnel, as well as reputation and experience, are important considerations in client decisions, price is also a major factor. There can be no assurance that we would be able to meet such qualification criteria, particularly for many large infrastructure development projects, whether independently or with our Promoter or with other joint venture partners.

There can be no assurance that the projects for which we bid will be tendered within a reasonable time, or at all. The government-conducted tender processes may also be subject to change in qualification criteria, unexpected delays and uncertainties. In the event that new projects which have been announced, and which we plan to tender for, are not put up for tender within the announced timeframe, or qualification criteria are modified such that we are unable to qualify, or the tender process is subject to delay or uncertainty, though not quantifiable monetarily, our business, prospects, financial condition and results of operations could be materially and adversely affected.

31. Our financial results depend on the financial performance of our SPVs and their ability to pay our project development fees and/or operations and maintenance fees.

Our financial performance depends significantly on the performance of our SPV holding projects. We recognize income from these SPVs as our share in profit/ loss in associate companies. In addition we generate project development and/or operations and maintenance or other agreed fees from contracts with these SPVs. If such SPVs are unable to pay these fees to us, our business condition and results of operations could be adversely affected.

32. We are required to adhere to certain obligations under the various agreements pursuant to which we have acquired economic interest in certain corporate entities undertaking our projects

Pursuant to the terms of various agreements pertaining to our economic interests in certain corporate entities undertaking our projects, we are required to adhere to certain obligations. For instance, our Company is obligated to co-ordinate with the NHAI for the execution of EPC contracts and is responsible for all technical aspects in the concerned projects, including construction and designing in accordance with the respective concession agreements. We are also required to provide corporate guarantees on behalf of the concerned entities to the NHAI till such period as stipulated in the concession agreements.

We have been in compliance and believe that we shall continue to be in compliance with the terms of the agreements entered into with the concerned entities in relation to our projects. However, in the event we fail to adhere to our obligations under these agreements, we may not be able to enjoy our rights in relation to our economic interests in the concerned entities. Consequently, our financial conditions and results of operations may be adversely affected.

33. We face various operational and investment risks due to the long-term nature of road infrastructure development projects.

Typically road infrastructure development projects involve arrangements that are long-term in nature. For instance, the concession periods stipulated for our projects typically range from 10 years to 32 years. Long-term arrangements have inherent risks associated with them that may not necessarily be within our control and can restrict our operational and financial flexibility. We may not have the ability to modify its agreements to reflect future changes in the business, or negotiate satisfactory alternate arrangements.

Our profitability depends largely on our revenue generation and how effectively we are able to manage the costs over a period of time. Absence of flexibility in relation to toll charges or annuity could have a negative impact on our ability to repay our lenders and our profitability. As is typical to the sector in which we operate, generation of profits involves a long gestation period. During such period, a larger portion of the expenditure in relation to a particular road is booked in the initial years of its operation leading to mounting losses. Toll charges, which are largely dependent on traffic volumes, may take some time to stabilize and generate the expected revenue. Our failure to suitably extend the concession periods, though not quantifiable monetarily, may have a material adverse effect on our operations and financial condition. Further, increase in toll charges, even if pursuant to terms of the relevant concessions, could result in unfavourable reactions from commuters, including protests, or may even result in litigation. For instance, certain entities of our group are currently involved in litigation wherein directions to restrain such entities from increasing toll charges, or levying such charges at all, have been sought. Deduction of service charges for collection of toll taxes in certain cases has also been challenged. Additionally, being committed

to long-term projects exposes us to an increased risk of unforeseen business and industry changes, which could have an adverse effect on our business prospects, its results of operations and financial condition.

34. We depend on various contractors and their sub-contractors to construct, develop, operate and maintain our projects. Any delay, default or unsatisfactory performance by these third parties could materially and adversely affect our ability to complete, effectively operate or maintain our projects.

We depend on the availability and skills of third party contractors and their sub-contractors for the development, construction, operation and maintenance of our projects. We do not have direct control over the timing or quality of services, equipment or supplies provided by these contractors. We cannot assure you that such contractors will continue to be available at reasonable rates in the areas in which we conduct our operations. We may also be exposed to risks relating to the quality of their services, equipment and supplies. The contractors and sub-contractors may not be able to obtain adequate working capital or other financing on favorable terms as and when required for completing construction. Any delays in meeting project milestones by our contractors could increase our financing costs and cause our forecasted budget to exceed, which may in turn result in invocation of clauses relating to payment of liquidated damages or penalties, or may even result in termination of the concession agreements.

We generally do not receive guarantees or indemnities from our contractors as to timely completion, cost overruns, or additional liabilities. As a result, we assume the risk of delayed or reduced payments, liquidated damages or penalty amounts, or termination of contracts. We also assume liability for defects in connection with any design or engineering work provided by the contractors. Although we sub-contract our construction work, we may still be liable for accidents on our projects, due to defects in design and quality of construction of our projects, during their construction and operations. Any delay, default or unsatisfactory performance by these third parties could adversely affect our ability to complete our projects in a timely manner or at all. Any of the foregoing factors, though not quantifiable monetarily, could have a material adverse effect on our business, financial condition, reputation and results of operations.

35. Increases in prices or shortages of raw materials could increase the cost of construction of road projects.

Our construction contracts with our contractors are either fixed price contracts or item based contracts. In item based contracts, we agree on the construction cost per unit with the contractor based on reference rates for various components of construction, including steel, cement and bitumen at the time of the construction agreement. These contracts generally contain construction price escalation provisions linked to increases in raw material costs relative to the agreed reference rates in accordance with a pre-determined formula. Accordingly, we bear the risk of increased costs of raw materials to the extent we outsource construction activities pursuant to contracts other than fixed price contracts. The prices and supply of these and other raw materials depend on factors not under our control, including general economic conditions, competition, production levels, demand, transportation costs, crude oil prices and import duties. Further, in recent years, India has experienced a trend of increasing inflation compared to prior periods. If this trend continues, the increased costs of transportation, wages and raw materials would restrict our ability to reduce our costs or pass our increased costs on to our customers. Price increases or shortages in these raw materials could adversely affect our construction costs, profitability, prospects and results of operations.

36. Our current insurance coverage may not protect us from all forms of losses and liabilities associated with our business.

Road infrastructure development project contracts are subject to various risks including:

- political, regulatory and legal actions that may adversely affect a project's viability;
- changes in government and regulatory policies;
- delays in construction and operation of projects;
- shortages of or adverse price movement for construction materials;
- design and engineering defects;
- breakdown, failure or substandard performance of equipment;
- improper installation or operation of equipment;
- labor disturbances;
- terrorism and acts of war;
- inclement weather and natural disasters;
- environmental hazards, including earthquakes, flooding, tsunamis and landslides; and

- adverse developments in the overall economic and capital financing environment in India.

There can be no assurance that all risks are adequately insured against or that we will be able to procure adequate insurance coverage at commercially reasonable rates in the future. Natural disasters in the future may disrupt traffic thereby adversely impacting our toll collections, cause significant disruption to our operations, damage to our properties and the environment that could have a material adverse impact on our business and operations. In addition, not all of the above risks may be insurable, on commercially reasonable terms or at all. For example, we may be required under our concession agreements or other project development contracts to maintain the quality of the roads and to repair the roads in the event of damage to the roads on account of accidents or due to other reasons. Accordingly, we may need to incur significant expenditure to repair the damaged roads and maintain the roads in good condition, particularly if the damage is major, unanticipated or uninsured. Although we believe that we have obtained insurance coverage customary to our business, such insurance may not provide adequate coverage in certain circumstances and is subject to certain deductibles, exclusions and limits on coverage. To the extent that we suffer damage or losses which is not covered by insurance, or exceeds our insurance coverage, the loss would have to be borne by us. The proceeds of any insurance claim may also be insufficient to cover the rebuilding costs as a result of inflation, changes in regulations regarding infrastructure projects, environmental and other factors. We cannot assure you that material losses in excess of insurance proceeds will not occur in the future.

37. The departure of our senior management, key personnel and skilled employees could adversely affect our business and our ability to pursue our growth strategies.

Our business demands an experienced management team and skilled employee workforce that is familiar with areas necessary for our operations. While we have been successful in attracting experienced, skilled professionals, the loss of any key member of our management team, or employees, or the failure to attract and retain additional such employees, could slow the execution of our business strategies, including expansion into new sectors and markets. The loss of the services of our senior management or our inability to recruit, train or retain a sufficient number of experienced personnel could have a material adverse effect on our business and operations. Competition for such personnel from numerous companies in the same or similar industries may limit our ability to attract and retain them on acceptable terms, or at all.

38. Our employee attrition rate may increase to a level where we are not able to sustain our deliverables at a given point of time.

Our ability to retain skilled employees may depends on us having in place appropriate compensation and incentive schemes. We believe we pay competitive compensation package and benefits to our employees. Employee compensation in India as well as internationally is increasing at a rapid rate, which could result in increased costs relating to engineers, managers and other mid-level professionals. The scarcity of skilled workers is also an important driver of wages and salaries. If the economies of India and international jurisdictions where we operate continue to grow, the cost of living and expenses in these countries may increase and may result in increased wages and labour costs. If such events occur, we may be less competitive in both our domestic and international markets which would adversely impact our results of operations. Further, we may need to continue to increase the levels of our monetary and non-monetary incentives to retain talent. Given the increasing wage levels and increased competition for professionally qualified staff, we cannot assure you that our employee attrition rate will not increase to an unsustainable level or that we may not be able to attract, recruit and retain experienced professionals to replace the professionals leaving at that particular point of time.

39. We face growing and new competition that may adversely affect our competitive position and our profitability.

We are subject to competition for the award of new projects. We believe that our main competitors for new surface transportation infrastructure projects will be domestic infrastructure and international infrastructure operators working in partnership with Indian companies. Currently, we compete with a number of Indian and international infrastructure operators in acquiring both concessions for new road projects and existing projects. Further, we have recently diversified into additional sub-sectors of the surface transportation industry, including rail, urban mass-rapid transport, border check posts and multi-level parking facilities and the O&M operations therein, for which we face competition from established players in such sub-sectors.

Our principal competitors are Ashoka Buildcon Limited, Gammon India Limited, GMR Infrastructure Limited, GVK Power Infrastructure Limited, IRB Infrastructure Developers Limited, Larsen & Toubro Limited, Punj Lloyd Limited, Reliance Infrastructure Limited and Sadbhav Engineering Limited. Some of these operators may have

substantially greater financial and other resources than we do, with greater economies of scale, diversification and international experience and may result into irrational bidding for projects which may adversely affect our profitability. To win new concessions, we may also have to accept less favorable terms than what we enjoy under our current concessions. There is a risk we will not win concessions due to more competitive bids by our competitors. Loss of future road tenders or projects to such competitors, or acceptance of less favorable terms than we enjoy under our current concessions, though not quantifiable monetarily, may adversely affect our performance and, to the extent that one or more of our competitors becomes more successful with respect to any key competitive factor, our profitability, business and prospects could be materially and adversely affected.

Risks related to our Company

40. Our Equity Shares are currently trading at a price lower than the issue price of the Equity Shares in the IPO.

Our Equity Shares were issued at ₹ 258 per Equity Share in the IPO in March 2010. The trading price of the Equity Shares touched an all time high of ₹ 367.80 on September 13, 2010, an all time low of ₹ 86.10 on September 8, 2015 and was around ₹97.10 on September 28, 2015 on NSE, which is lower than the issue price in the IPO. The fluctuation in the price of Equity Share is attributable to several factors, including volatility in the Indian and global securities market, volatility in the Rupee's value relative to the US dollar, the Euro and other foreign currencies, our profitability and performance, performance of our competitors in the surface transportation infrastructure industry and the perception in the market about investments in this industry, adverse media reports on the surface transportation infrastructure industry, changes in the perception or estimates of our future performance or recommendations by financial analysts, changes in the prices of raw materials and significant developments in India's fiscal regulations etc. There can be no assurance that the prices at which our Equity Shares have historically traded or the price at which the Equity Shares are offered in this Issue will correspond to the prices at which our Equity Shares will trade in the market subsequent to this Issue.

41. We presently have beneficial ownership for certain of our projects being implemented by the respective corporate entities and our revenues may be affected if there are any objections to our beneficial interest in such projects.

The concession agreements signed by each of APEL and NKEIL with NHAI, and by JRPICL and JARDCL with the Governor of Jharkhand, by RIDCOR with the Government of Rajasthan, and the Programme Development Agreement signed by CHDCL with Governor of Chhattisgarh, require these entities to maintain a prescribed equity capital structure. In certain cases, Our Company has direct and indirect investments in the equity capital structure of certain entities pursuant to shareholders' agreements and 'call option' agreements, respectively, in accordance with the provisions of the respective concession agreements. Our investments in these entities have provided us beneficial interests, including our Company's right to appoint a prescribed number of directors on the board of directors of some of the above mentioned Companies, until such time as our Company maintains a prescribed minimum percentage of equity holding. Our Company holds an economic interest in certain projects including North Karnataka Expressway project, Jharkhand Accelerated Road Development Programme, Rajasthan Mega Highways Road project, West Gujarat Expressway project and Andhra Pradesh Expressway project.

We believe that the above investments are in compliance with the terms of the respective concession agreements with the concerned regulatory authorities. However, in the event such regulatory authorities raise objections to the same, we may be required to take corrective steps as we may not be allowed to continue to hold such economic interests and therefore, we may not be able to enjoy the rights consequent thereto. Since we derive and expect to continue to derive a substantial portion of our revenues from these entities in the future, the occurrence of such an event, though not quantifiable monetarily, may have a material adverse effect on our financial conditions and the results of our operations.

42. There are potential conflicts of interest within our group companies.

Our Promoter, and certain members of our group companies have equity interests or other investments in other companies that offer services that are similar to our business, such as Jharkhand Accelerated Road Development Company Limited, Jharkhand Road Projects Implementation Company Limited, MP Toll Roads Limited, Road Infrastructure Development Company of Rajasthan Limited and IL&FS Engineering & Construction Company Limited. Our Promoter is involved in certain infrastructure projects being undertaken by our Company or certain of our SPVs and is a party to certain agreements in relation to some of our projects.

There may be conflicts of interest in addressing business opportunities and strategies in circumstances where our

interests differ from other companies in which our Promoter or one or more group companies have an interest. We do not have formal non-compete arrangements with our group companies or our Promoter refraining them from competing with our business. Additionally, as per the conditions of competitive bidding generally followed by NHAI and certain State Governments, bidders are disqualified if they have a direct or indirect shareholding of more than 25% of the paid up and subscribed capital in other bidders or if they do not fulfil other conditions specified in bidding documents. We shall adopt the necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise.

In addition, new business opportunities may be directed to these affiliated companies instead of us. Our Promoter and our group companies may also restrain us from entering into certain businesses related to our own, which may be important for our growth in the future, as they may already have interests in other similar businesses.

43. Our Company has made investments in equity-linked instruments in certain entities and there can be no assurance that the operations of such entities would generate distributable profits.

Our Company has entered into certain subscription agreements with our Promoter for subscription to certain ‘covered warrants’ representing our economic interests in certain entities including RIDCOR, JARDCL, CHDCL and JRPICL. Under the terms of such subscription agreements, our Company, as holders of the ‘covered warrants’ will be entitled to a coupon representing a proportionate share of the dividend amount declared and paid by RIDCOR, JARDCL, CHDCL or JRPICL, as the case may be, on the shares held by our Promoter. However, the obligation to pay the coupon shall lapse automatically in the event no dividends are declared by RIDCOR, JARDCL, CHDCL and JRPICL. Further, no interest amount is payable on the subscription amounts. The maturity of the covered warrants is co-terminus with the concession period for the respective projects being carried on by RIDCOR, JARDCL, CHDCL and JRPICL. There can be no assurance that these amounts could not have been invested in instruments, which would have yielded higher returns for our Company. Our Company shall not be entitled to the rights or privileges available to our Promoter, as a shareholder of RIDCOR, JARDCL, CHDCL and JRPICL. The issue of the ‘covered warrants’ shall not be construed as a transfer to our Company of any right, title, interest or benefit with respect to the equity shares held by our Promoter in RIDCOR, JARDCL, CHDCL and JRPICL. These covered warrants can be transferred only to body corporates incorporated in India and such endorsement shall carry confirmation by our Promoter. Further, there can be no assurance that the operations of RIDCOR, JARDCL, CHDCL and JRPICL would generate distributable profits. For further details in this regard, see the section titled “Financial Information” on page 99.

44. Our Company has obtained unsecured debt from certain companies in our group that are repayable on demand.

Our Company has obtained unsecured debt from NKEI, our Subsidiary, which is repayable on demand. In the event that NKEI calls in this loan, we would need to find alternative sources of financing, which may not be available on commercially reasonable terms or at all. For further details in this regard, see the section titled “Financial Information” on page 99.

45. Contingent liabilities could adversely affect our financial condition.

The table below sets out the details of extracts of contingent liabilities on a consolidated basis as on March 31, 2015 and as on June 30, 2015:

<i>(in ₹million)</i>		
Particulars	As at June 30, 2015	As at March 31, 2015
(a) Claims against the Group not acknowledged as debt	4,417.40	4,188.52
(b) Income tax demands contested by Group	389.77	399.24
(c) Other Tax liability	83.92	83.92
(d) Royalty to Nagpur Municipal Corporation	10.74	10.74
(e) Guarantees/ counter guarantees issued to outsider in respect of other than group companies	199.74	220.71
(f) In case of income tax disputes decided in favour of the Group at the First Appellate Authority for amounts disallowed amounting to ₹ 820.08 million (March 31, 2015 ₹ 820.08 million), the Income Tax department has gone for further appeal in all the cases. If decided against the Group, it will result in reduction of unabsorbed depreciation as per the Income -Tax law.		

If any of these contingent liabilities materialize, the profitability of our Company could be adversely affected. For further details, see the section titled “Financial Information” on page 99.

46. Our Statutory Auditors have included certain emphasis of matters, inter alia in their audit report on our consolidated financial statements for the last financial years, and the limited review report on the limited reviewed standalone and consolidated financial results for the quarter and the three months ended June 30, 2015.

Our Statutory Auditors have included certain emphasis of matters, *inter alia*, in their audit reports on our consolidated financial statements for the last financial years immediately preceding the filing of the Letter of Offer, and their limited reviewed consolidated financial results for the quarter and the three months ended June 30, 2015. For further details, see the section titled “*Financial Information*” on page 99. There can be no assurance that such emphasis of matters will not be highlighted by our Statutory Auditors in the future or we will be able to adequately address the points raised in such emphasis of matters. There can also be no assurance that our Statutory Auditors will not qualify their opinion in the future. A qualified audit report from our Statutory Auditors may limit our ability to access certain types of financing, or may prevent us from obtaining financing on terms which are acceptable.

47. We are involved in legal proceedings, both as plaintiff and as defendant, which if determined against us could have a material adverse effect on our financial condition and results of operations.

Our Company, Directors and certain of our Subsidiaries, joint ventures and associates are currently involved in a number of legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. If any new developments arise, for example, a change in the applicable laws or rulings against us by the appellate courts or tribunals, we may face losses and may have to make further provisions in our financial statements, which could increase our expenses and our liabilities. Decisions in such proceedings adverse to our interests may have a material adverse effect on our business, financial condition, results of operations and cash flows. For details in relation to legal proceedings involving potential financial liability of over ₹ 350 million, see the section titled “*Outstanding Litigation and Defaults*” on page 380.

Furthermore, if significant claims are determined against our Company, Directors or our Subsidiaries, joint ventures or associates and it is required to pay all or a portion of the disputed amounts, there could be a material adverse effect on our business and profitability. We cannot provide any assurance that these matters will be decided in our favour. Further, there is no assurance that similar proceedings will not be initiated against us, our Directors or our Subsidiaries, joint ventures or associates in the future.

48. We do not own our Registered and Corporate Office and some of the other premises from which we operate.

We do not own the premises on which our Registered and Corporate Office is situated. We operate from rented and leased premises. The lease agreements are renewable at our option upon payment of such rates as stated in these agreements. If the owner of such premises does not renew the agreement under which we occupy the premises or renew such agreements on terms and conditions that are unfavorable to us, we may suffer a disruption in its operations which could have a material adverse effect on its business and operations. For the immovable properties for our other offices, we enter into lease or license arrangements. Certain of these properties may not have been constructed or developed in accordance with local planning and building laws and other statutory requirements.

49. Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.

The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. There can be no assurance that we will be able to pay dividends. Additionally, we may be restricted in our ability to make dividend payments by the terms of any debt financing we may obtain in the future.

50. We have entered into certain related party transactions and there can be no assurance that such transactions will not have an adverse effect on our financial condition and results of operations.

We have entered into certain transactions with related parties, including members of our group companies. Furthermore, it is likely that we will enter into related party transactions in the future. Such transactions or any future transactions with related parties may potentially involve conflicts of interest and impose certain liabilities on our Company. There can be no assurance that such transactions, individually or in the aggregate, will not have an

adverse effect on our financial condition and results of operations. For detailed information on our related party transactions, see the section titled “*Financial Information*” on page 99.

51. We are exposed to foreign currency exchange risks, which we may not be able to manage effectively.

Consequent to our expansion into international operations, a significant portion of our revenues is denominated in Euro and Chinese Yuan. The exchange rate between the Rupee and the other foreign currencies such as the Euro, the US Dollar, Mexican Peso and Chinese Yuan has changed substantially in recent years and may continue to fluctuate significantly in the future. Accordingly, our operating results may be impacted by fluctuations in the exchange rate between the Indian Rupee and other foreign currencies. Any strengthening of the Indian Rupee against the Euro, the US Dollar or other foreign currencies could adversely affect our financial condition and results of operations.

52. We cannot guarantee the accuracy of statistical and other information with respect to our business operations or the industries in which we operate as contained in this Letter of Offer.

Statistical and other information in this Letter of Offer relating to India, the Indian economy or the industries in which we operate have been derived from various government publications and communications with various Indian government agencies that we believe to be reliable. However, we cannot guarantee the quality or reliability of such source of materials. Further, certain data relating to our business has been assessed and quantified by our Company or our Subsidiaries internally, as no other credible third party sources are available for such data. Such assessment is based on our understanding, experience and internal estimates of our business. Although we believe that the data can be considered to be reliable, their accuracy, completeness and underlying assumptions are not guaranteed and their dependability cannot be assured.

While we have taken reasonable care in the reproduction of the information, we cannot make any assurance as to the accuracy of such facts and statistics, which may not be consistent with other information compiled within or outside India. Due to possibly inconsistent or ineffective collection methods or discrepancies between published information and market practice, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case

53. We propose to utilise a part of the net proceeds for general corporate purposes and our management will have the discretion to deploy the funds to this end.

We propose to utilise the net proceeds for purposes identified in the section titled “*Objects of the Issue*” on page 62 and we propose to utilise the balance portion of the net proceeds towards general corporate purposes, namely for strategic initiatives, brand building exercises and strengthening of our marketing capabilities, partnerships, joint ventures, meeting exigencies, which our Company in the ordinary course of business may face, or any other purposes as approved by our Board. As on date, we have not earmarked specific amounts from the net proceeds to be utilised for any or a combination of the abovementioned purposes. The manner of deployment and allocation of such funds is entirely at the discretion of our management and our Board, subject to compliance with the necessary provisions of the Companies Act, 2013 and the Companies Act, 1956 to the extent applicable.

EXTERNAL RISK FACTORS

54. The effect of the Companies Act, 2013 on our business cannot be predicted.

Pursuant to the assent of the President of India, a substantial part of the provisions of the Companies Act, 2013 (“**New Companies Act**”) were notified in the official gazette on August 30, 2013 and March 26, 2014, and became law. While as on date, the New Companies Act has not been brought into force in its entirety, it provides for significant changes to the regulatory framework, *inter alia*, governing corporate governance, corporate social responsibility (“**CSR**”) and company procedures. For instance, the New Companies Act requires companies meeting certain financial thresholds, to constitute a committee of the board of directors for CSR activities and ensure that at least 2% of the average net profits of the company are utilized for CSR activities. In addition, the New Companies Act provides for detailed regulations on the qualifications, appointment and term of independent directors and also requires certain class of companies to have at least one woman director on its board of directors. Further, the New Companies Act would replace the existing procedures on various compliances and filings companies are required to make.

Therefore, we would be required to comply with the provisions of the New Companies Act and may also need to train the concerned employees of our Company to familiarize them with the provisions of the New Companies Act. While we shall endeavor to comply with the prescribed framework and procedures, we may not be in a position to do so in a timely manner. Penalties for instances of non-compliance have been prescribed under the New Companies Act, which may result in *inter alia*, our Company, Directors and key managerial employees being subject to such penalties and formal actions as prescribed under the New Companies Act, should we not be able to comply with the provisions of the New Companies Act within the prescribed timelines, and this could also affect our reputation.

55. *Public companies in India, including our Company, may be required to prepare financial statements under the IFRS or a variation thereof, namely IND AS. The transition to IND AS is still unclear and we may be negatively affected by this transition.*

Public companies in India, including our Company, may be required to prepare their annual and interim financial statements under IFRS or a variation thereof. Recently, the ICAI has released a near-final version of the Indian Accounting Standards (Ind AS, 101 “First Time Adoption of Indian Accounting Standards (“IND AS”)”). The MCA, on February 25, 2011 has notified that the IND AS will be implemented in a phased manner, and the date of such implementation will be notified at a later date. As on the date of this Letter of Offer, the MCA has not yet notified the date of implementation of the IND AS. In the Union Budget 2014-15, it has been announced that the IND AS are to be adopted by Indian companies from FY 2015-16 on a voluntary basis and mandatorily from FY 2016-17. However, there is still a significant lack of clarity on the adoption and convergence with IND AS and we currently do not have a set of established practices on which to draw or in forming judgements regarding the implementation and application of such standards, and we have not determined with any degree of certainty the impact that such adoption will have on our financial reporting.

Additionally, IND AS has fundamental differences with IFRS and therefore, financial statements prepared under IND AS may differ substantially from financial statements prepared under IFRS. There can be no assurance that our financial condition, results of operation, cash flows or changes in shareholders' equity will not appear materially different under IND AS, Indian GAAP or IFRS. As we adopt IND AS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. There can be no assurance that our adoption of IND AS, if required, will not affect our reported results of operations, financial condition and failure to successfully adopt IND AS in accordance with prescribed statutory and/or regulatory requirements within the timelines as may be prescribed may have an adverse effect on our financial position and results of operations.

56. *The entities through which we undertake concessions may be required to pay additional stamp duty if the concession agreements are subject to payment of stamp duty as deeds creating leasehold rights, or as development agreements.*

Stamp duty authorities of certain states in India have issued notices to some concessionaires in connection with alleged inadequacy in payment of stamp duty on the concession agreements executed between such concessionaires and NHAI. News reports have indicated that these authorities have alleged that since the concession agreement relate to the letting of toll to the concessionaires in the form of a lease, or as development agreements, such agreements were required to be stamped as lease agreements, or as development agreements as applicable. Accordingly, concession agreements that have not been stamped as such should be considered to be inadequately stamped. In addition, the High Court of Allahabad and the High Court of Madhya Pradesh have held that a concession agreement should be stamped as a lease agreement and have upheld the imposition of a higher stamp duty on such agreements. Currently, concession agreements are treated as agreements which are not a lease deed and stamp of ₹ 100 is typically paid for such concession agreements.

News reports have also indicated that NHAI has stated that it considers the land granted for construction and development of roads to concessionaires as being merely for public use and not in the form of a lease. However, stamp duty authorities may not agree with NHAI's view in this regard and could demand payment of a stamp duty for a lease or development agreement, which currently ranges between 1.0% and 11.0% of the annual rent or premium payable or the market value of the property. Furthermore, stamp duty authorities may impose penalty for payment of inadequate stamp, which could extend up to ten times of the amount of the stamp duty payable.

If any of the concession agreements were determined to be inadequately stamped, then such agreements would be inadmissible in evidence in any legal action, until the deficient amount of stamp duty together with penalties, if any,

are paid. Any deficiently stamped documents can also be impounded by every person having authority, by law or consent, to receive evidence or every person who is in-charge of a public office. Such persons impounding the deficiently stamped documents can either levy the appropriate stamp duty and penalty or send it to revenue authorities for that purpose. Additionally, a person who signs an instrument chargeable with stamp duty without such instrument being duly stamped will be subject to a fine.

Concession agreements contain change in law provisions which extend to a change in the interpretation or application of any Indian law by a court of record after date of the concession agreement or the submission of the bid documents, as the case may be. Under the terms of the concession agreements, if any financial burden exceeding a certain prescribed threshold is imposed on it as a result of such change in law, then the relevant concessionaire is entitled to approach the NHAI for amendment to the concession agreement or seek compensation with a view to place such concessionaire in its former financial position. However, there can be no assurance that the NHAI will consider the imposition of any additional stamp duty resulting from the concession agreements being treated as agreements, which create leasehold rights or as development agreements as a change in law for which they will amend the concession agreement or agree to provide compensation to the concessionaire. Any disagreement between the relevant concessionaire and the NHAI may result in arbitration proceedings between the parties which will lead to increased costs.

N.A.M. Expressway Limited, our joint venture, received such notice on March 4, 2013 from the Office of the District Registrar and Collector, Hyderabad, the stamp duty authority in Andhra Pradesh, for payment of additional stamp duty on the concession agreement. Based on legal advice received in relation to the payment of such additional stamp duty, we have submitted our reply on August 1, 2013, stating that concession agreement would not be covered under the relevant provisions of the Indian Stamp Act, 1899 as mentioned in the notice, and therefore prayed for the withdrawal of the notice. However, there can be no assurance that the stamp authority will not demand any additional stamp duty from, or impose any penalty on the joint venture company or any of the other entities through which we undertake our operations in the future. Any imposition of a demand for payment of a higher stamp duty or imposition of penalty will increase the cost of the projects to the extent such additional costs are not recoverable from the NHAI and materially and adversely affect our business, results of operations and prospects.

57. Political instability or changes in the economic policies by the GoI could impact our financial results and prospects.

We are incorporated in India and derive substantial majority of our revenues from operations in India. Consequently, our performance and the market price of our Equity Shares may be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India. The GoI has traditionally exercised and continues to exercise significant influence over many aspects of the Indian economy. Our business, and the market price and liquidity of our Equity Shares, may be affected by changes in the GoI's policies, including taxation.

Since 1991, successive Indian governments have pursued policies of economic liberalisation, including significantly relaxing restrictions on the private sector. However, there can be no assurance that such policies will be continued and any significant change in the GoI's policies in the future could affect our business and economic conditions in India in general. As economic liberalisation policies have been a major force in encouraging private funding in the Indian economy, any change in these policies could have a significant impact on business and economic conditions in India, which could adversely affect our business and our future financial condition and the price of our Equity Shares. In addition, any geopolitical stability affecting India will adversely affect the Indian economy and the Indian securities markets in general, which could affect the price of our Equity Shares.

58. We may be affected by competition law in India.

The Competition Act, 2002, as amended ("**Competition Act**") regulates practices having an appreciable adverse effect on competition ("**AAEC**") in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC is considered void and results in imposition of substantial penalties. Furthermore, any agreement among competitors which directly or indirectly involves determination of purchase or sale prices, limits or controls production, shares the market by way of geographical area or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC in the relevant market in India and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise. Provisions relating to the regulation of certain acquisitions, mergers or amalgamations which have or are likely to have an AAEC and regulations issued

by the Competition Commission of India with respect to notification requirements for such combinations were effective June 1, 2011. On March 4, 2011, the Government of India issued and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the Competition Commission of India ("CCI").

Additionally, on May 11, 2011, the CCI issued the Competition Commission of India (Procedure for transaction of business relating to combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India. The Competition Act aims to, among others, prohibit all agreements and transactions which may have an AAEC in India. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India.

In the event we enter into any agreement or transaction that is held to have an AAEC on competition in the relevant market in India, the provisions of the Competition Act will be applicable. Any prohibition or substantial penalties levied under the Competition Act could adversely affect our financial condition and results of operations, which in turn may have a material adverse impact on our business or prospects, and our ability to make distributions to the shareholders.

59. Any downgrading of India's debt rating by an international rating agency could have an adverse impact on our business.

Any adverse revision to the rating of India's domestic or international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such funding is available. This could have an adverse effect on our business and future financial performance, its ability to obtain financing for capital expenditures and the trading price of the Equity Shares.

60. A slowdown in economic growth in India could adversely impact our business.

The structure of the Indian economy has undergone considerable changes in the last decade. These include increasing importance of external trade and of external capital flows. Any slowdown in the growth of the Indian economy or the automobile or construction sectors or any future volatility in global commodity prices could adversely affect our customers and the growth of our business, which in turn could adversely affect our business, financial condition and results of operations.

India's economy could be adversely affected by a general rise in interest rates, fluctuations in currency exchange rates, adverse conditions affecting agriculture, commodity and electricity prices or various other factors. Further, conditions outside India, such as slowdowns in the economic growth of other countries could have an impact on the growth of the Indian economy, and government policy may change in response to such conditions.

The Indian economy and financial markets are also significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States, Europe or China, may have a impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss of investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets.

The global financial turmoil, which grew out of the sub-prime mortgage crisis in the United States and the subsequent sovereign debt crisis in Europe, as well as the recent downgrade of India, the United States' credit rating and Italy, Spain, Greece and Cyprus's sovereign rating by Standard & Poor's and the threat of further downgrades of other countries, led to a loss of investor confidence in worldwide financial markets. Indian financial markets also experienced the effect of the global financial turmoil, evident from the sharp decline in SENSEX, BSE's benchmark index, through the first half of 2012. Any prolonged financial crisis may have an adverse impact on the Indian economy, thereby having a material adverse effect on the stock price of our Company, our business, financial condition and results of operations.

61. The extent and reliability of Indian infrastructure, to the extent insufficient, could adversely impact our results of operations and financial condition.

India's physical infrastructure is less developed than that of many developed nations. Any congestion or disruption with its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our business operations, which could have adverse effect on our results of operations and financial condition.

62. Demand for our road infrastructure development and construction services depends on economic growth and the level of investment and activity in the sector.

Demand for our road infrastructure development and construction services is primarily dependent on sustained economic development in the regions that we operate in and government policies relating to road infrastructure development. Our performance and growth are dependent on the health of the Indian economy. It is also significantly dependent on budgetary allocations made by the GoI for this sector as well as funding provided by international and multilateral development finance institutions for road infrastructure projects. Investment by the private sector in road infrastructure projects is dependent on the potential returns from such projects and is therefore linked to government policies relating to private sector participation and sharing of risks and returns from such projects. A reduction of capital investment in the road infrastructure sector due to these factors or for any other reason could have an adverse effect on our business prospects and results of operations.

63. Significant increases in the price of or shortages in the supply of crude oil could adversely affect the volume of traffic on our project roads and the Indian economy in general, including the surface transportation infrastructure sector, which could have an adverse effect our business and results of operations.

India relies significantly on imports to meet its requirements of crude oil. Crude oil prices are volatile and are subject to a number of factors, including the level of global production and political factors, such as war and other conflicts, particularly in the Middle East, where a substantial proportion of the world's oil reserves are located. Any significant increase in the price of or shortages in the supply of crude oil could adversely affect the Indian economy in general, including the surface transportation sector affecting the volume of traffic on our BOT toll roads and consequently an adverse effect on our business and results of operations.

64. Our Equity Shares are quoted in Indian rupees in India and investors may be subject to potential losses arising out of exchange rate risk on the Indian rupee and risks associated with the conversion of Indian rupee proceeds into foreign currency.

Investors are subject to currency fluctuation risk and convertibility risk since our Equity Shares are quoted in Indian rupees on the Indian stock exchanges on which they are listed. Dividends on the Equity Shares will also be paid in Indian Rupees. In addition, foreign investors that seek to sell Equity Shares will have to obtain approval from the RBI, unless the sale is made on a stock exchange or in connection with an offer made under regulations regarding takeovers. The volatility of the Indian rupee against the US dollar and other currencies subjects investors who convert funds into Indian rupees to purchase our Equity Shares to currency fluctuation risks.

65. Unfavourable changes in legislation, including tax legislation, or policies applicable to us could adversely affect our results of operations.

The Direct Tax Code, 2010 ("**DTC Bill**") (which consolidates the prevalent direct tax laws) is proposed to come into effect soon. On the finalisation of the DTC Bill, the DTC Bill will be placed before the Indian Parliament for its approval and notification as an Act of Parliament. If the DTC Bill is notified as an act of Parliament its present form, the tax impact discussed in this Letter of Offer will be altered. We have not yet determined the impact of the proposed legislation on our business, and it is currently unclear what effect the DTC Bill would have on our financial statements. Similarly, the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 has come into force with effect from January 1, 2014. However, the rules related to its implementation are yet to be notified. The act, inter alia, stipulates (i) restrictions on land acquisition, for example with respect to certain types of agricultural land, and (ii) compensation, rehabilitation and resettlement of affected people residing on such acquired land. Therefore, it is unclear what effect the said act, and the rules once notified, will have on our operations.

Presently, road infrastructure development projects, including BOT projects, enjoy certain benefits under Section 80IA of the Income Tax Act, 1961. As a result of these incentives, a number of our projects are subject to relatively low tax liabilities. If the laws relating to such minimum tax liabilities are changed, it may have an adverse impact

on our financial condition and results of operations. The income tax exemptions for various BOT projects expire at various points of time. Alterations, expiry or termination of these tax incentives may reduce our profitability and materially increase our tax expenses.

66. Investors may not be able to enforce a judgment of a foreign court against us or our management.

The enforcement of civil liabilities by overseas investors in our Equity Shares, including the ability to effect service of process and to enforce judgments obtained in courts outside of India may be adversely affected by the fact that we are incorporated under the laws of the Republic of India and all of our executive officers and directors reside in India. Nearly all of our assets and the assets of our executive officers and directors are also located in India. As a result, it may be difficult to enforce the service of process upon us and any of these persons outside of India or to enforce outside of India, judgments obtained against us and these persons in courts outside of India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments are provided for under Section 13 and Section 44A of the Civil Procedure Code respectively. The GoI has under Section 44A of the Civil Procedure Code notified certain countries as reciprocating countries, as discussed below. Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon, between the same parties or between the parties whom they or any of them claim are litigating under the same title, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction, (ii) where the judgment has not been given on the merits of the case, (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable, (iv) where the proceedings in which the judgment was obtained were opposed to natural justice, (v) where the judgment has been obtained by fraud, or (vi) where the judgment sustains a claim founded on a breach of any law in force in India.

Section 44A of the Civil Procedure Code provides that where a foreign judgment has been rendered by a court in any country or territory outside India, which the GoI has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a similar nature or in respect of a fine or other penalties and does not include arbitration awards. The United Kingdom and some other countries have been declared by the GoI to be a reciprocating territory for the purposes of Section 44A. However, the United States has not been declared by the GoI to be a reciprocating territory for the purposes of Section 44A. A judgment of a court in the United States may be enforced in India only by a suit upon the judgment, subject to Section 13 of the Civil Procedure Code and not by proceedings in execution.

The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. Generally, there are considerable delays in the disposal of suits by Indian courts. It may be unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it may be unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy in India. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI under FEMA to repatriate any amount recovered pursuant to execution and any such amount may be subject to income tax in accordance with applicable laws. Any judgment or award in a foreign currency would be converted into Indian Rupees on the date of the judgment or award and not on the date of the payment. Generally, there are considerable delays in the processing of legal actions to enforce a civil liability in India, and therefore it is uncertain whether a suit brought in an Indian court will be disposed off in a timely manner or be subject to considerable delays.

67. Economic developments and volatility in securities markets in other countries may also cause the price of our Equity Shares to decline.

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general.

68. Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Under current Indian tax laws and regulations, capital gains arising from the sale of Equity Shares in an Indian company are generally taxable in India. Any gain realised on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax ("STT") has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realised on the sale of equity shares held for more than 12 months by an Indian resident, which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

69. Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and could have a material adverse effect on our business, financial condition and results of operations and the price of our Equity Shares.

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets in which our Equity Shares trade and the international markets in which we operate, as well as adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, make travel and other services more difficult and ultimately adversely affect our business.

India has experienced communal disturbances, terrorist attacks and riots during recent years. If such events recur, our business may be adversely affected. The Asian region has from time to time experienced instances of civil unrest and hostilities. Hostilities and tensions may occur in the future and on a wider scale. Military activity or terrorist attacks in India, as well as other acts of violence or war could influence the Indian economy by creating a greater perception that investments in India involve higher degrees of risk.

Events of this nature in the future, as well as social and civil unrest within other countries where we operate, including China, Columbia, Botswana etc., could influence the Indian economy and could have a material adverse effect on the market for securities of Indian companies, including our Equity Shares.

70. India is vulnerable to natural disasters that could severely disrupt the normal operation of our business.

India has experienced natural calamities, such as tsunamis, floods, droughts and earthquakes in the past few years. The extent and severity of these natural disasters determines their impact on the Indian economy. Unforeseen circumstances of below normal rainfall and other natural calamities could also have a negative impact on the Indian economy. Because our operations are located in India, our business and operations could be interrupted or delayed as a result of a natural disaster in India, which could affect our business, financial condition, results of operations and the price of our Equity Shares.

71. An outbreak of an infectious disease or any other serious public health concerns in Asia or elsewhere could adversely affect our business.

The outbreak of an infectious disease in Asia or elsewhere or any other serious public health concern, such as swine influenza, could have a negative impact on the global economy, financial markets and business activities worldwide, which could adversely affect our business, financial condition, results of operations and the price of our Equity Shares. Although, we have not been adversely affected by such outbreaks in the past, we can give you no assurance that a future outbreak of an infectious disease among humans or animals or any other serious public health concerns will not have a material adverse effect on our business, financial condition, results of operations and the price of our Equity Shares.

72. Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.

The Companies Act, the New Companies Act and related regulations, the Articles of Association and our Equity Listing Agreements govern our corporate affairs. Legal principles relating to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as

shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as a shareholder than as a shareholder of a corporation in another jurisdiction.

73. A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition.

A decline in India's foreign exchange reserves could impact the valuation of the Rupee and result in reduced liquidity and higher interest rates, which could adversely affect our future financial condition. On the other hand, high levels of foreign funds inflow could add excess liquidity to the system, leading to policy interventions, which would also allow slowdown of economic growth. In either case, an increase in interest rates in the economy following a decline in foreign exchange reserves could adversely affect our business, prospects, financial condition, results of operations, and the price of the Equity Shares.

74. Companies operating in India are subject to a variety of central and state government taxes and surcharges.

Tax and other levies imposed by the GoI and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, value added tax, turnover tax, service tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. The central or state governments may in the future increase the corporate income taxes they impose. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect our business and results of operations.

75. Investors will be subject to market risks until the Equity Shares credited to the investor's demat account are listed and permitted to trade.

Investors can start trading the Equity Shares allotted to them only after they have been credited to their demat account, are listed and permitted to trade. Since the Equity Shares are currently traded on the BSE and the NSE, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to his demat account or that trading in the Equity Shares will commence in a timely manner.

76. After this Issue, the price of our Equity Shares may be highly volatile.

The prices of our Equity Shares on the Indian stock exchanges may fluctuate after this Issue as a result of several factors, including:

- volatility in the Indian and global securities market or in the Rupee's value relative to the US dollar, the Euro and other foreign currencies;
- our profitability and performance;
- inability to sustain our global expansions;
- perceptions about our future performance in general;
- performance of our competitors in the surface transportation infrastructure industry and the perception in the market about investments in this industry;
- adverse media reports on us or the surface transportation infrastructure industry;
- changes in the estimates of our performance or recommendations by financial analysts;
- changes in the prices or raw materials;
- significant developments in India's economic liberalisation and deregulation policies; and
- significant developments in India's fiscal, environmental and other regulations.

There can be no assurance that an active trading market for our Equity Shares will be sustained after this Issue, or that the prices at which our Equity Shares have historically traded will correspond to the price at which the Equity Shares are offered in this Issue or the prices at which our Equity Shares will trade in the market subsequent to this Issue. The Indian stock markets have witnessed volatility in the past and our Equity Share price may be volatile and may decline post listing.

77. There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect an Equity Shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.

We are subject to a daily circuit breaker imposed by all stock exchanges in India, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breakers is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares.

The stock exchanges do not inform us of the percentage limit of the circuit breaker in effect from time to time, and may change it without our knowledge. This circuit breaker limits the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance may be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

78. There is no guarantee that the Equity Shares will be listed on the BSE and the NSE in a timely manner or at all, and any trading closures at the BSE and the NSE may adversely affect the trading price of our Equity Shares.

In accordance with Indian law and practice, permission for listing of the Equity Shares will not be granted until after those Equity Shares have been issued and allotted. Approval will require all other relevant documents authorising the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the BSE and the NSE. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

The regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in Europe and the US. Indian stock exchanges have in the past experienced problems, including temporary exchange closures, broker defaults, settlements delays and strikes by brokerage firm employees, which, if continuing or recurring, could affect the market price and liquidity of the securities of Indian companies, including the Equity Shares, in both domestic and international markets. A closure of, or trading stoppage on, the BSE and the NSE could adversely affect the trading price of the Equity Shares. Historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future.

79. There may be less company information available in Indian securities markets than in securities markets in other more developed countries.

The level of regulation, disclosure and monitoring of the Indian securities markets and the activities of investors, brokers and other participants varies from that of markets in the Organization for Economic Co-operation and Development, United States and other more regulatory standards for Indian securities markets. SEBI received statutory powers in 1992 to assist it in carrying out its responsibility for improving disclosure and other regulatory standards for the Indian securities markets. SEBI has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may, however, be less publicly available information about Indian companies than is regularly made available by public companies in more developed economies. As a result, an investor may have access to less information about our Company's business, results of operation and financial condition, and those of our competitors that are listed on the BSE, the NSE and other stock exchanges in India on an ongoing basis than in the case of companies subject to reporting requirements of other more developed countries.

80. Investors may be restricted from exercising pre-emptive rights under Indian law and may be adversely affected by future dilution of their ownership position.

Pursuant to the Companies Act a company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution when the votes cast in favour of the resolution by the holders who, being entitled so to do, vote in person or by proxy or by postal ballot, are required to be not less than three times the number of the votes, if any, cast against the resolution by members so entitled and voting.

In the event an investor is not permitted, under the laws of his relevant jurisdiction, to exercise pre-emptive rights without the filing a placement document or registration statement with the applicable authority in that jurisdiction, he will be unable to exercise your pre-emptive rights unless such filing is made by our Company. If we elect not to make such a filing, the new securities may be issued to a custodian, who may sell the securities for benefit of such an investor. The value such custodian would receive upon the sale of such securities, if any, and the related

transaction costs cannot be predicted. To the extent that such an investor is unable to exercise pre-emptive rights granted in respect of the Equity Shares, his proportional interest in our Company would be reduced.

Prominent Notes

- The net worth (excluding Foreign Currency Translation Reserve, Foreign Currency Monetary Item Translation Reserve, Cash Flow Hedge Reserve and Capital Reserve on Consolidation and Cumulative Redeemable Preference Shares) of our Company was ₹ 32,085.83 million and ₹ 26,037.84 million as on March 31, 2015 and March 31, 2014 respectively, as per our last audited financial statements on a standalone basis, and was ₹ 53,955.64 million and ₹ 45,258.43 million as on March 31, 2015 and March 31, 2014 respectively, on a consolidated basis. As of June 30, 2015, the net worth (excluding foreign currency translation reserve, cash flow hedge reserve and capital reserve or consolidation and cumulative redeemable preference shares) of our Company was ₹ 54,120.50 million on a consolidated basis and ₹ 32,194.95 million on a standalone basis. This is an issue of 82,240,007 Equity Shares at the Issue Price of ₹ 90 aggregating to ₹ 7,401.60 million, in the ratio of 3 Equity Shares for every 1 fully paid up Equity Shares held as on the Record Date, i.e. October 8, 2015.
- During the period of six months immediately preceding the date of filing of the Letter of Offer, no financing arrangements existed whereby the Promoter Group, our Promoter, directors of our Promoter, our Directors and their relatives may have financed the purchase of Equity Shares by any other person.
- For the details, nature and cumulative value of transactions of our Company with our Group Companies and Subsidiaries during the Fiscal 2015 and period ended June 30, 2015, see the section titled “*Financial Information*” on pages 99.

SECTION III – INTRODUCTION

THE ISSUE

Following is a summary of the Issue. This summary should be read in conjunction with and is qualified in its entirety by, more detailed information in the section titled “*Terms of the Issue*” on page 404.

Equity Shares proposed to be issued by our Company	82,240,007 Equity Shares aggregating up to ₹ 7,401.60 million.
Rights Entitlement	1 Equity Share for every 3 fully paid up Equity Shares held on the Record Date.
Fractional Entitlement	For Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Equity Shareholders of the Company as on the Record Date (“Eligible Equity Shareholders”) is equal to or less than 3 Equity Shares or is not in multiples of 3, the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares. Those Eligible Equity Shareholders holding less than 3 Equity Shares, i.e., holding up to 2 Equity Shares, and therefore entitled to 'Zero' Equity Shares under this Issue shall be dispatched a CAF with 'Zero' entitlement. Such Eligible Equity Shareholders are entitled to apply for additional Equity Shares and would be given preference in allotment of one additional Equity Share if, such Eligible Equity Shareholders have applied for the additional Equity Shares. However, they cannot renounce the same in favour of third parties.
Record Date	October 8, 2015
Face Value per Equity Share	₹ 10
Issue Price per Equity Share	₹ 90
Issue Size	₹ 7,401.60 million.
Equity Shares outstanding prior to the Issue	246,720,020 Equity Shares.
Equity Shares outstanding after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	328,960,027 Equity Shares.
Use of Issue Proceeds	See the section titled “ <i>Objects of the Issue</i> ” on page 62.
Terms of the Issue	See the section titled “ <i>Terms of the Issue</i> ” on page 404.

Terms of Payment

The entire Issue Price will be paid on Application, along with the CAF.

SELECTED FINANCIAL INFORMATION

The following tables set forth below indicate a summary of the financial data derived from our audited standalone and consolidated financial statements of our Company for Fiscal 2015 and the limited reviewed standalone and consolidated financial results for the quarter and the three months ended June 30, 2015. The summary financial information presented below should be read in conjunction with the financial statements and the notes thereto.

IL&FS TRANSPORTATION NETWORKS LIMITED

Balance Sheet as at March 31, 2015

₹in Million					
	Particulars	As at March 31, 2015		As at March 31, 2014	
I	<u>EQUITY AND LIABILITIES</u>				
1	SHAREHOLDERS' FUNDS				
	(a) Share capital	6,231.70		5,707.18	
	(b) Reserves and surplus	29,563.74	35,795.44	24,114.45	29,821.63
2	NON-CURRENT LIABILITIES				
	(a) Long-term borrowings	41,154.20		26,907.85	
	(b) Deferred tax liabilities (Net)	354.01		207.56	
	(c) Other long term liabilities	5,218.24		4,032.30	
	(d) Long-term provisions	94.17	46,820.62	39.13	31,186.84
3	CURRENT LIABILITIES				
	(a) Current maturities of long-term debt	13,724.92		11,067.50	
	(b) Short-term borrowings	19,511.65		8,265.17	
	(c) Trade payables	7,461.46		10,294.95	
	(d) Other current liabilities	5,907.03		4,943.59	
	(e) Short-term provisions	2,377.70	48,982.76	1,690.36	36,261.57
	TOTAL		131,598.82		97,270.04
II	<u>ASSETS</u>				
1	NON CURRENT ASSETS				
	(a) Fixed assets				
	(i) Tangible assets (net)	327.15		179.26	
	(ii) Intangible assets (net)	1,060.55		108.09	
	(iii) Capital work-in-progress	-		24.12	
	(b) Non-current investments (net)	47,900.81		39,991.69	
	(c) Long-term loans and advances	21,219.34		13,235.77	
	(d) Other non-current assets	4,566.48	75,074.33	3,617.04	57,155.97
2	CURRENT ASSETS				
	(a) Trade receivables (net)	27,394.61		24,953.26	
	(b) Cash and cash equivalents	203.22		111.42	
	(c) Short-term loans and advances (net)	23,303.69		12,060.44	
	(d) Other current assets	5,622.97	56,524.49	2,988.95	40,114.07
	TOTAL		131,598.82		97,270.04

Note 1 to 41 forms part of the financial statements.

IL&FS TRANSPORTATION NETWORKS LIMITED
Statement of Profit and Loss for the year ended March 31, 2015

₹in Million			
	Particulars	Year ended March 31, 2015	Year ended March 31, 2014
I	Revenue from operations	35,229.33	34,045.83
II	Other income	3,588.93	2,673.84
III	Total revenue (I + II)		
		38,818.26	36,719.67
IV	Expenses		
	Operating expenses	25,146.43	26,221.20
	Employee benefits expense	670.21	617.77
	Finance costs	7,381.24	5,196.51
	Depreciation and amortisation expense (net)	98.78	109.25
	Administrative and general expenses	1,680.35	1,345.88
	Total expenses		
		34,977.01	33,490.61
V	Profit before taxation (III-IV)	3,841.25	3,229.06
VI	Tax expense:	765.80	840.00
	(a) Current tax expenses		
	(b) Less: MAT credit entitlement	(267.55)	-
	(c) Tax relating to earlier years written back (Refer note 39)	-	(479.17)
	(d) Net Current tax	498.25	360.83
	(e) Deferred tax (net)	156.38	207.96
	Net tax expenses (VI)	654.63	568.79
VII	Profit for the year (V - VI)		
		3,186.62	2,660.27
	Earnings per equity share (Face value per		
	share ₹ 10/-):		
	(1) Basic	9.21	11.02
	(2) Diluted	9.21	11.02

Note 1 to 41 forms part of the financial statements.

IL&FS TRANSPORTATION NETWORKS LIMITED
Cash Flow Statement for the Year ended March 31, 2015

₹ in Million		
Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Cash Flow from Operating Activities		
Profit Before Tax	3,841.25	3,229.06
Adjustments for		
Interest Income	(2,992.13)	(1,698.16)
Employee benefits (net)	3.03	4.50
Profit on sale of fixed assets (net)	0.72	(0.33)
Profit on sale of investments	(2,826.05)	-
Depreciation and amortization expense	98.78	109.25
Foreign exchange gain transferred from Foreign Currency Translation Reserve to Statement of Profit and Loss	(29.23)	(18.06)
Interest accrued on loans written off	96.13	-
Finance Costs	7,381.24	5,196.51
Dividend Income on non-current investments	(220.12)	(341.40)
Operating profit before Working Capital Changes	5,353.63	6,481.37
		-
Increase in trade receivables	(2,441.35)	(8,975.73)
Increase in other assets & loans and advances (current and non current)	(3,482.67)	(1,114.26)
(Decrease) / Increase in liabilities (current and non current)	(1,175.00)	6,456.78
Cash (used in) / generated from Operations	(1,745.39)	2,848.16
Direct Taxes paid (Net)	(853.14)	(1,864.56)
Net Cash (used in) / generated from Operating Activities (A)	(2,598.54)	983.60
Cash flow from Investing Activities		
Additions to fixed assets and Capital Work in Progress	(183.86)	(171.19)
Proceeds from sale of fixed assets	1.83	27.58
Proceeds from sale of investments in subsidiaries	2,654.30	-
Investment in / Purchase of equity shares of subsidiaries	(6,740.47)	(7,460.01)
Investment in Others	(336.76)	(142.50)
Amount received towards exercise of call option issued	0.00	6.11
Long term loans given	(6,613.70)	(3,694.11)
Long term loans recovered	4.68	3,315.70
Short term loans (given) / received back (net)	(10,998.30)	(3,133.81)
Interest received	1,659.05	1,105.04
Dividend received	382.00	179.52
Net Cash used in Investing Activities (B)	(20,171.23)	(9,967.67)
Cash flow from Financing Activities		
Proceeds from issue of Preference Shares (including securities premium)	-	7,529.00
Proceeds from issue of Rights Equity Shares (including securities premium)	5,245.23	-
Preference issue expenses adjusted in securities premium	(55.93)	(67.23)
Repayment of loans on demand from Banks (net)	(27.38)	164.47
Proceeds from long term borrowings	28,140.34	19,420.00
Repayment of long term borrowings	(11,371.23)	(9,850.00)

Proceeds from short term borrowings	47,155.63	21,300.00
Repayment of short term borrowings	(35,881.77)	(22,144.50)
Finance Costs paid	(7,712.02)	(5,332.75)
Equity Dividend paid	(986.88)	(777.07)
Tax on Equity Dividend paid	(167.72)	(132.06)
Preference Dividend paid	(305.11)	-
Tax on Preference Dividend paid	(51.85)	-
Fixed deposits placed as security against borrowings (Net)	(1,119.91)	(1,069.43)
Net Cash generated from Financing Activities (C)		
	22,861.40	9,040.43
Net Increase in Cash and Cash Equivalents (A+B+C)		
	91.63	56.36
Cash and Cash Equivalents at the beginning of the year		
	110.71	54.35
Cash and Cash Equivalents at the end of the year	202.34	110.71
Net Increase in Cash and Cash Equivalents	91.63	56.36
Components of Cash and Cash Equivalents		
Cash on Hand	0.08	0.32
Balances with Banks in current accounts	199.92	108.06
Fixed deposits	2.33	2.33
	202.34	110.71
Unpaid Dividend Accounts	0.88	0.71
Cash and Cash Equivalents as per Balance Sheet	203.22	111.42

Footnote: During the year the Company has purchased additional shares of a subsidiary company for a value of ₹ 393.24 Mn of which a sum of ₹ 387.73 mn has been adjusted against the loan outstanding from the seller, the impact of this has not been given in the cash flow statement above.

Note 1 to 41 forms part of the financial statements.

IL&FS TRANSPORTATION NETWORKS LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2015

	Particulars	As at		As at	
		March 31, 2015		March 31, 2014	
I	<u>EQUITY AND LIABILITIES</u>				
1	SHAREHOLDERS' FUNDS				
	(a) Share capital	6,231.70		5,707.18	
	(b) Reserves and surplus	50,959.97	57,191.67	44,331.07	50,038.25
2	MINORITY INTEREST		2,911.39		4,237.50
3	PREFERENCE SHARES ISSUED BY SUBSIDIARY COMPANY		-		350.00
4	NON-CURRENT LIABILITIES				
	(a) Long-term borrowings	185,917.12		162,667.59	
	(b) Deferred tax liabilities (net)	1,245.62		1,990.36	
	(c) Other long term liabilities	4,538.16		5,023.24	
	(d) Long-term provisions	629.79	192,330.69	526.58	170,207.77
5	CURRENT LIABILITIES				
	(a) Current maturities of long-term debt	26,488.63		15,235.79	
	(b) Short-term borrowings	22,729.01		10,261.91	
	(c) Trade payables	10,899.92		15,273.95	
	(d) Other current liabilities	3,847.56		3,276.23	
	(e) Short-term provisions	2,839.44	66,804.56	2,446.23	46,494.11
	TOTAL		319,238.31		271,327.63
II	<u>ASSETS</u>				
1	NON-CURRENT ASSETS				
	(a) Fixed assets				
	(i) Tangible assets (net)	1,744.53		1,553.32	
	(ii) Intangible assets (net)	70,655.64		48,453.87	
	(iii) Capital work-in-progress	186.17		496.53	
	(iv) Intangible assets under development	93,256.52		84,861.90	
	(b) Goodwill on consolidation (net)	5,820.03		5,753.15	
	(c) Non-current investments (net)	6,424.61		4,675.66	
	(d) Deferred tax assets	161.20		179.99	
	(e) Long-term loans and advances (net)	13,865.79		10,998.90	
	(f) Other non-current assets	86,542.60	278,657.09	80,875.75	237,849.07
2	CURRENT ASSETS				
	(a) Current investments	200.48		15.28	
	(b) Inventories	140.79		171.54	
	(c) Trade receivables (net)	10,456.24		9,875.38	
	(d) Cash and cash equivalents	7,770.64		6,712.84	
	(e) Short-term loans and advances	11,923.29		9,735.48	
	(f) Other current assets	10,089.78	40,581.22	6,968.04	33,478.56

	TOTAL		319,238.31		271,327.63

IL&FS TRANSPORTATION NETWORKS LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015
₹ in million

	Particulars	Year ended March 31, 2015	Year ended March 31, 2014
I	Revenue from operations	65,008.74	65,869.90
II	Other income	3,273.50	2,154.92
III	Total revenue (I + II)	68,282.24	68,024.82
IV	Expenses		
	Cost of materials consumed	2,415.82	2,272.70
	Operating expenses	31,345.43	36,337.25
	Employee benefits expense	4,591.26	4,141.45
	Finance costs (net)	18,331.19	14,709.63
	Depreciation and amortisation expense	1,521.22	1,510.18
	Administrative and general expenses	5,271.86	4,222.19
	Total expenses (IV)	63,476.78	63,193.40
V	Profit before tax (III-IV)	4,805.46	4,831.42
VI	Tax expense:		
	(a) Current tax	1,351.08	1,440.75
	(b) Less: MAT credit entitlement	(341.64)	(181.02)
	(c) Tax relating to earlier years written back	(1.12)	(495.07)
	(d) Net Current tax	1,008.32	764.66
	(e) Deferred tax (net)	(203.97)	(499.17)
	Total tax expense (VI)	804.35	265.49
VII	Profit before share of associates & share of minority interest (V-VI)	4,001.11	4,565.93
VIII	Share of profit of associates (net)	146.43	50.66
IX	Share of loss transferred to minority interest (net)	288.47	13.89
	Profit for year (VII+VIII+IX)	4,436.01	4,630.48
	Earnings per equity share (Face value per share ₹ 10/-)		
	(1) Basic	14.32	20.49
	(2) Diluted	14.32	20.49

Note 1 to 44 forms part of the consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

₹ in million

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Cash Flow from Operating Activities		
Profit Before Taxes, Minority Interest and Share of Associates	4,805.46	4,831.42
Adjustments for :-		
Interest income	(2,551.12)	(1,091.36)
Profit on sale of investments (net)	(1,984.35)	(12.72)
Dividend Income	(24.00)	(6.00)
Finance costs	18,331.19	14,709.63
(Profit) / Loss on sale of fixed assets (net)	(20.67)	31.59
Provision for employee benefits (net)	(33.50)	(59.18)
Depreciation and amortization expense	1,521.22	1,510.18
Provision for bad and doubtful debts	52.45	177.21
Provision for overlay expenses	181.87	140.17
Reversal of excess overlay provision	-	(380.83)
Reversal of provision for diminution in value of investments	(342.28)	-
Amortisation of goodwill	82.67	69.83
Amortisation of toll receivable account	11.77	31.41
Foreign currency fluctuation (gain) / loss and other adjustment	(28.74)	12.20
Excess provision written back	-	(0.98)
Operating profit before Working Capital Changes	20,001.97	19,962.57
Adjustments / changes in working capital:		
Increase in trade receivables	(2,490.98)	(876.59)
Increase in other non-current & current assets and long-term & short-term loans and advances	(2,107.65)	(2,803.39)
(Decrease) / increase in trade payables, other non current and current liabilities	(2,943.95)	4,194.75
Cash Generated from Operations	12,459.39	20,477.34
Direct Taxes paid (Net)	(1,776.01)	(2,505.43)
Net Cash generated from Operating Activities (A)	10,683.38	17,971.91
Cash flow from Investing Activities		
Additions to fixed assets	(28,525.60)	(31,978.90)
Proceeds from sale of fixed assets	48.35	20.13
Increase in receivable under service concession arrangements (net)	(7,665.69)	(8,885.10)
Interest received	2,070.97	665.90
Proceeds from sale of investments in subsidiaries	2,654.30	-
Purchase of / advance towards investments (net)	(428.08)	96.81
Investment in covered warrant	(250.00)	-
Proceeds from (purchase) / redemption of mutual funds & other units (net)	(167.94)	369.56
Movement in other bank balances	(1,225.14)	(1,139.06)
Long term loans (given) / repaid (net)	(375.87)	77.33
Short term loans repaid / (given) (net)	(2,075.21)	(426.13)
Inter-corporate deposits (placed) (net)	(216.91)	(32.68)

Dividend received	24.00	6.00
Payment towards acquisition of subsidiary	-	(6.36)
Net Cash used in Investing Activities (B)	(36,132.82)	(41,232.50)
Cash flow from Financing Activities		
Proceeds from issue of Rights Equity Shares	524.52	-
Securities premium on issue of Rights Equity Shares	4,720.71	-
Proceeds from issue CRPS (including securities premium)	-	7,529.00
Preference issue expenses adjusted against securities premium	(55.93)	(67.23)
Proceeds from borrowings	110,274.27	77,356.19
Repayment of borrowings	(62,976.18)	(41,802.46)
Finance costs paid	(26,230.28)	(20,460.33)
Dividend paid	(990.11)	(780.93)
Tax on dividend paid	(253.20)	(162.21)
Capital grant received	1,727.77	2,591.46
Proceeds from minority interest	-	1,035.30
Restructuring charges paid by a subsidiary	-	(869.37)
Preference dividend paid	(305.11)	-
Tax on Preference dividend paid	(51.85)	-
Net Cash generated from Financing Activities (C)	26,384.61	24,369.42
Net Increase in Cash and Cash Equivalents (A+B+C)	935.17	1,108.83
Cash and Cash Equivalent at the beginning of the year	6,111.54	3,577.60
Impact of Foreign Currency Translation	(93.68)	104.24
Impact of acquisition of subsidiary	-	(1,320.87)
Impact of conversion of subsidiary to associates	(60.68)	-
Cash and Cash Equivalent at the end of the year	6,892.35	6,111.54
Net Increase in Cash and Cash Equivalents	935.17	1,108.83
		₹ in million
Components of Cash and Cash Equivalents		
Cash on hand	36.70	35.91
Balances with Banks in current accounts	4,713.88	5,147.55
Balances with Banks in deposit accounts	2,141.77	928.08
Cash and Cash Equivalents as per AS-3	6,892.35	6,111.54
Other Bank Balances		
Unpaid dividend accounts	4.83	4.20
Balances held as margin money or as security against borrowings	873.46	597.10
Cash and Cash Equivalents as per Note 22	7,770.64	6,712.84

Footnote: During the year the Holding Company has purchased additional shares of a subsidiary company for a value of ₹ 393.24 Mn of which a sum of ₹ 387.73 Mn has been adjusted against the loan outstanding from the seller, the impact of this has not been given in the cash flow statement above.

Note 1 to 44 forms part of the consolidated financial statements.

IL&FS TRANSPORTATION NETWORKS LIMITED
Unaudited Interim Condensed Balance Sheet as at June 30, 2015

₹ in Million

Particulars		Unaudited		Audited	
		As at June 30, 2015		As at March 31, 2015	
I	<u>EQUITY AND LIABILITIES</u>				
1	SHAREHOLDERS' FUNDS				
	(a) Share capital	6,231.70		6,231.70	
	(b) Reserves and surplus	29,680.31	35,912.01	29,563.74	35,795.44
2	NON-CURRENT LIABILITIES				
	(a) Long-term borrowings	41,381.20		41,154.20	
	(b) Deferred tax liabilities (Net)	248.60		354.01	
	(c) Other long term liabilities	4,793.82		5,218.24	
	(d) Long-term provisions	107.33	46,530.95	94.17	46,820.62
3	CURRENT LIABILITIES				
	(a) Current maturities of long-term debt	15,403.42		13,724.92	
	(b) Short-term borrowings	23,733.26		19,511.65	
	(c) Trade payables	8,406.97		7,461.46	
	(d) Other current liabilities	6,193.88		5,907.03	
	(e) Short-term provisions	1,474.79	55,212.32	2,377.70	48,982.76
	TOTAL		137,655.28		131,598.82
II	<u>ASSETS</u>				
1	NON CURRENT ASSETS				
	(a) Fixed assets				
	(i) Tangible assets (net)	312.17		327.15	
	(ii) Intangible assets (net)	1,041.58		1,060.55	
	(b) Non-current investments (net)	49,084.61		47,900.81	
	(c) Long-term loans and advances	21,956.11		21,219.34	
	(d) Other non-current assets	4,663.19	77,057.66	4,566.48	75,074.33
2	CURRENT ASSETS				
	(a) Inventories	13.07		-	
	(b) Trade receivables (net)	27,969.50		27,394.61	
	(c) Cash and cash equivalents	1,138.91		203.22	
	(d) Short-term loans and advances (net)	24,550.88		23,303.69	
	(e) Other current assets (net)	6,925.26	60,597.62	5,622.97	56,524.49
	TOTAL		137,655.28		131,598.82

Note 1 forms part of the unaudited interim condensed financial statements.

IL&FS TRANSPORTATION NETWORKS LIMITED**Unaudited Interim Condensed Statement of Profit and Loss for the quarter ended June 30, 2015**

		₹ in Million	
	Particulars	Unaudited Quarter ended June30, 2015	Audited Quarter ended June30, 2014
I	Revenue from operations	9,470.75	9,393.23
II	Other income	1,245.87	587.13
III	Total revenue (I + II)	10,716.62	9,980.36
IV	Expenses		
	Cost of materials consumed	132.61	-
	Operating expenses	7,197.53	5,717.28
	Employee benefits expense	117.16	191.02
	Finance costs	2,459.06	1,547.51
	Depreciation and amortisation expense	36.80	16.93
	Administrative and general expenses	387.85	347.90
	Total expenses (IV)	10,331.01	7,820.64
V	Profit before taxation (III-IV)	385.61	2,159.72
VI	Tax expense:		
	(a) Current tax expenses	133.45	442.26
	(b) Deferred tax (net)	(105.41)	(168.22)
	Net tax expenses (VI)	28.04	274.04
VII	Profit for the quarter (V - VI)	357.57	1,885.68
	Earnings per equity share (Face value per share ₹ 10/-):		
	(1) Basic (Not annualised)	0.49	7.24
	(2) Diluted (Not annualised)	0.49	7.24

Note 1 forms part of the unaudited interim condensed financial statements.

IL&FS TRANSPORTATION NETWORKS LIMITED
Unaudited Interim Condensed Cash Flow Statement for the quarter ended June 30, 2015
₹ in Million

Particulars	Unaudited	Audited
	Quarter ended June 30, 2015	Quarter ended June 30, 2014
Net Cash generated from Operating Activities (A)	519.69	562.43
Net Cash used in Investing Activities (B)	(2,986.30)	(6,137.34)
Net Cash generated from Financing Activities (C)	3,402.30	5,619.61
Net Increase in Cash and Cash Equivalents (A+B+C)	935.69	44.70
Cash and Cash Equivalents at the beginning of the quarter	202.34	110.71
Cash and Cash Equivalents at the end of the quarter	1,138.03	155.41
Net Increase in Cash and Cash Equivalents	935.69	44.70
Components of Cash and Cash Equivalents		
Cash on Hand	0.18	2.81
Balances with Banks in current accounts	1,135.52	150.27
Balances with Banks in deposit accounts	2.33	2.33
	1,138.03	155.41
Unpaid Dividend Accounts	0.88	0.71
Cash and Cash Equivalents	1,138.91	156.12

Note 1 forms part of the unaudited interim condensed financial statements.

IL&FS TRANSPORTATION NETWORKS LIMITED
UNAUDITED INTERIM CONDENSED CONSOLIDATED BALANCE SHEET AS AT JUNE 30, 2015
₹ in million

	Particulars	Unaudited		Audited	
		As at June 30, 2015		As at March 31, 2015	
I	<u>EQUITY AND LIABILITIES</u>				
1	SHAREHOLDERS' FUNDS				
	(a) Share capital	6,231.70		6,231.70	
	(b) Reserves and surplus	51,640.27	57,871.97	50,959.97	57,191.67
2	MINORITY INTEREST		2,800.61		2,911.39
3	NON-CURRENT LIABILITIES				
	(a) Long-term borrowings	197,596.90		185,917.12	
	(b) Deferred tax liabilities (net)	1,196.33		1,245.62	
	(c) Other long term liabilities	4,906.68		4,538.16	
	(d) Long-term provisions	721.61	204,421.52	629.79	192,330.69
4	CURRENT LIABILITIES				
	(a) Current maturities of long-term debt	21,351.53		26,488.63	
	(b) Short-term borrowings	29,373.89		22,729.01	
	(c) Trade payables	11,754.63		10,899.92	
	(d) Other current liabilities	4,797.96		3,847.56	
	(e) Short-term provisions	1,984.20	69,262.21	2,839.44	66,804.56
	TOTAL		334,356.31		319,238.31
II	<u>ASSETS</u>				
1	NON-CURRENT ASSETS				
	(a) Fixed assets				
	(i) Tangible assets (net)	1,792.97		1,744.53	
	(ii) Intangible assets (net)	75,494.19		70,655.64	
	(iii) Capital work-in-progress	262.99		186.17	
	(iv) Intangible assets under development	96,654.97		93,256.52	
	(b) Goodwill on consolidation (net)	5,919.62		5,820.03	
	(c) Non-current investments (net)	6,553.73		6,424.61	
	(d) Deferred tax assets	181.05		161.20	
	(e) Long-term loans and advances (net)	13,926.24		13,865.79	
	(f) Other non-current assets	89,211.20	289,996.96	86,542.60	278,657.09
2	CURRENT ASSETS				
	(a) Current investments	355.07		200.48	
	(b) Inventories	161.09		140.79	
	(c) Trade receivables (net)	11,531.93		10,456.24	
	(d) Cash and cash equivalents	8,278.93		7,770.64	
	(e) Short-term loans and advances	12,913.43		11,923.29	
	(f) Other current assets	11,118.90	44,359.35	10,089.78	40,581.22
	TOTAL		334,356.31		319,238.31

Note 1 forms part of the unaudited interim condensed consolidated financial statements.

IL&FS TRANSPORTATION NETWORKS LIMITED
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE QUARTER END

		₹ in million	
	Particulars	Unaudited Quarter ended June 30, 2015	Audited Quarter ended June 30, 2014
I	Revenue from operations	16,443.97	15,641.62
II	Other income	932.85	838.58
III	Total revenue (I + II)	17,376.82	16,480.20
IV	Expenses		
	Cost of materials consumed	716.95	261.48
	Operating expenses	8,183.66	7,541.51
	Employee benefits expense	1,085.21	1,128.88
	Finance costs (net)	5,595.06	4,524.93
	Depreciation and amortisation expense	578.73	475.89
	Administrative and general expenses	1,155.83	1,069.01
	Total expenses (IV)	17,315.44	15,001.70
V	Profit before tax (III-IV)	61.38	1,478.50
VI	Tax expense:		
	(a) Current tax	227.40	571.37
	(b) Less: MAT credit entitlement	(8.51)	(42.59)
	(c) Tax relating to earlier years written back	-	(24.61)
	(d) Net Current tax	218.89	504.17
	(e) Deferred tax (net)	(68.68)	(305.38)
	Total tax expense (VI)	150.21	198.79
	(Loss) / Profit before share of associates & share of minority interest (V-VI)	(88.83)	1,279.71
VIII	Share of (loss) / profit of associates (net)	(8.14)	9.54
IX	Share of loss transferred to minority interest (net)	126.02	88.29
	Profit for the quarter (VII+VIII+IX)	29.05	1,377.54
	Earnings per equity share (Face value per share ₹ 10/-)		
	(1) Basic (not annualised)	(0.84)	5.01
	(2) Diluted (not annualised)	(0.84)	5.01

Note 1 forms part of the unaudited interim condensed consolidated financial statements.

IL&FS TRANSPORTATION NETWORKS LIMITED

UNAUDITED INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE QUARTER ENDED JUNE 30, 2015

Particulars	₹ in million	
	Unaudited Quarter ended June 30, 2015	Audited Quarter ended June 30, 2014
Net Cash generated from Operating Activities (A)	5,419.74	2,769.52
Net Cash used in Investing Activities (B)	(9,689.75)	(12,034.12)
Net Cash generated from Financing Activities (C)	4,808.41	9,071.84
Net Increase/ (decrease) in Cash and Cash Equivalents (A+B+C)	538.40	(192.76)
Cash and Cash Equivalent at the beginning of the quarter	6,892.35	6,111.54
Impact of Foreign Currency Translation	48.17	(5.63)
Cash and Cash Equivalent at the end of the quarter	7,478.92	5,913.15
Net Increase/ (decrease) in Cash and Cash Equivalents	538.40	(192.76)

₹ in million		
Components of Cash and Cash Equivalents		
Cash on hand	45.68	42.90
Balances with Banks in current accounts	4,823.25	4,433.39
Balances with Banks in deposit accounts	2,609.99	1,436.86
Cash and Cash Equivalents as per AS-3	7,478.92	5,913.15
Other Bank Balances		
Unpaid dividend accounts	3.96	2.74
Balances held as margin money or as security against borrowings	796.05	1,860.45
Cash and Cash Equivalents	8,278.93	7,776.34

Note 1 forms part of the unaudited interim condensed consolidated financial statements.

GENERAL INFORMATION

Dear Eligible Equity Shareholder(s),

Pursuant to a resolution passed by our Board of Directors on August 26, 2015 and a committee of our Board of Directors (“**Committee of Directors**”) on September 25, 2015, we have decided to make the following Issue to the Eligible Equity Shareholders, with a right to renounce:

ISSUE OF 82,240,007 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH (“EQUITY SHARES”) FOR CASH AT A PRICE OF ₹ 90 PER EQUITY SHARE INCLUDING A PREMIUM OF ₹ 80 PER EQUITY SHARE AGGREGATING TO ₹ 7,401.60 TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY ON RIGHTS BASIS IN THE RATIO OF 1 EQUITY SHARE FOR EVERY 3 FULLY PAID UP EQUITY SHARES HELD ON THE RECORD DATE, OCTOBER 8, 2015. THE ISSUE PRICE IS 9 TIMES OF THE FACE VALUE OF THE EQUITY SHARE. THE ENTIRE ISSUE PRICE FOR THE EQUITY SHARES WILL BE PAID ON APPLICATION.

For more details, see the section titled “*Terms of the Issue*” on page 404.

Registered Office

IL&FS Transportation Networks Limited

‘The IL&FS Financial Centre’

Plot No. C 22, G Block

Bandra-Kurla Complex

Bandra (East)

Mumbai 400 051, India

Telephone: + 91 22 2653 3333

Facsimile: +91 22 2652 3979

Email: itnlinvestor@ilfsindia.com

Website: www.itnlindia.com

Corporate Identification Number: L45203MH2000PLC129790

Address of the RoC

Registrar of Companies, Maharashtra, Mumbai

Everest, 100

Marine Drive

Mumbai 400 002, India

Telephone: +91 22 2281 2627

Facsimile: +91 22 2281 1977

The Equity Shares are listed on the BSE and the NSE.

Company Secretary and Compliance Officer

Mr. Krishna Ghag

Company Secretary and Compliance Officer

‘The IL&FS Financial Centre’

Plot No. C 22, G Block, Bandra-Kurla Complex

Bandra (East)

Mumbai 400 051, India

Telephone: + 91 22 2653 3333

Facsimile: + 91 22 2652 3979

E-mail: itnlinvestor@ilfsindia.com

Note: Investors are advised to contact the Registrar to the Issue or the Compliance Officer in case of any pre-Issue or post-Issue related issues such as non-receipt of letter of Allotment, credit of shares, Split Application Forms or Refund Orders and such other matters. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the applicant, ASBA

Account number and the Designated Branch of the SCSBs where the CAF, or the plain paper Application, as the case may be, was submitted by the ASBA Investor.

Lead Managers to the Issue

JM Financial Institutional Securities Limited

7th Floor, Cnergy
Appasaheb Marathe Marg
Prabhadevi, Mumbai 400 025
Tel: (91 22) 6630 3030
Fax: (91 22) 6630 3330
E-mail: itnl.rights@jmfl.com
Investor Grievance E-mail: grievance.ibd@jmfl.com
Website: www.jmfl.com
Contact Person: Lakshmi Lakshmanan
SEBI Registration Number: INM000010361
CIN: U65192MH1995PLC092522

Domestic Legal Counsel to the Issue

Luthra & Luthra Law Offices

Indiabulls Finance Centre
Tower 2, Unit A2, 20th Floor
Elphinstone Road
Senapati Bapat Marg
Lower Parel
Mumbai - 400 013
Telephone: +91 22 6630 3600
Facsimile: +91 22 6630 3700

Auditors to the Company

Statutory Auditors' Name: Deloitte Haskins & Sells LLP
Address: Indiabulls Finance Centre, 31st Floor, Tower 3,
Senapati Bapat Marg, Elphinstone Mill Compound,
Elphinstone (W), Mumbai – 400 013, India
Contact Person: Kalpesh J. Mehta
Telephone Number: +9122 6185 5819
Fax Number: +9122 6185 4601
Website: www.deloitte.com
Firm Registration Number: 117366W / W-100018

Registrar to the Issue

Link Intime India Private Limited
Pannalal Silk Mills Compound,
L.B.S Marg, Bhandup (West),
Mumbai 400078
Telephone: +91 22 2596 7878
Facsimile: +91 22 2596 0329
Email: itnl.rights2015@linkintime.co.in
Website: www.linkintime.co.in
Investor Grievance ID: itnl.rights2015@linkintime.co.in
Mobile App -blink
Contact Person : Mr. Dinesh Yadav
SEBI Registration Number: INR000004058
Corporate Identification Number: U67190MH1999PTC118368

Issue Schedule

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Issue Opening Date	October 15, 2015
Last date for receipt of requests for Split Application	October 23, 2015
Forms	
Issue Closing Date	October 29, 2015

Monitoring Agency

The Company has appointed IndusInd Bank Limited as the monitoring agency to monitor the utilization of the Net Proceeds in terms of Regulation 16 of the SEBI Regulations.

Appraising Agency

The Net Proceeds are not proposed to be utilized for any project and hence our Company has not obtained any appraisal of the use of proceeds of the Issue.

Escrow Collection Bank and Refund Bank

IndusInd Bank Limited

Cash Management Services
4th Floor, PNA House, Plot No. 57 & 57/1
Road No. 17, Near SRL Diagnostic Centre, MIDC, Andheri (East)
Mumbai -400093
Contact Person: Mr. Suresh Esaki
Telephone Number: +91-22-61069234
Facsimile:022-66238021
E-mail: suresh.esaki@indusind.com
Website: www.indusind.com
SEBI Registration Number: INBI00000002

Self Certified Syndicate Banks

The list of SCSBs is available on the SEBI website, or at such other website as may be prescribed by SEBI from time to time. The list of banks which have been notified by SEBI to act as SCSBs and as provided at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>.

Statement of responsibilities of the Lead Manager

The statement of responsibilities of the Lead Manager in relation to the Issue is provided below:

Sr. no.	Activity
1.	Capital structuring with relative components and formalities such as type of instruments, etc.
2.	Drafting, design and distribution of the Letter of Offer, Abridged Letter of Offer, CAF, etc. and memorandum containing salient features of the Letter of Offer.
3.	Drafting and approval of all the advertisement or publicity material other than statutory advertisement as mentioned above including newspaper advertisement, corporate advertising, brochure, etc.
4.	Assistance in selection of various agencies connected with the Issue, namely Registrar to the Issue, printers, advertisement agencies, Monitoring Agency and including finalisation of related documents
5.	Marketing of issue which will include finalizing road show presentation, frequently asked question, collection centre
6.	Post-issue activities, which shall involve essential follow-up steps including follow-up with bankers to the issue and Self Certified Syndicate Banks to get quick estimates of collection and advising the issuer about the closure of the issue, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as registrars to the issue, bankers to the issue, Self-Certified

Sr. no.	Activity
	Syndicate Banks, etc.

Credit rating

This being a rights issue of Equity Shares, no credit rating is required.

Debenture Trustee

As the Issue is of Equity Shares, the appointment of a debenture trustee is not required.

Issue Grading

As the Issue is a rights offering, grading of the Issue is not required.

Underwriting

The Issue is not underwritten.

Principal Terms of Loans and Assets charged as Security

For the principal terms of loans and assets charged as security, see the section titled “*Financial Information*” on page 99.

CAPITAL STRUCTURE

The share capital of our Company as on June 30, 2015 is set forth below:

		Aggregate value at face value (In ₹ million)	Aggregate value at Issue Price
A)	AUTHORISED SHARE CAPITAL*		
	500,000,000 Equity Shares of ₹ 10 each (“ Equity Shares ”)	5,000.00	--
	1,000,000,000 Preference Shares of ₹ 10 each (“ Preference Shares ”)	10,000.00	--
B)	ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL BEFORE THE ISSUE*		
	246,720,020 Equity Shares	2,467.20	--
	376,450,000 Preference Shares	3,764.50	
C)	PRESENT ISSUE BEING OFFERED THROUGH LETTER OF OFFER**		
	82,240,007 Equity Shares	822.40	7,401.60
D)	PAID-UP EQUITY CAPITAL AFTER THE ISSUE		
	328,960,027 Equity Shares	3,289.60	--

* There have no further changes to the authorized and issued, subscribed and paid up share capital of the Company since June 30, 2015.

** The present Issue has been authorized through a resolution passed by the Board of Directors on August 26, 2015.

Notes to the Capital Structure

1. Intention and extent of participation by the Promoter and the members of the Promoter Group in the Issue

Our Promoter, IL&FS and certain members of our Promoter Group namely IFIN holding Equity Shares, have confirmed that they intend to fully subscribe to their Rights Entitlement in the Issue subject to the terms of this Letter of Offer and applicable law. IL&FS and IFIN have confirmed that they intend to subscribe to the full extent of their Rights Entitlement in the Issue.

In addition to subscription to their Rights Entitlements, IL&FS and IFIN have further confirmed that they intend to subscribe to additional Equity Shares for any unsubscribed portion in the Issue, subject to aggregate shareholding of IL&FS and IFIN not exceeding 75% of the issued, outstanding and fully paid up equity share capital of the Company after the Issue. The subscription to and acquisition of such additional Equity Shares by IL&FS and IFIN will be in accordance with the Takeover Regulations. IL&FS and IFIN have provided undertakings dated September 29, 2015 and September 14, 2015, respectively, to this effect.

As such, other than meeting the requirements indicated in the section titled “Objects of the Issue” on page 62, there is no other intention/purpose for the Issue, including any intention to delist the Company, even if, as a result of any Allotments in the Issue to the Promoter, or the members of the Promoter Group, their shareholding in the Company exceeds their current shareholding. The Promoter, and/or members of the Promoter Group shall subscribe to, and/or make arrangements for the subscription of, such unsubscribed portion as per the relevant provisions of law and in compliance with clause 40A of the Listing Agreement.

2. Shareholding pattern of our Company

The shareholding pattern of the Company as on June 30, 2015 as per the latest filing with the Stock Exchanges, in compliance with clause 35 of the Equity Listing Agreement, is as reproduced below:

Category Code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage (IX) =
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(VIII)/(IV)*100

Category Code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage (IX) =
(A)	Promoter and Promoter Group							
1	Indian							
(a)	Individuals/Hindu Undivided Family	0	0	0	0.00	0.00	0	0.00
(b)	Central Government/State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	2	174,649,776	174,649,776	70.79	70.79	171,450,000	98.17
(d)	Financial Institutions / Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any Other (PAC)	0	0	0	0.00	0.00	0	0.00
	Sub Total (A)(1)	2	174,649,776	174,649,776	70.79	70.79	171,450,000	98.17
2	Foreign							
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	0	0	0	0.00	0.00	0	0.00
(b)	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
(c)	Institutions	0	0	0	0.00	0.00	0	0.00
(d)	Qualified Foreign Investors	0	0	0	0.00	0.00	0	0.00
(e)	Any Other (specify)	0	0	0	0.00	0.00	0	0.00
	Sub Total (A)(2)	0	0	0	0.00	0.00	0	0.00
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	2	174,649,776	174,649,776	70.79	70.79	171,450,000	98.17
(B)	Public shareholding							
1	Institutions							
(a)	Mutual Funds/UTI	20	4,296,193	4,296,193	1.74	1.74	-	-
(b)	Financial Institutions / Banks	6	1,860,345	1,860,345	0.75	0.75	-	-
(c)	Central Government/State Government(s)	0	0	0	0.00	0.00	-	-
(d)	Venture Capital Funds	0	0	0	0.00	0.00	-	-
(e)	Insurance Companies	0	0	0	0.00	0.00	-	-
(f)	Foreign Institutional Investors	51	18,776,253	18,776,253	7.61	7.61	-	-
(g)	Foreign Venture Capital Investors	1	119,351	119,351	0.05	0.05	-	-
(h)	Foreign Portfolio Investor (Corporate)	3	20,920	20,920	0.01	0.01	-	-
(I)	Any Other (specify)	0	0	0	0.00	0.00	-	-
	Sub Total (B) (1)	81	25,073,062	25,073,062	10.16	10.16	-	-
2	Non-institutions							
(a)	Bodies Corporate	732	14,793,455	14,793,455	6.00	6.00	-	-
(b) (i)	Individuals - shareholders holding nominal share capital up to Rs 1 Lakh	43,955	9,205,590	9,205,590	3.73	3.73	-	-
(ii)	Individual	162	5,918,060	5,918,060	2.40	2.40	-	-

Category Code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage (IX) =
	shareholders holding nominal share capital in excess of Rs. 1 Lakh							
(c)	Qualified Foreign Investors	0	0	0	0.00	0.00	-	-
(d)	Any Other							
i	Non Resident Indians (Repat)	604	891,102	891,102	0.36	0.36	-	-
ii	Non Resident Indians (Non Repat)	199	174,255	174,255	0.07	0.07	-	-
iii	Foreign Companies	2	10,013,426	10,013,426	4.06	4.06	-	-
iv	Clearing Member	200	390,601	390,601	0.16	0.16	-	-
v	Director and Relatives	13	2,203,909	2,203,909	0.89	0.89	-	-
vi	Trusts	1	3,406,784	3,406,784	1.38	1.38	-	-
	Sub Total (B)(2)	45,868	46,997,182	46,997,182	24.92	19.05	-	-
	Total Public Shareholding Public Group (B)=(B)(1)+(B)(2)	45,949	72,070,244	72,068,816	35.08	29.21	-	-
	Total (A)+(B)	45,951	246,720,020	246,718,592	100.00	100.00	171,450,000	69.49
(C)	Shares held by custodians and against which Depository Receipts have been issued							
I	Promoter and Promoter group	0	0	0	0.00	0.00	0	0
ii	Public	0	0	0	0.00	0.00	0	0
-	Sub Total (C)	0	0	0	0.00	0.00	0	0
	GRAND TOTAL (A)+(B)+(C)	45,951	246,720,020	246,718,592	100.00	100.00	171,450,000	69.49

The post-Issue shareholding pattern of the Company would be available on the website of the Stock Exchanges upon finalization of the Basis of Allotment.

3. Details of outstanding instruments:

The Company does not have any outstanding warrants, options, convertible loans, debentures or any other securities convertible at a later date into Equity Shares, as on the date of this Letter of Offer, which would entitle the holders to acquire further Equity Shares.

4. List of equity shareholders of our Company belonging to the category “Promoter and Promoter Group” as on June 30, 2015, is as listed below:

Sr. no.	Name of the Shareholder	Total Shares Held		Shares Pledged or otherwise encumbered		
		Number	As a percentage of the total shareholding of the Company	Number of Shares	As a percentage of total shares held	As a percentage of Grand Total
1.	IL&FS	171,450,000	69.49	171,450,000	100.00	69.49
2.	IFIN	3,199,776	1.30	0	0.00	1.30

Sr. no.	Name of the Shareholder	Total Shares Held		Shares Pledged or otherwise encumbered		
		Number	As a percentage of the total shareholding of the Company	Number of Shares	As a percentage of total shares held	As a percentage of Grand Total
	Total	174649776	70.79	171,450,000	100.00	70.79

5. The details of equity shareholders belonging to the public and holding more than 1% of the paid up capital of our Company as on June 30, 2015, is as detailed below:

S. No.	Name	Number of Equity Shares Held	Percentage of Total Equity Shares
1.	Standard Chartered IL&FS Infrastructure Growth Fund Company Pte Limited	8,033,671	3.26
2.	Government Pension Fund Global	7,296,163	2.96
3.	Vibhav Ramprakash Kapoor Karunakaran Ramchand Ramesh Chander Bawa - Trustees of IL&FS EWT	3,406,784	1.38
4.	Bajaj Allianz Life Insurance Company Limited	3,144,823	1.27
	Total	21,881,441	8.87

6. No Equity Shares or Preference Shares have been acquired by the Promoter or members of the Promoter Group in the year immediately preceding the date of filing of this Letter of Offer with SEBI.
7. None of the Equity Shares of our Company are locked in as of the date of this Letter of Offer.
8. Except the shareholding of the Promoter, IL&FS, i.e., 171,450,000 Equity Shares which are encumbered, as on June 30, 2015,* none of the Equity Shares held by the members of our Promoter Group, are pledged or otherwise encumbered.
9. The Issue being a rights issue, as per regulation 34(c) of the SEBI Regulations, the requirements of promoters' contribution and lock-in are not applicable.
10. Our Company does not have any employee stock option scheme or employee stock purchase scheme
11. The ex-rights price of the Equity Shares as per regulation 10(4)(b) of the Takeover Code is ₹ 115.21.

* Since June 30, 2015, none of the Equity Shares held by the members of our Promoter Group have been pledged or otherwise encumbered.

OBJECTS OF THE ISSUE

Our Company intends to use the Net Proceeds of the Issue to finance the fund requirements for:

1. Repayment/ prepayment, in full or in part, of certain loans availed by our Company; and
2. General corporate purposes.

(collectively referred to herein as the “**Objects**”).

The loans availed by our Company, certain of which may be repaid /pre-paid, in full or in part, from the Net Proceeds of the Issue, are for activities carried out by us as enabled by the objects clause of our Memorandum of Association.

The funding requirements and deployment of the Net Proceeds are based on internal management estimates based on current conditions and have not been appraised by any bank, financial institution or any other external agency. We operate in a highly competitive and dynamic market environment. Our funding requirements are subject to changes in external circumstances, our financial condition, business and strategy and we may have to change our funding requirements accordingly. Any such change in our plans may also require rescheduling of our expenditure within the heads indicated in the table below, at the discretion of our Board.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of other purposes for which funds are being raised in this Issue.

Proceeds of the Issue

The details of the proceeds of the Issue are summarized below:

Particular	Estimated Amount (In ₹ million)
Gross proceeds to be raised through the Issue	7,401.60
Less: Issue related expenses	69.49
Net proceeds of the Issue after deducting the Issue related expenses (“ Net Proceeds ”)	7,332.11

Details of the activities to be financed from the Net Proceeds

1. Repayment/ prepayment, in full or in part, of certain loans availed by our Company

Our Company proposes to utilize an estimated amount of ₹ 7232.11 million from the Net Proceeds towards repayment/ pre-payment, in full or part, of certain loans availed by our Company. We believe that reducing our indebtedness will result in an enhanced equity base, assist us in maintaining a favorable debt-equity ratio in the near future and enable utilization of our accruals for further investment in business growth and expansion. In addition, we believe that it would improve our leverage capacity and will improve to raise further resources in the future to fund our potential business development opportunities and plans to grow and expand our business in the coming years.

The following table provides details of certain loans availed by the Company which we shall repay/ pre-pay, in full or in part, from the Net Proceeds, without any obligation to any particular bank/ financial institution some or all of the loan as disclosed below:

(In ₹ million)							
Sr. No	Name of lender	Facility (In ₹ million)	Amount outstanding as on October 4, 2015 (In ₹ million)	Purpose	Date of repayment (In ₹ million)	First level utilization of loans	Eventual utilisation

Sr. No	Name of lender	Facility (In ₹ million)	Amount outstanding as on October 4, 2015 (In ₹ million)	Purpose	Date of repayment (In ₹ million)	First level utilization of loans	Eventual utilisation
1	Bank of Baroda	2,000	1,000	For General Corporate Purposes, Refinancing of existing debts and meeting the needs of the existing and new project SPV's	March 24, 2016	Towards repayment of loan availed from IL&FS Rail Ltd. - ₹ 1,600 million Towards repayment of Commercial Papers availed from Ratnakar Bank - ₹ 400 million	Towards Investments & funding support to subsidiaries / SPVs - ₹ 605 million (end use) Towards Working Capital – ₹ 995 million (end use) Towards Working Capital – ₹ 400 million (end use)
2	Bank of Maharashtra	2,000	2,000	Investment in existing and new project SPVs, refinancing of existing debt and general corporate purpose.	March 27, 2017	Towards Working Capital - ₹ 490 million (end use) Towards Investments & funding support to subsidiaries / SPVs - ₹ 1,510 million (end use)	
3	Nainital Bank	600	300	To meet working capital requirements/Investments in Existing and New projects/ General Corporate Purpose/ Refinancing of Existing debts	June 30, 2016	Towards investment & funding support to subsidiaries / SPVs - ₹ 544 million (end use) Towards Working Capital – ₹ 56 million (end use)	

Sr. No	Name of lender	Facility (In ₹ million)	Amount outstanding as on October 4, 2015 (In ₹ million)	Purpose	Date of repayment (In ₹ million)	First level utilization of loans	Eventual utilisation
4	Karur Vyasa Bank	1,000	1,000	Working capital/ investment in Existing and new Projects/ General Corporate Purpose and Refinancing of Existing debt	December 26, 2015	Towards investment & funding support to subsidiaries / SPVs - ₹ 270 million (end use)	
						Towards repayment of Cash Credit Facility availed from Yes Bank Ltd. - ₹ 390 million	Towards Working Capital - ₹ 390 million (end use)
						Towards repayment of Over Draft Facility availed from Deutsche Bank Ltd. - ₹ 340 million	Towards Working Capital - ₹ 340 million (end use)
5	Bank of Bahrain & Kuwait	550	275	For financing the ongoing infrastructure projects of the Borrower	January 31, 2016	Towards investment & funding support to subsidiaries / SPVs - ₹ 195 million (end use) Towards Working Capital - ₹ 355 million (end use)	
6	Ratnakar Bank Ltd.	750	750	To refinance existing loans of the company	November 29, 2015	Towards repayment of Cash Credit Facility availed from Yes Bank Ltd. - ₹ 450 million	Towards Working Capital - ₹ 450 million (end use)

Sr. No	Name of lender	Facility (In ₹ million)	Amount outstanding as on October 4, 2015 (In ₹ million)	Purpose	Date of repayment (In ₹ million)	First level utilization of loans	Eventual utilisation
						Towards repayment of Over Draft Facility availed from Deutsche Bank Ltd. - ₹ 300 million	Towards Working Capital - ₹ 300 million (end use)
7	State Bank of Bikaner and Jaipur	1,000	1,000	Towards long term working capital requirement	August 26, 2016	Towards Working Capital - ₹ 1,000 million (end use)	
8	The Lakshmi Vilas Bank	1,500	750	To meet company's working capital requirements, investments in existing and new projects and General Corporate purposes.	March 27, 2016	Towards Working Capital - ₹ 226.70 million (end use) Towards repayment of loan availed from IndusInd Bank - ₹ 1,273.30 million	Towards investment & funding support to subsidiaries / SPVs - ₹ 1,273.30 million (end use)
9	State Bank of Hyderabad	500	500	For funding Company's cash flow mismatches and refinancing of existing debts thereby assisting its NWC as per the model of business of the Company	March 31, 2017	Towards investment & funding support to subsidiaries / SPVs - ₹ 50 million (end use) Towards repayment of loan availed from IL&FS Rail Ltd. - ₹ 450 million	Towards Working Capital - ₹ 400.00 million (end use) Towards investment and funding support to subsidiaries

Sr. No	Name of lender	Facility (In ₹ million)	Amount outstanding as on October 4, 2015 (In ₹ million)	Purpose	Date of repayment (In ₹ million)	First level utilization of loans	Eventual utilisation
							/ SPVs - ₹ 50 million (end use)
10.	IndusInd Bank	5,000	5,000	Refinancing of existing debt and Provide Loans & Advances to Subsidiaries in the Infrastructure sector	December 28, 2015	Towards Working Capital - ₹ 778 million (end use) Towards repayment of loan availed from IL&FS Ltd. - ₹ 275 million Towards repayment of Commercial Papers availed from IndiaBulls - ₹ 250 million Towards repayment of Commercial Papers availed from JM Financial - ₹ 700 million Towards repayment of Commercial Papers availed from L&T Mutual Fund - ₹ 750 million	Towards Working Capital - ₹ 275 million (end use) Towards Working Capital - Rs. 200 Mn (end use) Towards investment & funding support to subsidiaries / SPVs - ₹ 50 million (end use) Towards Working Capital - ₹ 372 million (end use) Towards investment & funding support to subsidiaries / SPVs - ₹ 328 million (end use) Towards investment & funding support to subsidiaries / SPVs - ₹ 750 million (end use)

Sr. No	Name of lender	Facility (In ₹ million)	Amount outstanding as on October 4, 2015 (In ₹ million)	Purpose	Date of repayment (In ₹ million)	First level utilization of loans	Eventual utilisation
						Towards repayment of Commercial Papers availed from JM Financial - ₹ 500 million	Towards Working Capital - Rs. 217 Mn (end use) Towards investment & funding support to subsidiaries / SPVs - ₹ 283 million (end use)
						Towards repayment of Commercial Papers availed from JM Financial - ₹ 500 million	Towards investment & funding support to subsidiaries / SPVs - ₹ 500 million (end use)
						Towards investment & funding support to subsidiaries / SPVs - ₹ 1,247 million (end use)	
Total			12,575				

* As certified by A.P.Shah & Associates, Chartered Accountants, pursuant to their certificate dated October 4, 2015. Further, A.P.Shah & Associates, Chartered Accountants have confirmed that our Company has utilised the above said loan amounts for the purposes for which the loans were availed.

Some of our loans proposed to be repaid/ prepaid from the Net Proceeds provide for the levy of prepayment penalties in certain cases. We will take such provisions into consideration in pre-paying such debts from the Net Proceeds of the Issue. Payment of such prepayment penalty or premium, if any, shall be made by our Company out of the Net Proceeds of the Issue. We may also be required to provide notice to some of our lenders prior to repayment/ prepayment. On receipt of the Issue proceeds, we would initiate discussions with the above banks for reduction/ waiver of the pre-payment penalty clause, and accordingly take decision in the best interests of our Company.

2. General Corporate Purposes

The balance Net Proceeds, aggregating to ₹ 100.00 million, will be utilized towards meeting the requirements for strategic initiatives, brand building exercises and strengthening of our marketing capabilities, partnerships, joint ventures, meeting exigencies, which our Company in the ordinary course of business may face, or any other purposes as approved by our Board.

Schedule of Utilization of the Net Proceeds

The selection of loans proposed to be repaid/ pre-paid from our loan facilities provided above has been based on various factors including, (i) any conditions attached to the loans restricting our ability to repay or pre-pay the loans, (ii) receipt of consents for pre-payment or waiver from any conditions attached to such pre-payment from our respective lenders, (iii) terms and conditions of such consents and waivers, (iv) levy of any pre-payment penalties and the quantum thereof, (v) provisions of any law, rules, regulations governing such borrowings, and (vi) other commercial considerations including, among others, the interest rate of the loan facility, the amount of the loan outstanding and the remaining tenor of the loan.

In the event that the terms on which the lenders agree for prepayment are not commercially favorable to our Company, we may utilize the Net Proceeds of the Issue to repay the loans as per the repayment schedules as stated in the respective loan agreements.

The utilization of the Net Proceeds will be as per the table set forth below:

(In ₹ million)		
Sr. No.	Particulars	Amount payable from the Net Proceeds in Fiscal 2015
1.	Repayment/ prepayment, in full or in part, of certain loans availed by our Company	7232.11
2.	General corporate purpose	100.00
	Total	7332.11

Our Company proposes to repay/ pre-pay the loans at the earliest from the date of receipt of Net Proceeds.

Issue related expenses

The total expenses of the Issue are estimated to be approximately ₹ 69.49 million. The expenses of the Issue include, among others, fees of the Lead Manager, fees of the Registrar to the Issue, fees of the other advisors, printing and stationery expenses, advertising, travelling and marketing expenses and other expenses.

The estimated Issue expenses are as under:

Particulars	Estimated Expenses (In ₹ million)	% of Estimated Issue size	% of Estimated Issue expenses
Fee to Intermediaries (Lead Manager, Legal Counsel, Registrar to the Issue)	33,625,000	0.45%	48.39%
Advertising, traveling and marketing expenses	2,259,000	0.03%	3.25%
Printing, postage and stationery expenses	3,467,399	0.05%	4.99%
Miscellaneous and other expenses	30,137,175	0.41%	43.37%
Total	69,488,574	0.94%	100.00%

Appraisal

The objects have not been appraised by any banks, financial institutions or agency.

Bridge loans

We have not raised any bridge loans against the Net Proceeds.

Means of Finance

The requirements of the objects detailed above are intended to be funded from the Net Proceeds of the Issue. Accordingly, our Company confirms that there is no requirement for it to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue.

Interim Use of Net Proceeds

Pending utilization for the purposes described above, we intend to deposit the Net Proceeds only in scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934. We confirm that pending utilization of the Net Proceeds, we shall not use the funds for any investments in the equity markets.

Monitoring of Utilization of Funds

The Company has appointed IndusInd Bank Limited as the monitoring agency to monitor the utilization of the Net Proceeds in terms of Regulation 16 of the SEBI Regulations, which will monitor the utilisation of Issue Proceeds and submit its report to the Company in accordance with the SEBI Regulations.

We will disclose the details of the utilization of the Net Proceeds of the Issue, including interim use, under a separate head in our financial statements specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements of our listing agreement with the Stock Exchange. As per the requirements of Clause 49 of the listing agreement, we will disclose to the audit committee the uses/ applications of funds on a quarterly basis as part of our quarterly declaration of results. Further, on an annual basis, we shall prepare a statement of funds utilized for purposes other than those stated in this Letter of Offer and place it before the audit committee. The said disclosure shall be made till such time that the full proceeds raised through the Issue have been fully spent. The statement shall be certified by our Auditors. Further, in terms of Clause 43A of the listing agreement, we will furnish to the Stock Exchanges on a quarterly basis, a statement indicating material deviations, if any, in the use of proceeds from the objects stated in this Letter of Offer. Further, this information shall be furnished to the Stock Exchanges along with the interim or annual financial results submitted under Clause 41 of the listing agreement and be published in the newspapers simultaneously with the interim or annual financial results, after placing it before the audit committee in terms of Clause 49 of the listing agreement.

Other confirmations

No part of the Net Proceeds will be paid by our Company as consideration to the Promoter, the Directors, Group Companies or members of the Promoter Group.

STATEMENT OF TAX BENEFITS

To,

The Board of Directors
IL&FS Transportaion Networks Limited
IL&FS Financial Centre,
C-22, G Block,
Bandra Kurla Complex,
Bandra (East),
Mumbai – 400 051

Sub: Statement of Possible Direct Tax Benefits in connection with proposed rights issue (the “Issue”) of equity shares of face value of Rs. 10 each (“Equity Shares”) of IL&FS Transportation Networks Limited (the “Company”)

We report that the enclosed statement of possible Direct Tax Benefits (“Statement”) states the possible direct tax benefits available under the Income-tax Act, 1961 to the Company and to its shareholders, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive these direct tax benefits is dependent upon their fulfilling such conditions.

The benefits discussed in the Statement are not exhaustive and the preparation of the contents herein is the responsibility of the Company’s management. Our confirmation is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of the current tax laws in force in India.

The benefits discussed in the Statement are only intended to provide the tax benefits to the Company and its shareholders in a general and summary manner and does not purport to be a complete analysis or listing of all the provisions or possible tax consequences of the subscription, purchase, ownership or disposal etc. of shares. The tax benefits listed herein are only the possible benefits which may be available under the current tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws, which based on business imperative it faces in the future, it may or may not choose to fulfill.

This statement is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. Neither are we suggesting nor are we advising the investor to invest money based on this statement.

We do not express any opinion or provide any assurance as to whether:

- i) the Company or its shareholders will continue to obtain these benefits in future; or
- ii) the conditions prescribed for availing the benefits have been/would be met with.

The letter alongwith the enclosed annexure (Statement) is intended solely for your information and for inclusion in the Offer Document in connection with the proposed Issue of the Company and is not to be used, circulated or referred to for any other purpose without our prior written consent.

No assurance is given that the revenue authorities / courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We would not assume responsibility to update the view, consequence to such change.

Access of all or any part of this Statement by any person is on the basis that, to the fullest extent permitted by law, neither Deloitte Haskins & Sells LLP nor any other Deloitte Entity accepts any duty of care or liability of any kind to such person, and any reliance on this Statement by any person is at his own risk.

Sincerely,
Deloitte Haskins & Sells LLP
Chartered Accountants
Registration No. 117366W/W-100018

Kalpesh J. Mehta
Partner
Membership No. 48791
Place: Mumbai
Date: September 28, 2015

ANNEXURE

STATEMENT OF POSSIBLE DIRECT TAX BENEFITS AVAILABLE TO IL&FS TRANSPORTATION NETWORKS LIMITED (“COMPANY”) AND TO ITS SHAREHOLDERS

A. Under the Income Tax Act, 1961 (“the Act”)

I. Tax benefits available to the Company

1. There are no special tax benefits available under the Act to the Company.
2. As per section 10(34) of the Act, any income by way of dividends referred to in section 115-O of the Act received on the shares of any domestic company is exempt from tax in the hands of the recipient Company. Such dividend is to be excluded while computing Minimum Alternate Tax (“MAT”) liability.

Further, in the context of the dividend payable by the Company to its shareholders, by virtue of section 115-O of the Act, the Company would be liable to pay Dividend Distribution Tax (“DDT”) at the rate of 15% (plus applicable surcharge and cess). The tax on the dividend declared, distributed, or paid (whichever is earlier) will be computed on the grossed up amount of dividend, instead of the net amount.

In calculating the amount of dividend on which DDT is payable, dividend shall be reduced by dividend received from its subsidiary, subject to fulfillment of certain conditions.

3. As per section 115BBD of the Act, dividend income received by an Indian company from a specified foreign company i.e. in which the Indian company holds twenty-six per cent or more in nominal value of the equity share capital, will be taxable @ 15% on gross basis (plus applicable surcharge and cess).
4. As per section 10(34A) of the Act, any income arising to the Company being a shareholder on account of buy back of shares (not being shares listed on a recognized stock exchange in India) referred in section 115QA of the Act is exempt from tax. Such income is to be excluded while computing MAT liability.
5. As per section 10(35) of the Act, the following income will be exempt in the hands of the Company:
 - a. Income received in respect of the units of a Mutual Fund specified under clause (23D) of section 10; or
 - b. Income received in respect of units from the Administrator of the specified undertaking; or
 - c. Income received in respect of units from the specified company:

Such income is to be excluded while computing MAT liability.

However, this exemption does not apply to any income arising from transfer of units of the Administrator of the specified undertaking or of the specified Company or of a mutual fund, as the case may be.

6. As per section 10(38) of the Act, long term capital gains arising to the company from the transfer of long term capital asset being an equity share in a company or a unit of an equity oriented fund or a unit of a business trust (as defined in the Act) where such transaction has been entered into on a recognized stock exchange of India and is chargeable to securities transaction tax, will be exempt in the hands of the Company. However, such income by way of long term capital gains shall not be reduced in computing the book profits for the purpose of computation of MAT under section 115JB of the Act.
7. In terms of section 32 of the Act, the Company is entitled to claim deduction for depreciation at the rates prescribed under the Income-tax Rules, 1962, subject to certain conditions.

Unabsorbed depreciation, if any, for an assessment year can be carried forward indefinitely and set off against any sources of income in the same year or any subsequent assessment years as per section 32(2) of the Act subject to provisions of section 72(2) and 73(3) of the Act.

8. In terms of section 35D of the Act, the Company will be entitled to a deduction equal to one-fifth of the preliminary expenditure of the nature specified in the said section by way of amortization over a period of five successive years, subject to stipulated limits.
9. Under section 54EC of the Act and subject to the conditions and to the extent specified therein, long term capital gain (in case not covered under section 10(38) of the Act) arising on the transfer of a long term capital asset would be exempt from tax if such capital gain is invested within 6 months from the date of such transfer in a “long term specified asset” (as defined in the Act). It is further provided that, the investment in the long term specified assets during the financial year in which the initial asset or assets are transferred and in the subsequent financial year does not exceed Rs. 50,00,000 i.e. deduction is available to the extent of Rs. 50,00,000. However, if the Company transfers or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.
10. In terms of section 111A of the Act, any short term capital gain arising to the Company from the transfer of a short term capital asset being an equity share in a company or unit of an equity oriented fund or a unit of a business trust on or after 1st day of October 2004, where such transaction is chargeable to securities transaction tax, would be subject to tax @ 15% (plus applicable surcharge and cess).

As per section 70 read with section 74 of the Act, short-term capital loss, if any arising during the year can be set-off against short-term capital gain as well as against the long-term capital gains and shall be allowed to be carried forward upto eight assessment years immediately succeeding the assessment year for which the loss was first computed. The brought forward short term capital loss can be set off against future capital gains.

11. As per section 112 of the Act, taxable long-term capital gains arising (on which securities transaction tax is not paid), on sale of listed securities (other than a unit) or zero coupon bonds, will be charged to tax @ 20% (plus applicable surcharge and cess) after considering indexation benefits in accordance with and subject to the provisions of section 48 of the Act or @ 10% (plus applicable surcharge and cess) without indexation benefits, whichever is lower.

As per section 70 read with section 74 of the Act, long-term capital loss, if any arising during the year can be set-off only against long-term capital gain and shall be allowed to be carried forward upto eight assessment years immediately succeeding the assessment year for which the loss was first computed for set off against future long term capital gain. The brought forward long term capital loss can be set off only against future long term capital gains.

12. Any loss incurred by the Company under the head “Profit and Gains from Business or Profession”, can be set off against any other income (other than speculation income) of the same year.

As per section 72 of the Act, any business loss can be carried forward upto eight assessment years immediately succeeding the assessment year for which the loss was first computed. The brought forward business loss can be set off only against future business income (other than speculation income).

13. As per section 115JAA(1A) of the Act, credit is allowed in respect of any MAT paid under section 115JB of the Act for any assessment year commencing on or after 1st day of April 2006. Tax credit to be allowed shall be the difference between MAT paid and the tax computed as per the normal provisions of the Act for that assessment year. The MAT credit is allowed to be set-off in the subsequent years to the extent of difference between MAT

payable and the tax payable as per the normal provisions of the Act for that assessment year. The MAT credit is allowed to be carried forward for 10 assessment years immediately succeeding the assessment year in which tax credit becomes allowable.

14. The Company is entitled to a deduction under section 80G of the Act either for whole of the sum paid as donation to specified funds or institution or 50% of sums paid, subject to limits and conditions as provided in section 80G of the Act.

II. Tax benefits available to Resident Shareholders

1. The tax benefits / implications referred to in paragraphs 2, 6, 9, 10, 11 and 12 under the heading “Tax benefits available to the Company” will equally apply to the Resident Shareholders. The reference to MAT liability as indicated in the said paragraphs will apply only to shareholders qualifying as company as defined in the Act.
2. In a situation where the shareholder transfers the shares of the Company, which are held as ‘long-term capital assets’ and such transaction is not covered by the provisions of section 10(38) of the Act as referred to earlier, the shareholder can consider availing of the benefit as provided in section 54F of the Act. Shareholders being individuals or Hindu Undivided Family (HUF) can consider the conditions so stated in section 54F of the Act and examine the availability of the benefit based on their individual tax position.

III. Tax benefits available to Non-Resident Shareholders (Other than Foreign Institutional Investors (‘FIIs’) / Foreign Portfolio Investors (‘FPIs’))

1. The tax benefits / implications referred to in paragraphs 9 and 10 under the heading “Tax benefits available to the Company” will equally apply to the Non-Resident Shareholders.
2. As per section 10(34) of the Act, any income by way of dividends referred to in section 115-O received on the shares of any domestic company is exempt from tax in the hands of the Shareholder.
3. As per section 10(38) of the Act, long term capital gains arising from the transfer of long term capital asset being an equity share in a company or a unit of an equity oriented fund or a unit of a business trust (as defined in the Act) where such transaction has been entered into on a recognized stock exchange of India and is chargeable to securities transaction tax, will be exempt in the hands of the Non- Resident Shareholders.
4. Capital gains arising on transactions in securities in the hands of foreign company, shall be excluded for the computation of book profit liable to MAT, if such income is credited to the profit and loss account and the income-tax payable thereon in accordance with the normal provisions of the Act is at a rate less than 18.5%.
5. As per section 112 of the Act, taxable long-term capital gains arising (on which securities transaction tax is not paid), on sale of listed securities (other than a unit) or zero coupon bonds, will be charged to tax @ 20% (plus applicable surcharge and cess) after considering indexation benefits in accordance with and subject to the provisions of section 48 of the Act or @ 10% (plus applicable surcharge and cess) without indexation benefits, whichever is lower.

As per first proviso to section 48 of the Act, in case of a non-resident shareholder, the capital gain/loss arising from transfer of shares of the Company, acquired in convertible foreign exchange, is to be computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer, into the same foreign currency which was initially utilized in the purchase of shares. Indexation benefit is not available in such a case.

As per section 70 read with section 74 of the Act, long-term capital loss, if any arising during the year can be set-off only against long-term capital gain and shall be allowed to be carried forward upto eight assessment years immediately succeeding the assessment year for which the loss was first computed for set off against

future long term capital gain. The brought forward long term capital loss can be set off only against future long term capital gains.

6. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident is considered resident in terms of such Tax Treaty. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident.

As per section 90(4) of the Act, an assessee being a non-resident, shall not be entitled to claim relief under section 90(2) of the Act, unless a certificate of his being a resident in any country outside India, is obtained by him from the government of that country or any specified territory. As per section 90(5) of the Act, the non-resident shall be required to provide such other information, as has been notified.

IV. Tax benefits available to Non-Resident Indians

1. As per section 115C(e) of the Act, the term “non-resident Indian” means an individual, being a citizen of India or a person of Indian origin who is not a “resident”. A person shall be deemed to be of Indian origin if he, or either of his parents or any of his grand-parents, was born in undivided India.
2. As per section 115E of the Act, in the case of a shareholder being a non-resident Indian, and subscribing to the shares of the Company in convertible foreign exchange, in accordance with and subject to the prescribed conditions, long term capital gains arising on transfer of the shares of the Company (in cases not covered under section 10(38) of the Act) will be subject to tax @ 10% (plus applicable surcharge and cess), without any indexation benefit.
3. As per section 115F of the Act and subject to the conditions specified therein, in the case of a shareholder being a non-resident Indian, gains arising on transfer of long term capital asset being shares of the Company, which were acquired, or purchased with or subscribed to in, convertible foreign exchange, will not be chargeable to tax if the entire net consideration received on such transfer is invested within six months in any specified asset or savings certificates referred to in section 10(4B) of the Act. Shareholders in this category can consider the conditions so stated in section 115F of the Act and examine the availability of the benefit based on their individual tax position.
4. As per section 115I of the Act, a non-resident Indian may elect not to be governed by the provisions of “Chapter XII-A – Special Provisions Relating to Certain Incomes of Non-Residents” for any assessment year by furnishing a declaration along with his return of income for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the Act.
5. In a situation where the shareholder transfers the shares of the Company, which are held as ‘long-term capital assets’ and such transaction is not covered by the provisions of section 10(38) of the Act as referred to earlier, the shareholder can consider availing of the benefit as provided in section 54F of the Act. Shareholders being individuals can consider the conditions so stated in section 54F of the Act and examine the availability of the benefit based on their individual tax position.
6. The tax benefits / implications referred to in paragraph 6 under the heading “Tax benefits available to Non-Resident Shareholders (Other than FIIs/FPIs)” will equally apply to Non Resident Indians.

V. Tax benefits available to FIIs / FPIs

1. As per section 2(14) of the Act, any securities held by a FII / FPI which has invested in securities in accordance with the regulations made under Securities and Exchange Board of India Act, 1992 would be treated as capital assets only so that any income arising from transfer of such securities by a FII / FPI would be treated in the nature of capital gains.

2. As per section 115AD of the Act, FIIs will be taxed on the capital gains that are not exempt under the provision of section 10(38) of the Act, at the following rates:

Nature of income	Rate of tax (%)
Long term capital gains	10
Short term capital gains (other than referred to in section 111A)	30
Short term capital gains referred in section 111A	15

The above tax rates have to be increased by the applicable surcharge and cess. Further, for the purposes of Section 115AD, FPIs would get similar treatment as available to FIIs.

3. As per section 196D(2) of the Act, no deduction of tax at source will be made in respect of income by way of capital gain arising from the transfer of securities referred to in section 115AD of the Act.
4. As per section 10(38) of the Act, long term capital gains arising from the transfer of long term capital asset being an equity share in a company or a unit of an equity oriented fund or a unit of a business trust (as defined in the Act) where such transaction has been entered into on a recognized stock exchange of India and is chargeable to securities transaction tax, will be exempt in the hands of FII / FPI.
5. Capital gains arising on transactions in securities, shall be excluded for the computation of book profit liable to MAT if such income is credited to the profit and loss account and the income-tax payable thereon in accordance with the normal provisions of the Act is at a rate less than 18.5%.
6. In case of long term capital gains, (in cases not covered under section 10(38) of the Act), the tax is levied on the capital gains computed without considering the cost indexation and without considering foreign exchange fluctuation.
7. The tax benefits / implications referred to in paragraphs 9, 10 and 11 under the heading “Tax benefits available to the Company” will equally apply to FIIs/FPIs.
8. The tax benefits / implications referred to in paragraph 6 under the heading “Tax benefits available to Non-Resident Shareholders (Other than FIIs/FPIs)” will equally apply to FIIs/FPIs.
9. As per section 10(34) of the Act, any income by way of dividends referred to in section 115-O received on the shares of any domestic company is exempt from tax in the hands of the FIIs/FPIs.

VI. Special tax benefits available to Mutual Funds

As per section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made thereunder, Mutual Funds set up by public sector banks or public financial institutions or Mutual Funds authorised by the Reserve Bank of India will be exempt from income tax, subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf.

Notes:

- i. The above statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares of the Company.

- ii. This statement does not discuss any tax consequences in the country outside India of an investment in the Equity Shares. The subscribers of the Equity Shares in the country other than India are urged to consult their own professional advisers regarding possible income tax consequences that apply to them

OUR BUSINESS

Overview

We are the market leader in the road infrastructure space with one of the largest BOT portfolio in India (*source: ICRA Report*). We are a developer, operator and facilitator of surface transportation infrastructure projects, taking projects from conceptualization through commissioning to operations and maintenance. In addition to developing a diverse project portfolio in the BOT road segment, we are engaged in certain non-road segments such as mass rapid transport systems, urban transportation infrastructure systems, multi-level parking systems and border check-posts systems.

In India, we are involved in the development, operation and maintenance of national and state highways, roads (including urban roads) and tunnels in Andhra Pradesh, Assam, Delhi, Gujarat, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Meghalaya, Orissa, Rajasthan, Uttar Pradesh and West Bengal. Our international operations are primarily in the road segment and spread across Spain, Portugal, Columbia, Mexico, UAE, Botswana, Ethiopia and China. Our international and pan-India presence in the road segment is marked by our interests in a diverse project portfolio of 31 road projects under various stages of operation, construction or development, of approximately 14,680.30 Lane Kms, comprising of 12 annuity based and 19 toll based projects.

We are also selectively focusing on other non-road segments such as mass rapid transport systems, urban transportation infrastructure systems, multi-level parking systems and border check-posts systems. We have developed and are operating the 4.9 km track of elevated metro rail link project in Gurgaon and have been awarded the extension of an additional 7 km track to this, which is being developed as the Gurgaon Metro Rail South Extension, Haryana. We maintain and operate the Nagpur city bus transport services on a BOO basis. Further, we have been mandated to develop 24 border check posts in Madhya Pradesh out of which 17 check posts are currently operational. Additionally, we have developed a greenfield stadium at Karyavattom, Kerala.

The acquisition of Elsamex in 2008 facilitated our entry into international markets such as Spain, Portugal and Latin America besides complementing our BOT road operations. Elsamex's primary business is the maintenance and rehabilitation of roads, buildings and gas stations, mainly in Spain, with additional operations in Portugal, Botswana, Columbia and Mexico. We have, through Elsamex, been awarded 13 contracts for maintenance of certain stretches of roads in various provinces in Portugal, Elsamex-ITNL JVCA UTE, our joint venture with Elsamex, was awarded two procurement contracts under the output and performance based road contract system in Botswana. Elsamex maintains the Abu Dhabi Al Ain Highway, the key highway stretch between Abu Dhabi and Al Ain. Elsamex has also been awarded contract for upgrading a bridge on the road Alto el Pozo Sardinata in Columbia and a contract for upgrading works in Ethiopia, road section Ambo-Wolliso.

Pursuant to our acquisition of 49% stake of Chongqing Yuhe Expressway Company Limited through our Subsidiary, ITNL International Pte Limited in December 2011, we have further strengthened our international presence and operate, manage and maintain the YuHe Expressway consisting of four-lane dual carriageway connecting downtown Chongqing with Hechuan County in Chongqing, China, aggregating approximately 232.96 Lane Kms.

We are an ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 certified company and have been recognized as the "Most Admired Infrastructure Company in Transport" at the 5th KPMG Infrastructure Today Awards 2013, and as the "PPP Company of the year" at the ACQ Global Awards 2012. We have received an award for "Outstanding contribution in Roads and Highways (Infrastructure Category)" at the EPC World Awards 2012, and were recently also adjudged the winner of the Golden Peacock Occupational Health & Safety Award 2014 in the Construction (Infrastructure) sector.

We believe we also benefit significantly from our affiliation with IL&FS, our Promoter, which was incorporated in 1987 and has an established track record in promoting and financing a range of public infrastructure projects in India for over 25 years.

For the Fiscal 2015, our consolidated revenue and profit after tax (after share of the associate and minority interest) amounted to ₹ 68,282.24 million and ₹ 4,436.01 million, respectively, compared to consolidated revenue and profit after tax of ₹ 68,024.82 million and ₹ 4,630.48 million, respectively, for the Fiscal 2014.

Our Operating Companies

The following table provides details of the entities through which we undertake our significant operations:

Name of the entity	Direct / Indirect % shareholding (As at June 30, 2015)	Beneficial % shareholding* (As at June 30, 2015)
Andhra Pradesh Expressway Limited	86.74	13.26
Amravati Chikli Expressway Limited	100.00	-
Baleshwar Kharagpur Expressway Limited	100.00	-
Barwa Adda Expressway Limited	100.00	-
Charminar RoboPark Limited	89.20	-
Chenani Nashri Tunnelway Limited	100.00	-
Chongqing Yuhe Expressway Company Limited	49.00	-
East Hyderabad Expressway Limited	74.00	-
Elsamex S.A. (Spain)	100.00	-
Fagne Songadh Expressway Limited	100.00	-
Gujarat Road and Infrastructure Company Limited	41.81	-
Hazaribagh Ranchi Expressway Limited	99.99	-
ITNL Road Infrastructure Development Company Limited	100.00	-
Jharkhand Road Projects Implementation Company Limited	93.43	6.57
Jorabat Shillong Expressway Limited	50.00	-
Karyavattom Sports Facilities Limited	100.00	-
Khed Sinnar Expressway Limited	100.00	-
Kiratpur Ner Chowk Expressway Limited	100.00	-
Moradabad Bareilly Expressway Limited	100.00	-
MP Border Checkpost Development Company Limited	74.00	-
N.A.M. Expressway Limited	50.00	-
NOIDA Toll Bridge Company Limited	25.35	-
North Karnataka Expressway Limited	93.50	6.50
Pune Sholapur Road Development Company Limited	90.91	-
Ramky Elsamex Hyderabad Ring Road Limited	26.00	-
Rapid MetroRail Gurgaon Limited	84.27	-
Rapid MetroRail Gurgaon South Limited	84.27	-
Road Infrastructure Development Company of Rajasthan Limited	-	50.00
Sikar Bikaner Highway Limited	100.00	-
Srinagar Sonmarg Tunnelway Limited	49.00	-
Thiruvananthapuram Road Development Company Limited	50.00	-
Vansh Nimay Infraprojects Limited	90.00	-
Warora Chandrapur Ballarpur Toll Road Limited	35.00	-
West Gujarat Expressway Limited	74.00	-

* Our beneficial interest represents our economic interest in the shares through call option agreements or covered warrants. We do not have voting or investment control over these shares.

There are certain projects in which we have a “beneficial interest” as a result of certain call option agreements entered into with our Promoter, group companies and certain third parties, as well as covered warrants to which we have subscribed. As a result of these agreements, we have an effective economic interest in such projects whereby, for example, if the project company declares and pays a dividend, we would receive a payment equivalent to our beneficial interest. Such payments would be recognized as other income. We record the value of the covered warrants on our balance sheet as investments, and record the value of the call options as current assets.

Our presence in the road segment in India

The following table provides a snapshot of our presence in the road segment.

Project Description	Commercial Format	Length (in Lane Kms)	Main Revenue Source
PROJECTS UNDER OPERATION			
North Karnataka Expressway Limited Maharashtra Border to Belgaum, Karnataka	BOT	472.01	Annuity
Gujarat Road and Infrastructure Company Limited Vadodara to Halol and Ahmedabad to Mehsana, Gujarat	BOOT	522.80	Toll

Project Description	Commercial Format	Length (in Lane Kms)	Main Revenue Source
NOIDA Toll Bridge Company Limited Delhi to NOIDA, Uttar Pradesh	BOT	60.00	Toll
West Gujarat Expressway Limited* Jetpur to Rajkot, Gujarat	BOT	389.33	Toll
Road Infrastructure Development Company of Rajasthan Limited** Mega Highways Project, Rajasthan Phase I	BOT	2,106.00	Toll
Road Infrastructure Development Company of Rajasthan Limited** Mega Highways Project, Rajasthan, Phase II	BOT	599.00	Toll
Thiruvananthapuram Road Development Company Limited Phase-I & II* Thiruvananthapuram City, Kerala	BOT	129.90	Annuity
Andhra Pradesh Expressway Limited * Kotakatta to Kurnool, Andhra Pradesh	BOT	328.38	Annuity
Ramky Elsamex Hyderabad Ring Road Limited * Hyderabad Outer Ring Road (Tukkuguda to Shamshabad), Andhra Pradesh	BOT	151.60	Annuity
East Hyderabad Expressway Limited Hyderabad Outer Ring Road (Pedda Amberpet to Bonulur), Andhra Pradesh	BOT	173.02	Annuity
ITNL Road Infrastructure Development Company Limited Beawer to Gomti, Rajasthan	DBFOT	247.80	Toll
Jharkhand Road Projects Implementation Company Limited Jharkhand Accelerated Road Development Programme	BOT	663.76	Annuity
Pune Sholapur Road Development Company Limited Pune to Sholapur, Maharashtra	DBFOT	571.30	Toll
Hazaribagh Ranchi Expressway Limited Hazaribagh to Ranchi, Jharkhand	BOT	318.71	Annuity
N.A.M. Expressway Limited Narketpalli to Medarametla (via Addanki), Andhra Pradesh	BOT	887.95	Toll
Warora Chandrapur Ballarpur Toll Road Limited Chandrapur to Warora to Bamni, Maharashtra	DBFOT	275.20	Toll
Moradabad Bareilly Expressway Limited Moradabad to Bareilly, Uttar Pradesh	DBFOT	522.37	Toll
PROJECTS UNDER CONSTRUCTION			
Road Infrastructure Development Company of Rajasthan Limited** Mega Highways Project, Rajasthan, Phase III	BOT	366.00	Toll
Baleshwar Kharagpur Expressway Limited Baleshwar Kharagpur road, Orissa and West Bengal	DBFOT	477.20	Toll
Thiruvananthapuram Road Development Company Limited Phase-II and III* Thiruvananthapuram City, Kerala	BOT	28.57	Annuity
Jorabat Shillong Expressway Limited Jorabat to Shillong, Assam and Meghalaya	DBFOT	261.80	Annuity
Chenani Nashri Tunnelway Limited Tunnel from Chenani to Nashri, Jammu & Kashmir	DBFOT	38.40	Annuity
Sikar Bikaner Highway Limited Sikar Bikaner road, Rajasthan	DBFOT	539.74	Toll
Kiratpur Ner Chowk Expressway Limited Highway between Kiratpur and Ner Chowk section of NH-21, Punjab and Himachal Pradesh	DBFOT	327.38	Toll
Khed Sinnar Expressway Limited Highway between Khed and Sinnar section of NH-50, Maharashtra	DBFOT	557.24	Toll
Barwa Adda Expressway Limited Highway between Barwa-Adda-Panagarh section of NH-2, Jharkhand and West Bengal	DBFOT	727.38	Toll
Srinagar Sonmarg Tunnelway Limited Z Morh Tunnel, Jammu & Kashmir	DBFOT	34.25	Annuity
PROJECTS UNDER DEVELOPMENT			
Jharkhand Road Projects Implementation Company Limited Jharkhand Accelerated Road Development Programme	BOT	355.00	Annuity

Project Description	Commercial Format	Length (in Lane Kms)	Main Revenue Source
ITNL Road Infrastructure Development Company Limited [^] Beawar Gomti Road (four-laning), Rajasthan	DBFOT	216.00	Toll
GRICL Rail Bridge Development Company Limited Railway over-bridges, Gujarat	BOT	34.00	Annuity
Jharkhand Infrastructure Implementation Company Limited Jharkhand Accelerated Road Development Programme	BOT	141.45	Annuity
Amravati Chikhli Expressway Limited Amravati Chikhli Road Project	DBFOT	969.92	Toll
Fagne Songarh Expressway Limited Fagne Songarh Road Project	DBFOT	698.00	Toll
ITNLs Presence in the Road Segment (Toll: 11,060.59 Lane Kms; Annuity: 3,130.84 Lane Kms) ^{^^}			

* We recognize revenue from these projects as income from minority interest or treat it as investment in associate.

** In the absence of any direct equity investment, revenues from these projects are not consolidated in our financial statements.

[^] Two-laning of this project has been completed and is under operation. Further, four-laning of the same stretch is currently under development.

^{^^} Our aggregate presence in the road sector, including our international operations, namely the development of the A-4 Madrid Highway, Spain, and the YuHe Expressway, China, is 14,680.38 Lane Kms.

Projects in the non-road segment in India

Project Description	Commercial Format	Main Revenue Source
Vansh Nimay Infraprojects Limited (under operation) Nagpur City Bus Transportation Service, Maharashtra	BOO	Ticket Receipts
Rapid MetroRail Gurgaon Limited (under operation) Gurgaon Metro Link Rail Project, Haryana	BOT	Ticket Receipts
Rapid MetroRail Gurgaon South Limited (under construction) Gurgaon Metro Rail South Extension, Haryana	DBFOT	Ticket Receipts
Charminar RoboPark Limited (under development) Multi-level Parking Project, Charminar, Hyderabad	BOT	User fee
MP Border Checkpost Development Company Limited (under construction, partly under operation) 24 border check posts and two central control facilities, Madhya Pradesh	BOT	User fee
Karyavattom Sports Facilities Limited (under development) Greenfield stadium, Karyavattom	DBOT	Annuity and user fee

International operations

INTERNATIONAL OPERATIONS		
ELSAMEX S.A. (Spain) Operating Subsidiary with projects in Spain, Portugal, Botswana, United Arab Emirates, Mexico and Columbia covering road maintenance – 36,521 Lane Kms		
Chongqing Yuhe Expressway Company Limited Carriageway connecting downtown Chongqing with Hechuan County in Chongqing, China – 232.96 Lane Kms	PPP	Toll, annuity

Key Competitive Strengths

We believe that our key competitive strengths include the following:

Leadership in surface transportation infrastructure sector

We are the market leader in the road infrastructure space with one of the largest BOT portfolio in India (source: ICRA Report). We have been involved in the development and operation of national and state highways, flyovers, bridges and roads in various parts of India. We have a pan-India presence and a diverse project portfolio consisting of 31 road projects, comprising of approximately 14,680.30 Lane Kms. Our flagship projects include the NOIDA Toll Bridge, the Vadodara Halol Toll Road, the Chenani-Nashri tunnel in Jammu & Kashmir and the Mega Highways Project, Rajasthan. We believe we have been able to maintain our leadership and track record in the surface transportation infrastructure sector in India which provides us a significant competitive advantage when bidding for new projects.

Expansion into new sub-sectors within the surface transportation infrastructure industry

Over the years, we have leveraged our experience in the road transportation infrastructure sector and IL&FS's track record in infrastructure projects to expand our business in other surface transportation infrastructure, including rail, urban mass-rapid transport, border check posts and multi-level parking facilities. We are currently developing the extension to the elevated metro link project in Gurgaon. We have also been mandated to develop an integrated multi-level automatic parking facility in Hyderabad. Further, besides operating the Nagpur city bus transport services, we are also developing 24 border check posts in Madhya Pradesh out of which 17 check posts are currently operational. While we intend to keep expanding our presence in the non-road segment, we believe that we have been able to successfully integrate our operations in this segment within our core business.

Diversified road project portfolio and revenue base

Our portfolio of assets primarily consists of a diverse mix of annuity and toll based BOT road projects spread across several states in India, which are in different stages of development, construction and operation and maintenance. All of our BOT projects are implemented through special purpose vehicles ("SPVs") and we have a controlling interest in a number of SPVs. These SPVs enter into various types of concession agreements with Government agencies, which enable us to generate revenue from toll receipts or annuities, as well as, in certain cases, through other sources such as advertising and from the use of rights of way, all of which further diversifies our revenue streams. The diverse nature of our BOT road project portfolio and the fact that it is spread across India limits our reliance on any single region and on any single project and thus reduces the potential impact of natural or man-made disasters on our revenue. In addition, our overseas presence through Elsamex and our operations in China have diversified our revenue base and geographical reach.

Strong parentage of our Promoter

Our Promoter, IL&FS, has a track record of promoting and financing public infrastructure projects in India for over 25 years. Due to the long-standing history of IL&FS in India, we believe that IL&FS enjoys strong brand recognition and we benefit from its brand. We believe our affiliation to IL&FS strengthens our position when we bid for new projects or when we approach lenders (whether domestic, international, bilateral or multilateral) regarding financing options for our projects and provides us with opportunities to negotiate bilateral contracts with state and central Government entities when they are seeking customized proposals.

Experienced management team

We have an experienced professional management team with management and/or operational experience of an average of over 22 years each in the surface transportation infrastructure sector. We also benefit from the relationship our management team has developed with state and central Government entities and various financial institutions. Our management team, for example, provides us with technical expertise in the areas of structures, designing, operations and maintenance and also focuses on identifying market opportunities and developing avenues for growth and expansion of our business. We believe that the experience and leadership of our senior management team has contributed significantly to the growth and success of our operations both in terms of securing new business and in ensuring that our projects are developed and managed to high standards. See the section titled "Our Management" on page 92 for a description of the members of our senior management team.

Extensive and advanced execution capabilities

We provide end-to-end solutions for BOT road projects, ranging from conceptualization through commissioning to operations, maintenance and management. We also have advanced capabilities in terms of how we design projects and the technology we use. Since 2006, we have benefited from having an in-house design team that assists in evaluating prospective projects for bidding, preparing feasibility studies and assisting with other matters in connection with project development and implementation. Having such a capability in-house enables us to design projects more quickly and efficiently than if we use third party consultants. Our in-house designing capabilities, coupled with our established contractor relationships and our ability to source competitive pricing for construction, enable us to assess the value of new projects effectively, assess certain developmental and operational risks and submit competitive bids. We have an in-house ISO 9001:2008 certified testing laboratory at Ahmedabad, Gujarat, for a number of our project development, operation and maintenance activities. This laboratory enables us to test the materials used for the construction of certain of our projects and those of third parties. Additionally, Elsamex has a private laboratory in Spain for the development and certification of new asphalt technologies and quality control for other national and international companies. In terms of technology, we benefit from our interactive

web-based project management information system (“**PMIS**”) in monitoring activities such as road inspection and maintenance, arboriculture, accident management, traffic updates and providing project information to our project teams.

Our Business Operations

Set forth below is a summary description of our projects:

Projects under operation

North Karnataka Expressway (Belgaum Maharashtra Border Road)

The concession for this project was awarded to us by the NHAI on a BOT (Annuity) basis for a period of 17.5 years pursuant to a concession agreement dated November 20, 2001. This project involved the development of a four-lane highway with service roads on both sides, aggregating to approximately 472.01 Lane Kms between Belgaum in Karnataka up to Maharashtra border. We commenced commercial operations of the project from July 19, 2004.

Gujarat Toll Roads

Vadodara-Halol Road

The concession for this project was awarded to our Promoter by the Government of Gujarat on a BOOT (Toll) basis, for a period of 30 years pursuant to a concession agreement dated October 17, 1998, as amended by agreement dated September 26, 2000. This project involved the development of approximately 190.20 Lane Kms on State Highway No. 87 from Vadodara to Halol in the State of Gujarat. We commenced commercial operations of the project from October 24, 2000. Upon completion of the 30 years period, the concession period is further extendable for a two year period at a time until the total project cost and agreed returns thereon have been recovered. This project was designated by the World Bank as a best practices example for its environment risk mitigation and social rehabilitation plan.

Ahmedabad-Mehsana Road

The concession for this project was awarded to our Promoter by the Government of Gujarat on a BOOT (Toll) basis, for a period of 30 years pursuant to a concession agreement dated May 12, 1999. This project involved the development of an approximately 332.60 Lane Kms section of State Highway Numbers 41 and 133 from Ahmedabad to Mehsana in the State of Gujarat. We commenced commercial operations of the project from February 20, 2003. Upon completion of the 30 year period, the concession period is further extendable for a two year period at a time until the total project cost and agreed returns thereon have been recovered.

NOIDA Toll Bridge

The concession for this project was awarded to our Promoter by the New Okhla Industrial Development Authority (“**NOIDA**”) on a BOT (Toll) basis for a period of 30 years pursuant to a concession agreement dated November 12, 1997. This project involved the development of a toll bridge and approach roads with approximately 60 Lane Kms connecting Delhi to NOIDA in the State of Uttar Pradesh. We commenced commercial operations on February 7, 2001. Pursuant to the terms of the concession, the concession period will be subject to extension beyond 30 years for two years at a time until the total project cost and agreed returns thereon have been recovered.

West Gujarat Expressway (Jetpur Rajkot Gondal Road)

The concession for this project was awarded to us by the NHAI on a BOT (Toll) basis for a period of 20 years pursuant to a concession agreement dated March 22, 2005. This project involved the widening of the existing Jetpur–Gondal road from two lanes to four lanes, improvement of the existing four lanes between Gondal and Rajkot, widening of the existing Rajkot bypass from two lanes to four lanes on the National Highway 8B and construction of side roads, with an aggregate length of approximately 389.33 Lane Kms in the State of Gujarat. We commenced the commercial operations of the project from March 17, 2008.

Mega Highways Project, Rajasthan Phase I

The concession for this project was awarded to our Promoter by the Government of Rajasthan on a BOT (Toll) basis for a period of 32 years, pursuant to a project development agreement dated August 7, 2005. This project included the development of a two lane highway with paved shoulders aggregating to a length of 2,106 Lane Kms in five corridors, connecting Phalodi to Ramji-ki-Gol, Hanumangarh to Kishangarh, Alwar to Sikandra, Lalsot to Kota, and Baran to Jhalwar in the State of Rajasthan. We commenced commercial operations of the Phalodi-Ramji-ki-Gol project from December 28, 2007, the Hanumangarh-Kishangarh project from February 28, 2008, the Alwar-Sikandra project from August 31, 2008, the Lalsot to Kota project from November 07, 2009 and Baran to Jhalwar from April 15, 2008. We have beneficial interest in this project as our Promoter has transferred its interest in the project to us through the issuance of covered warrants.

Mega Highways Project, Rajasthan Phase II

The concession for this project was awarded to our Promoter by the Government of Rajasthan on a BOT (Toll) basis for a period of 32 years, pursuant to a project development agreement dated August 7, 2005. This project included the development of approximately 715 Lane Kms of state roads in the State of Rajasthan of which 599 Lane Kms have been developed and the balance is under construction. We commenced commercial operations of the four-lane dual carriageway between Alwar to Bhiwadi from December 5, 2011, the two-lane road between Arjunsar to Pallu from February 17, 2012 and the two-lane road with paved shoulder between Hanumangarh to Sangaria from November 1, 2011. Further, we commenced commercial operation of the Jhalawar to Jhalawar Road from September 13, 2012, the Khushkheda to Kasola Chowk from July 1, 2013 and the Jhalawar to Ujjain up to Rajasthan State border from December 15, 2013. We have beneficial interest in this project as our Promoter has transferred its interest in the project to us through the issuance of covered warrants.

Thiruvananthapuram City Roads Phase I & II

We are developing roads with an aggregate length of approximately 158.47 Lane Kms in Thiruvananthapuram city in the State of Kerala in three phases — Phase I, Phase II and Phase III. The concession for this project was awarded to us by the Kerala Road Fund Board on a BOT (Annuity) basis for a period of 17.5 year after commencement of commercial operations, pursuant to a concession agreement dated March 16, 2004 and the supplementary agreement dated January 4, 2008. We commenced commercial operations of Phase I in 2006, and parts of Phase II and Phase III in the year 2012 and 2015, respectively, developing approximately 129.90 Lane Kms. A small portion of Phase II & III of the project is under construction.

Andhra Pradesh Expressway (Kotakatta – Kurnool Road)

The concession for this project was awarded to us by the NHAI on BOT (Annuity) basis for a period of 20 years pursuant to a concession agreement dated March 20, 2006. This project involved the widening of an existing two lane segment on NH-7 to four lanes aggregating approximately 328.38 Lane Kms in the State of Andhra Pradesh. We commenced commercial operations of the project from September 30, 2009.

Tukruguda to Shamshabad section of Hyderabad Outer Ring Road

The concession for this project has been awarded to us by the Hyderabad Urban Development Authority and Hyderabad Growth Corridor Limited on a BOT (Annuity) basis for a period of 15 years pursuant to a concession agreement dated August 18, 2007. This project included the design, construction, development, operation and maintenance of an eight-lane access controlled expressway under the Phase IIA programme as an extension of Phase-1 of the Hyderabad outer ring road in the State of Andhra Pradesh, from Tukruguda to Shamshabad, with an aggregate length of approximately 151.60 Lane Kms. We commenced commercial operations of the project from November 26, 2009.

East Hyderabad Expressway (Pedda Amberpet to Bonglur section of Hyderabad Outer Ring Road)

The concession for this project was awarded to us by the Hyderabad Urban Development Authority and Hyderabad Growth Corridor Limited on a BOT (Annuity) basis for a period of 15 years pursuant to a concession agreement dated August 3, 2007. The project involved developing an eight-lane wide expressway and two-lane service roads on both sides, with an aggregate length of approximately 173.02 Lane Kms of the outer ring road in Hyderabad in the State of Andhra Pradesh. We commenced commercial operations of the project from March 1, 2011.

Beawar Gomti Road

The concession for this project was awarded to us by the Department of Road Transport & Highways, Government of India, on a DBFOT (Toll) basis for a period of 30 years pursuant to a concession agreement dated April 1, 2009. This project included the development of two lanes with an aggregate length of approximately 247.80 Lane Kms with an option to upgrade to a four lane highway on NH-8 connecting Beawar to Gomti in the State of Rajasthan. The concession was awarded for an initial period of 11 years, with a provision to extend the concession period to 30 years upon the Company exercising the option to construct a four lane highway. We commenced commercial operations of the project from August 24, 2010.

Jharkhand Road Project Implementation Company Limited

The concessions in relation to this project were awarded by the Government of Jharkhand on a BOT (Annuity) basis for a period of 17.5 years. The project involved development of approximately 663.76 Lane Kms of state roads in the State of Jharkhand, including a six-lane dual carriageway road in Ranchi Ring Road, the road connecting Ranchi to Patratu Dam Road, a four-lane road with service road on both sides connecting Adityapur to Kandra, a four-lane road connecting Patratu Dam to Ramgarh and construction of a two-lane road connecting Chaibasa to Chowka via Kandra. The concession for the Ranchi Ring Road was awarded on September 23, 2009, the Ranchi to Patratu Dam and Patratu Dam to Ramgarh on April 13, 2010 and the Adityapur-Kandra highway on August 6, 2011. We commenced commercial operations of the Ranchi Ring Road from September 21, 2012, of the road connecting Ranchi to Patratu Dam from October 12, 2012, the Adityapur-Kandra highway from January 31, 2013 and of the four-lane road from Patratu Dam to Ramgarh from April 30, 2014. The concession for construction of a two-lane road connecting Chaibasa to Chowka via Kandra was entered into on May 28, 2011, and the concession period commenced from November 27, 2011. The provisional completion certificate has been granted for the project on February 16, 2015, with effect from November 30, 2014.

Hazaribagh – Ranchi Road

The concession for this project was awarded by NHAI on a BOT (Annuity) basis for a period of 18 years pursuant to a concession agreement dated October 8, 2009. The project involved development of a four-lane highway with an aggregate length of approximately 318.71 Lane Kms on NH-33 connecting Hazaribagh to Ranchi in the State of Jharkhand. We commenced commercial operations of the project from September 15, 2012.

Pune – Sholapur Road

The concession for this project was awarded to us by the NHAI on a DBFOT (Toll) basis for a period of 20 years, pursuant to a concession agreement dated September 30, 2009. The project involved the development of four lanes with an aggregate length of approximately 571.30 Lane Kms on Pune – Sholapur stretch of NH-9 in the State of Maharashtra. We commenced commercial operations of the project from August 23, 2013.

Narketpalli Addanki Medarametla Road

The concession has been awarded by the Government of Andhra Pradesh on DBFOT (Toll) basis for a period of 24 years, including an initial construction period of two and a half years, pursuant to a concession agreement dated July 23, 2010. The project involves the development of approximately 887.95 Lane Kms from Narketpalli to Medarametla (via Addanki) section of SH-2 in the State of Andhra Pradesh, including widening of an existing two-lane carriageway to a four-lane carriageway and the strengthening of existing carriageway by providing bituminous overlays. We commenced commercial operations of the project from March 6, 2014. However, a minor part of the land is yet to be handed over to us in relation to the project.

Chandrapur – Warora Road

The concession has been awarded by the Public Works Division, Chandrapur, Government of Maharashtra, on a DBFOT (Toll) basis for a period of 30 years including an initial construction period of three years, pursuant to a concession agreement dated March 18, 2010. The project involves the development of approximately 275.20 Lane Kms of the four-lane highway connecting Warora to Bamni via Chandrapur and Ballarpur in the State of Maharashtra. The concession period commenced from January 3, 2011. We commenced commercial operations of the project from December 26, 2014.

Moradabad Bareilly Road

The concession has been awarded by NHAI on a DBFOT (Toll) basis for a period of 25 years, including an initial

construction period of two and half years pursuant to a concession agreement dated February 19, 2010. The project involves the development of four-lane highway between Moradabad to Bareilly section of NH-24 in the State of Uttar Pradesh. The concession period commenced from December 4, 2010. We commenced commercial operations for 103.52 kms (approximately 414.08 Lane Kms.) of the project from January 8, 2015, and the balance length is under construction.

Projects under construction

Mega Highways Project Phase III, Rajasthan

The concession was initially awarded on a BOT (Toll) basis for a period of 32 years, including a construction period of two years, pursuant to a project development agreement dated August 7, 2005. The project involved the development of two-lane highway with an aggregate length of 607 Lane Kms in the State of Rajasthan, and improvement to two corridors, that is, Mathura to Bhadoti and Rawatsar-Nohar-Bhadra up to Haryana border. The construction of these projects commenced in January 2012 based on the soft loans received from Government of Rajasthan. Pursuant to a letter dated November 12, 2014, Road Infrastructure Development Company of Rajasthan Limited was directed by the Chief Engineer (Roads), Public Works Department, Government of Rajasthan, to undertake only the construction of Rawatsar-Nohar-Bhadra stretch and the Bhadoti-Gangapur and Bharatpur-Mathura (U.P. Border) stretch under Phase III, with a total length of 366 Lane Kms. Financial closure for these projects is under process.

Baleshwar Kharagpur Road

The concession has been awarded by NHAI on a DBFOT (Toll) basis for a period of 24 years, including construction period of two and a half years pursuant to the concession agreement dated April 24, 2012. The project involves the development of approximately 477.20 Lane Kms of the four-lane highway from Baleshwar to Kharagpur section of NH-60 in the States of Orissa and West Bengal, including construction of new bridges and other structures, as well as repair of the existing highway and its operation and maintenance. The concession period commenced from January 1, 2013. Pursuant to the concession agreement, we are entitled to collect user fee of the project from January 1, 2013, being the appointed date.

Thiruvananthapuram City Roads (Phase II and Phase III)

We are developing roads with an aggregate length of approximately 158 Lane Kms in Thiruvananthapuram city in the State of Kerala in three phases — Phase I, Phase II and Phase III, pursuant to a concession agreement dated March 16, 2004 and a supplementary agreement dated January 4, 2008. Further to an agreement dated May 1, 2009, the project sites for Phases II and III of this project, with an aggregate length of approximately 39 Lane Kms in Thiruvananthapuram city, were handed over by the Kerala Road Fund Board to us. The concession period for these phases is 15 years after the completion of each phase. We commenced commercial operations of some parts of Phase II & III from February 20, 2015 and we expect to complete the construction of Phases II and III of this project in or around September 2015.

Jorabat Shillong Road

The concession has been awarded by NHAI on a DBFOT (Annuity) basis for a period of 20 years, including an initial construction period of three years, pursuant to a concession agreement dated July 16, 2010. The project involves the development of approximately 261.80 Lane Kms of the four-lane highway between Jorabat to Shillong (Barapani) on NH-40 in the States of Assam and Meghalaya. The concession period commenced from January 12, 2011. However, due to considerable delay in handing over of land for the project by NHAI, we had sought an extension of time for completion of construction of the project till April 30, 2015 vide an application dated February 25, 2015. We have applied for provisional completion certificate with the Independent Engineer with effect from April 30, 2015 by our application dated June 4, 2015.

Chenani Nashri Tunnel

The concession has been awarded by NHAI on DBFOT (Annuity) basis for a period of 20 years, including an initial construction period of five years, pursuant to a concession agreement dated June 28, 2010. The project involves the development of the new alignment section of NH-1A measuring 38.40 Lane Kms, including a nine kilometer long two-lane tunnel with a parallel intermediate lane escape tunnel from Chenani to Nashri on NH-1A in the State of Jammu & Kashmir. The concession period commenced from May 23, 2011. We expect to complete

the construction of the project in or around May 2016.

Sikar-Bikaner Road

The concession has been awarded by Public Works Department, Rajasthan, on a DBFOT (Toll) basis for a period of 25 years, including construction period of two years, pursuant to a concession agreement dated June 29, 2012. The project involves the development and operation of approximately 539.74 Lane Kms of the Sikar-Bikaner section of NH-11 via Sikar bypass and Bikaner bypass ending on NH-89 in the State of Rajasthan. The concession period commenced from February 18, 2013. In relation to the commencement of construction of project facilities and two-laning with paved shoulders in accordance with the concession, the independent engineer has, pursuant to a letter dated February 13, 2015, recommended an extension of nine months for the respective milestones. We have applied for provisional completion certificate vide application dated September 4, 2015 and we expect to complete the construction of the project in or around December 2015.

Kiratpur Ner Chowk Road

The concession has been awarded by NHAI on a DBFOT (Toll) basis for a period of 28 years, including an initial construction period of three years pursuant to a concession agreement dated March 16, 2012. The project involves the development of approximately 327.38 Lane Kms of the four-lane highway between Kiratpur and Ner Chowk section of NH-21 in the States of Punjab and Himachal Pradesh. The concession period commenced from November 14, 2013, being the appointed date of the project. We expect to complete the construction of the project in or around November 2016.

Khed – Sinnar Road

The concession has been awarded by NHAI on a DBFOT (Toll) basis for a period of 20 years, including a construction period of two and a half years pursuant to a concession agreement dated May 8, 2013. The project involves the development and operation of approximately 557.24 Lane Kms of the four-lane highway between Khed and Sinnar section of NH-50 in the State of Maharashtra. The concession period commenced from February 12, 2014, being the appointed date of the project. We expect to complete the construction of the project in or around August 2016.

Barwa-Adda-Panagarh Road

The concession has been awarded by NHAI on a DBFOT (Toll) basis for a period of 20 years, including an initial construction period of two and a half years pursuant to a concession agreement dated May 8, 2013. The project involves the development and operation of approximately 727.38 Lane Kms of the six-lane highway between Barwa-Adda-Panagarh section of NH-2 including Panagarh Bypass in the States of Jharkhand and West Bengal. The concession period commenced from April 1, 2014, being the appointed date of the project.

Z-Morh tunnel

The concession has been awarded by Border Roads Organisation on a DBFOT (Annuity) basis for a period of 20 years, including an initial construction period of 1825 days, pursuant to a concession agreement dated April 30, 2013. The project involves the construction, operation and maintenance of the Z-Morh tunnel of approximately 34 Lane Kms., including approaches on NH 1 (Srinagar Sonmarg Gumri Road) in the State of Jammu and Kashmir. The concession period commenced from May 1, 2015, being the appointed date of the project.

Projects under development

Our projects under development are those projects where the actual construction has not yet commenced. These projects are either at a pre-financial closure stage or at a stage where EPC contractors are being identified by us. The following of our projects are under development.

Jharkhand Accelerated Road Programme

The development rights for the project was awarded by the Government of Jharkhand on a BOT (Annuity) basis for a period of 5 years by a project development agreement. The project involved the development of approximately 355 Lane Kms of state roads in the State of Jharkhand, including construction and maintenance of existing or new roads, bridges and bye-passes, pursuant to a project development agreement dated February 6,

2008. Pursuant to a resolution passed by the Road Construction Department, Government of Jharkhand on July 3, 2014, the development period for the project has been extended for a further period of five years, effective from February 5, 2013.

Beawar – Gomti Road (four-laning)

The concession for the development of two lanes with an aggregate length of approximately 247.80 Lane Kms with an option to upgrade to a four lane highway on NH-8 connecting Beawar to Gomti in the State of Rajasthan was awarded to us by the Department of Road Transport & Highways, Government of India, on a DBFOT (Toll) basis for a period of 11 years pursuant to a concession agreement dated April 1, 2009. Upon the Company exercising the option for four-laning of approximately 216 Lane Kms of the existing two-lane Beawar – Gomti section on February 17, 2012, the concession period of the project, which had been awarded for an initial period of 11 years, was extended to 30 years. This project is currently pending financial closure.

Railway over-bridges (“ROBs”), Gujarat

The Roads & Building Department, Government of Gujarat, has issued a letter of award dated February 18, 2015 to Gujarat Road and Infrastructure Company Limited, declaring it as the ‘original project proponent’ with respect to a project for the development of eight ROBs in the State of Gujarat under PPP mode on an annuity basis. The concession agreement has been entered into on March 25, 2015 with the Roads & Building Department, Government of Gujarat. The project has a concession period of 17.5 years, including a construction period of 2.5 years. The project is pending financial closure.

Jharkhand Infrastructure Implementation Company Limited

The concession for the development and improvement of the balance works of Ranchi Ring Road Section VII with an aggregate length of 141.45 lane-kms in the State of Jharkhand, was awarded by the Government of Jharkhand on a BOT (Annuity) basis for a period of 17.5 years, pursuant to a concession agreement dated August 7, 2015. The project is pending financial closure.

Amravati Chikhli Road Project

The concession has been awarded by NHA on a BOT (Toll) basis on DBFOT pattern for a period of 19 years, including a construction period of 910 days from the appointed date pursuant to a concession agreement dated September 8, 2015. The project involves the development of approximately 969.92 Lane Kms of the four-lane highway between Amravati and Chikhli section of NH-6 in the State of Maharashtra.

Fagne Songarh Road Project

The concession has been awarded by NHA on a BOT (Toll) basis on DBFOT pattern for a period of 19 years, including a construction period of 910 days from the appointment date pursuant to a concession agreement dated September 8, 2015. The project involves the development of approximately 698 Lane Kms of the four-lane highway between Fagne and Songarh section of NH-6 in the State of Maharashtra.

Non-Road Projects

Nagpur City Bus Project

Pursuant to a concession agreement dated February 9, 2007, the Municipal Corporation of City of Nagpur has awarded Vansh Nimay Infra Projects Limited the concession for mobilization, operation and maintenance of the bus transport services in the city of Nagpur. The concession has been granted on a BOO basis for a period of 10 years, and is renewable for another five years. The primary revenue source for this project is ticket receipts. We have deployed approximately 470 buses on this project.

Gurgaon Metro Rail Link

Pursuant to a concession agreement dated December 9, 2009, the Haryana Urban Development Authority has awarded Rapid MetroRail Gurgaon Limited the concession for development of an approximately 4.9 kilometer long elevated metro rail link connecting the Delhi Metro Sikanderpur station on MG Road to NH-8 in Gurgaon in the State of Haryana. The concession has been awarded for a period of 99 years with effect from June 5, 2010,

when financial closure was obtained. We commenced commercial operations of the project from November 14, 2013. The primary revenue source for this project is ticket receipts.

Gurgaon Metro Rail South Extension

Pursuant to a concession agreement dated January 3, 2013, the Haryana Urban Development Authority has awarded Rapid Metrorail Gurgaon South Limited the concession for development of an approximately 7 kilometer long elevated Metro Rail Link extension from Sikanderpur Station to Sector 56 in Gurgaon in the State of Haryana. The concession has been awarded for a period of 98 years, including an initial construction period of two and a half years. We have commenced construction of this project and we expect to complete the construction by May 2016. The primary revenue source for this project would be ticket receipts.

Multi-level Parking Project, Charminar, Hyderabad

Pursuant to a concession agreement dated May 25, 2012, the Greater Hyderabad Municipal Corporation has awarded Charminar Robopark Limited the concession on a BOT (user fee basis) basis for development of integrated multi-level automatic car parking in Hyderabad in the State of Andhra Pradesh. The concession has been awarded on a BOT basis through the PPP mode, for a concession period of 30 years, including an initial construction period of two years. We currently await clearance on the detailed project report submitted to Greater Hyderabad Municipal Corporation.

24 Border Checkposts

The concession for construction, up-gradation, modernization, development, operation and maintenance of 24 border check posts and two central control facilities across the State of Madhya Pradesh has been awarded by Madhya Pradesh Road Development Corporation Limited pursuant to a concession agreement dated November 10, 2010. 17 of such check posts and both the central control facilities are currently operational. The concession has been awarded on a BOT (user fee basis) for a period of 4,566 days, including an initial construction period of 730 days. An extension of 17 months beyond January 4, 2014 with respect to the construction period was granted by Madhya Pradesh Road Development Corporation Limited pursuant to a meeting of its advisory committee on December 11, 2013 and a letter dated January 22, 2014.

Karyavattom Greenfield Stadium

Pursuant to a concession agreement dated April 4, 2012, the National Games Secretariat, Thiruvananthapuram has awarded Karyavattom Sports Facilities Limited, our subsidiary, the concession to develop and operate a greenfield stadium and related facilities, including designing the arena spaces, spectator seating area, sports facilities and security provisions, on certain land owned by the University of Kerala at Karyavattom on a DBOT (Annuity) basis, in connection with the 35th National Games to be held in Kerala. The concession has been awarded for a period of 15 years from the date of handing over of the land for the development of the stadium. The construction of the main stadium facility was concluded and January 27, 2015 was declared as the provisional commercial operations date by the National Games Secretariat pursuant to a letter dated February 4, 2015. The construction of ancillary facilities is currently ongoing and we expect to complete the construction of such facilities by October 2015. Revenue shall be generated from the annuity payments during the implementation period, and from fees levied on users of the project facilities during the operational period.

Competition

In the roads business, our revenues from existing toll roads are subject to competition from other roads that operate in the same area as well as from other modes of transportation. In addition, we compete with a number of Indian and international infrastructure operators in acquiring both concessions for new road projects and existing projects. Our principal competitors are Ashoka Buildcon Limited, Gammon India Limited, GMR Infrastructure Limited, GVK Power Infrastructure Limited, IRB Infrastructure Developers Limited, Larsen & Toubro Limited, Punj Lloyd Limited, Reliance Infrastructure Limited and Sadbhav Engineering Limited. Further, certain of our SPVs face competition from other companies in their respective sectors and geographies. Further, we compete with international conglomerates in the construction sector outside India, and companies with local presence in the respective geographies.

Insurance

Our principal types of insurance coverage include all-risk insurance policies, fire and special perils insurance, burglary insurance, money insurance and office equipment insurance. We also maintain general medi-claim and personal accident policies for our employees, consultants and their dependents. Our insurance policies may not be sufficient to cover our economic losses. For further details, see the section titled “*Risk Factors – Our current insurance coverage may not protect us from all forms of losses and liabilities associated with our business*” on page 23.

Employees

Our business operations are driven primarily by our employees. We place significant emphasis on the recruitment and retention of our personnel and organize in-house and external training programs for our employees. Our operations are spread across various jurisdictions, including Spain, Portugal and China, and we have employees based in such jurisdictions. For further details, see the section titled “*Risk Factors – Labour laws in certain jurisdictions where we operate are highly protective of employees, which may make it difficult and costly for us to streamline our workforce in the event of an economic downturn*” on page 21.

Property and Equipment

Most of the assets that we use in our concessions do not belong to us. Generally, pursuant to the terms of our concession agreements, title to our toll roads and related infrastructure such as toll plazas and monitoring posts remains with the concessioning authority for the duration of the concession period. During the concession period, we are entitled to use the toll roads and the related infrastructure which comprise the concession assets and we are entitled to the income there from. Upon the expiration of the concession period, we are required to transfer these concession assets to the concessioning authority.

We currently own or lease a variety of property, primarily for office space, throughout India. Our registered and corporate office is leased to us by our Promoter.

Intellectual Property

We maintain the ownership of, and control the use of, our brands and products by means of intellectual property rights, including, trademarks. We operate primarily under the  brand name and logo, which is registered under classes 35, 36, 37, 39 and 42 under the Trade Marks Act, 1999. We have also applied for registration of the logos “ENJOY THE RIDE” and “enjoy the ride” under classes 35,36,37,39 and 42 under the Trade Marks Act, 1999.

Credit Ratings

Set forth below is certain information with respect to our credit ratings in respect of our outstanding indebtedness.

Rating Agency	Credit Rating	Instrument and Limit/Rating amount
ICRA (July 14, 2015)	[ICRA]A	₹ 6,900 million Long-term rating, with outlook ‘stable’
ICRA (July 14, 2015)	[ICRA]A1	₹ 1,200 million Short-term rating
ICRA (September 30, 2014)	[ICRA]A	₹ 10,000 million non-convertible debenture programme with outlook ‘stable’
ICRA (September 30, 2014)	[ICRA]A-	₹ 5,000 million cumulative non-convertible compulsorily redeemable preference share programme with outlook ‘stable’
ICRA (August 25, 2015)	[ICRA]A1	₹ 9,000 million commercial paper programme
ICRA (June 15, 2015)	[ICRA] A	₹ 5,000 million non-convertible debenture programme with outlook “stable”
ICRA (January 16, 2015)	[ICRA]A	₹ 5,000 million non-convertible debenture programme with outlook ‘stable’
CRISIL (September 29, 2014)	CRISIL A/ Stable	₹ 1,500 million Long-term rating
CRISIL (September 29, 2014)	CRISIL A1	₹ 6,600 million Short-term rating
India Ratings (June 12, 2015)	IND A	Long term issuer rating with outlook ‘stable’
India Ratings (June 12, 2015)	IND A	₹ 5,500 million long-term loan facility
India Ratings (June 12, 2015)	IND A	₹ 3,000 million non-convertible debentures
India Ratings (June 12, 2015)	IND A/Stable	₹ 6,250 million non-convertible debentures

India Ratings (June 12, 2015)	Provisional IND A	₹ 750 million proposed non-convertible debentures
India Ratings (June 12, 2015)	IND A/Stable	₹ 5,000 million proposed non-convertible debentures
India Ratings (June 12, 2015)	IND A1	₹ 2,000 million commercial paper programme
India Ratings (August 20, 2015)	IND A1	₹ 1,500 million short term unsecured commercial paper programme
CARE (June 12, 2015)	CARE A*	₹ 15,000 million outstanding non-convertible debenture issue
CARE (July 15, 2015)	CARE A*	₹ 13,570 million of long-term facilities
CARE (July 15, 2015)	CARE A1**	₹ 2,300 million of short-term facilities
CARE (August 21, 2015)	CARE A1**	₹ 7,500 million commercial paper programme
CARE (July 15, 2015)	CARE A* / CARE A1**	₹ 6,200 million of long/ short-term facilities

* indicates "adequate degree of safety regarding timely servicing of financial obligations".

** indicates "very strong degree of safety regarding timely payment of financial obligations".

OUR MANAGEMENT

Board of Directors

Under our Articles of Association, we are required to have not less than three directors and not more than eighteen directors. Our Company currently has twelve Directors on its Board.

Not less than two-thirds of the total number of Directors shall be elected Directors who are liable to retire by rotation. At the Company's annual general meeting, one-third of the Directors for the time being who are liable to retire by rotation shall retire from office. A retiring director is eligible for re-election. The quorum for meetings of the Board of Directors is one-third of the total number of Directors, or two Directors, whichever is higher, provided that where at any time the number of interested Directors exceeds or is equal to two-third of the total strength the number of remaining Directors present at the meeting, being not less than two, shall be the quorum.

The following table sets forth details regarding our Board as on the date of this Letter of Offer:

Name, Designation, Occupation, Address and Term	Nationality	Director's Identification Number	Age (years)	Directorships in other companies
Mr. K. Ramchand Designation: Managing Director Occupation: Service Address: 3rd floor, Victoria Building, E-23, Gajdhar Scheme, Sarojini Naidu Road, Santa Cruz, Mumbai 400 054. Term: For a period of five years, with effect from April 1, 2013	Indian	00051769	60	• Gujarat Road and Infrastructure Company Limited • Gujarat International Finance Tec-City Company Limited • IL&FS Renewable Energy Limited • IL&FS Maritime Infrastructure Company Limited • IL&FS Engineering and Construction Company Limited • IL&FS Township & Urban Assets Limited • Noida Toll Bridge Company Limited • Road Infrastructure Development Company of Rajasthan Limited • Chongqing YuHe Expressway Company Limited; • Elsamex S.A. • IL&FS Maritime Offshore Pte. Limited • ITNL International Pte Limited • ITNL Offshore Pte Limited • ITNL Offshore Two PTE Limited • ITNL Offshore Three PTE Limited • IL&FS Prime Terminals FZC • ITNL International DMCC • Land Registration Systems Inc • IIPL USA LLC • Elsamex International SL • Sharjah General Services Company LLC
Mr. Mukund Gajanan Sapre Designation: Executive Director Occupation: Service Address: 139-140, The Orchid Bungalows, Opposite Nand Society, Old Padra Road, Vadodara, 390 020. Term: For a period of five years, with effect from April	Indian	00051841	55	• Gujarat State Road Development Corporation Limited • IL&FS Rail Limited • IL&FS Airports Limited • Jharkhand Accelerated Road Development Company Limited; • Karyavattom Sports Facilities Limited • Bengal Aerotropolis Projects Limited • Gujarat Road and Infrastructure Company Limited • IL&FS Township and Urban Assets Limited

Name, Designation, Occupation, Address and Term	Nationality	Director's Identification Number	Age (years)	Directorships in other companies
1, 2013				• Elsamex Maintenance Services Limited • Sealand Warehousing Private Limited • ITNL International Pte Limited • ITNL Offshore Pte Limited • ITNL International DMCC • Elsamex SA • IIPL USA LLC • Elsamex International SL • Sociedad Concesionaria Autovia A-4, SA • Sharjah General Services Company LLC • Chongqing YuHe Expressway Company Limited
Mr. Deepak Dasgupta Designation: Chairman, Non-executive, Independent Director Occupation: Professional Address: C-604, Central Park Sector 42, Gurgaon 122 002. Term: Up to March 31, 2019	Indian	00457925	72	• IJM (India) Infrastructure Limited • Road Infrastructure Development Company of Rajasthan Limited • IL&FS Rail Limited • Rapid MetroRail Gurgaon South Limited; • Rapid MetroRail Gurgaon Limited • Amber Tours Private Limited
Mr. Hari Sankaran Designation: Non-executive, non-Independent Director Occupation: Service Address: 901, Plot No. 592, Shobha Sagar CHS Limited, TPS III, 21st Road, Near Executive Enclave, Bandra (W), Mumbai 400 050. Term: Liable to retire by rotation.	Indian	00002386	54	• Infrastructure Leasing & Financial Services Limited • IL&FS Energy Development Company Limited • IL&FS Education and Technology Services Limited • IL&FS Environmental Infrastructure and Services Limited • IL&FS Financial Services Limited • IIDC Limited • Gujarat International Finance Tec-City Company Limited • Road Infrastructure Development Company of Rajasthan Limited (erstwhile IL&FS Infrastructure Development Corporation Limited); • Elsamex S.A. • Land Registration Systems, Inc. Philippines.
Mr. Ravi Parthasarathy Designation: Non-executive, non-Independent Director Occupation: Service Address: 1201/1202 Vinayak Angan, Old Prabhadevi Road Prabhadevi, Mumbai 400 025. Term: Liable to retire by rotation	Indian	00002392	62	• Infrastructure Leasing & Financial Services Limited • IL&FS Cluster Development Initiatives Limited • IL&FS Education & Technology Services Limited • IL&FS Energy Development Company Limited • IL&FS Financial Services Limited • IIDC Limited • IL&FS Maritime Infrastructure Company Limited • IL&FS Skill Development

Name, Designation, Occupation, Address and Term	Nationality	Director's Identification Number	Age (years)	Directorships in other companies
				- Corporation Limited - IL&FS Investment Managers Limited - Elsamex S.A - IL&FS Global Financial Services Pte Limited - IL&FS Global Financial Services (UK) Limited - IL&FS Global Financial Services (ME) Limited - IL&FS Wind Power Management Pte. Limited - Strategic India Infrastructure Fund Pte Limited
Mr. Arun K. Saha Designation: Non-executive, non-Independent Director Occupation: Service Address: 601-602, Green Acres CHS, Pali Hill, Bandra (West), Mumbai 400 050. Term: Liable to retire by rotation	Indian	00002377	62	- Infrastructure Leasing & Financial Services Limited - IL&FS Securities Services Limited - IL& FS AMC Trustee Limited - Hill County Properties Limited - IL&FS Energy Development Company Limited - IL&FS Financial Services Limited - Noida Toll Bridge Company Limited - ISSL Market Services Limited - Elsamex S.A - IL&FS India Realty Fund II LLC, Mauritius - IL&FS Maritime Offshore Pte Limited - Institute Tecnico de la Vialidad y del Transporte, S.A - ITNL International Pte Limited - Maytas Properties ME FZE, Sharjah, UAE - Maytas Infra Saudi Arabia Co. - Se7en Factor Corporation, Seychelles
Mr. Ramesh Chandra Sinha Designation: Non-executive, Independent Director Occupation: Professional Address: 22, Buena Vista Gen J. Bhosale Marg Opposite Y. B. Chavan Institute Mumbai 400 021. Term: Liable to retire by rotation	Indian	00051909	76	- Bengal Ambuja Housing Development Limited - Rising Mountain Properties Private Limited - Overseas Infrastructure Alliance (India) Private Limited

Name, Designation, Occupation, Address and Term	Nationality	Director's Identification Number	Age (years)	Directorships in other companies
Mr. H.P. Jamdar Designation: Non-executive, Independent Director Occupation: Professional Address: 5, Vishwakarma Colony, Behind Civil Hospital, Shahibaug, Ahmedabad 380 004. Term: Up to March 31, 2019	Indian	00062081	70	• NILA Infrastructures Limited
Mr. Pradeep Puri Designation: Non-executive, non-Independent Director Occupation: Service Address: A-30, West End New Delhi 110 021. Term: Liable to retire by rotation	Indian	00051987	58	• Pipavav Railway Corporation Limited • North Karnataka Expressway Limited • Urban Mass Transit Company Limited • IIDC Limited • Rapid MetroRail Gurgaon Limited • Rapid MetroRail Gurgaon South Limited • IL&FS Water Limited • Mangalore SEZ Limited • IL&FS Paradip Refinery Water Limited
Mr. Vibhav Kapoor Designation: Non-executive, non-Independent Director Occupation: Service Address: Woodlands, "A" Wing, 1 st Floor, Peddar Road, Mumbai 400 026. Term: Liable to retire by rotation	Indian	00027271	59	• IL&FS Financial Services Limited • IL&FS Investment Managers Limited • IL&FS Securities Services Limited • IL&FS Capital Advisors Limited • Sara Fund Trustee Company Private Limited • Free Trade Warehousing Private Limited • IL&FS Broking Services Private Limited (formerly Avendus Securities Private Limited) • IL&FS Wind Power Management Pte Limited • Strategic India Infrastructure Fund Pte Limited • IL&FS Global Pte Limited
Mr. Deepak Satwalekar Designation: Non-executive, Independent Director Occupation: Professional Address: 401, The Orchid, 12th Road, Khar (West), Mumbai 400 052 Term: Up to March 31, 2019	Indian	00009627	66	• Asian Paints Limited • Piramal Enterprises Limited • The Tata Power Company Limited • Franklin Templeton Asset Management (India) Private Limited • Germinait Solutions Private Limited • Indian Mortgage Guarantee Corporation Private Limited
Ms. Neeru Singh Designation: Non-executive, Independent Director	Indian	06987939	57	• NIL

Name, Designation, Occupation, Address and Term	Nationality	Director's Identification Number	Age (years)	Directorships in other companies
Occupation: Professional Address: 1400, Sector - 37, Arun Vihar, Noida, Uttar Pradesh 201303 Term: Up to November 10, 2019				

Brief Biographies of our Directors

Mr. K. Ramchand, 60 years, is the Managing Director of our Company and has been associated with the IL&FS group since 1994. He holds a bachelor's degree in civil engineering from Madras University and a post graduate degree in 'development planning' from the School of Planning, Ahmedabad and has over 30 years of experience in urban and transport infrastructure development sector and has been involved in a large number of private infrastructure initiatives including the successful commissioning of various toll road projects in Gujarat and for the National Highways Authority of India.

Mr. Ramchand in his role as chief executive officer (infrastructure) of IL&FS Group is associated with various initiatives in infrastructure, including SEZs and maritime assets. Mr. Ramchand is also a member of the management board of IL&FS. Prior to joining IL&FS, he was associated with the operations research group, Dalal Consultants, Mumbai Metropolitan Region Development Authority and City and Industrial Development Corporation of Maharashtra Limited.

Mr. Mukund Gajanan Sapre, 55 years, is an Executive Director of our Company and has been associated with the IL&FS group since 1992. He holds a bachelor's degree in civil engineering, a diploma in 'Systems Management' and a diploma in 'Financial Management'. He has over 30 years of experience in the industry.

Prior to joining the Company, he was involved with international projects in the Philippines, Indonesia, Mexico and Spain and has played a vital role in implementing the 'High Speed Rail Project' and evaluating the 'Cargo Airport Project' in Mexico. He has also been previously associated with Engineers India Limited as its Deputy Manager during the period from 1984 to 1992 and with Gammon India Limited as an Assistant Engineer during the period from 1980 to 1984.

Mr. Deepak Dasgupta, aged 72 years, is the Chairman and non-executive, Independent Director of our Company. He holds a bachelors' degree and a master's degree in science from the Delhi University. He is a retired Indian Administrative Services officer with over 36 years of experience during which he has headed various departments of Government of Haryana and the Government of India including those related to infrastructure development and policy formulation.

He has served as the chairman of NHAI for more than 5 years and has also served as an advisor to the Asian Development Bank on consulting assignments. He was appointed as a member of the senior expert committee of IDFC Private Equity Fund and the Special Task Force on Bihar.

Mr. Ravi Parthasarathy, 62 years, is a non-executive, non-Independent Director of our Company and has been associated with our Company since January 6, 2001 and the IL&FS group since 1988. He holds a bachelor's degree in science from the University of Mumbai and a post-graduate diploma in business administration from the Indian Institute of Management, Ahmedabad. He is at present the Chairman of IL&FS Group. Prior to joining the IL&FS Group, he has served 20th Century Finance Corporation Limited, a financial services company as its executive director.

Mr. Hari Sankaran, 54 years, is a non-executive, non-Independent Director of our Company. Mr. Hari Sankaran has been associated with the Company since November 29, 2000 and with the IL&FS Group since 1990. Mr. Sankaran holds a Master's degree in Economics from the London School of Economics & Political Science

As vice chairman and managing director of IL&FS, he has been instrumental in developing and overseeing the business canvas of the group. Mr. Sankaran has over 27 years of experience in research, project development,

structuring, management and financing. He has been closely involved in the implementation of all the IL&FS group infrastructure projects. Mr. Sankaran has participated in various High Powered Committees set up by Government of India for policy and legal reforms including as the Chairman of the FCCI Infrastructure Committee.

Mr. Arun K. Saha, 62 years, is a non-executive, non-Independent Director of our Company and has been associated with the IL&FS group since 1988. He holds a master's degree in Commerce from the University of Calcutta and is an associate member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. Mr. Saha is presently the joint managing director & chief executive officer of IL&FS and oversees activities relating to finance, operations, credit compliance and risk management of the IL&FS Group, including activities in the areas of financial services, infrastructure, asset management, distribution and management of retail assets and liabilities.

Mr. Ramesh Chandra Sinha, 76 years, is a non-executive, Independent Director of our Company. He is a retired officer of the Indian Administrative Services. He holds a bachelor's degree in Law, master's degree in Economics from Lucknow University and a postgraduate degree in 'urban development' from the London University.

Prior to joining us, he has served in various departments and worked in ministries of the Government of Maharashtra, including as Collector, District Magistrate, Secretary and Additional Chief Secretary. He has also served as the Joint Secretary, Ministry of Information & Broadcasting, Government of India. During his tenure with the Government of Maharashtra, Mr. Sinha was appointed as the vice-chairman and managing director of Maharashtra State Road Transport Corporation Limited, City Industrial Development Corporation of Maharashtra Limited, Vice-Chairman & Managing Director of Maharashtra State Road Development Corporation Limited, during which the 'Mumbai-Pune Expressway' project was executed and also as vice-chairman and managing director of Maharashtra Airport Development Company Limited.

Mr. H.P. Jamdar, 70 years, is a non-executive, Independent Director of our Company. He holds a bachelor's degree in civil engineering from Gujarat University. Mr. Jamdar has headed various departments of the Government of Gujarat including as Secretary and Principal Secretary. During his tenure with the Government of Gujarat, Mr. Jamdar was appointed as chairman of various state owned corporations, especially in the roads and ports sector. He even served as the president of Indian Roads Congress and the Institution of Engineers (India) and also as the vice-president of 'FIESCA'.

Mr. Pradeep Puri, 58 years, is a non-executive, non-Independent Director of our Company. He holds a bachelor's and a master's degree in History from Delhi University. He is a retired officer of the Indian Administrative Service. He previously worked in the Ministry of Commerce and the Department of Economic Affairs, Ministry of Finance, Government of India, dealing with International Trade and Investment. At present, he is the chief executive officer of Model Economic Township Company Limited.

Mr. Vibhav Kapoor, 59 years, is a non-executive, non-Independent Director of our Company. He has been associated with our Company since December 10, 2004. Further, he is associated with IL&FS as its 'Group Chief Investment Officer' since July 1, 2002 and also heads the Group HRD policies and their implementation. He holds a bachelor's degree in Arts and a master's degree in Business Administration from the Himachal Pradesh University, Shimla. Further, he has been associated with the Merchant Banking Division of ANZ Grindlays Bank as a portfolio manager during the period from 1987 to 1988 and as the in-charge of the Corporate Finance and Equity Research department of Unit Trust of India during the period from 1979 to 1986.

Mr. Deepak Satwalekar, 66 years, is a non-executive, Independent Director of our Company. He holds a bachelors' degree in technology from the Indian Institute of Technology, Bombay and a master's degree in business administration from the American University, Washington DC. Prior to joining our Company, he served as managing director and chief executive officer of HDFC Standard Life Insurance Company Limited. He has also been the managing director of HDFC since 1993. Mr. Satwalekar is currently on the board of trustees of 'Isha Vidhya' and 'Teach to Lead', organizations engaged in the field of primary education for the low income and socially disadvantaged members of society in rural and urban India. He is also advising a company which is establishing a network of BPO companies in rural areas across the country. Besides being a recipient of the distinguished 'Alumnus Award' from the Indian Institute of Technology, Mumbai, he is now on the advisory council of the institute.

Ms. Neeru Singh, 57 years, is a non-executive, Independent Director of our Company. She is a member of the 1982 batch of the Indian administrative services. She holds a bachelors' degree in arts from the University of Delhi and a masters' degree in international relations from Jawaharlal Nehru University, Delhi.

Relationships between Directors

None of our Directors are related to each other.

Details of Service Contracts

There are no service contracts entered into with any of the Directors for provision of benefits or payments of any amount upon termination of employment.

Details of current and past directorship(s) in listed companies whose shares have been/ were suspended from being traded on the BSE/ NSE and reasons for suspension

None of our Directors are currently or have been, in the past five years, on the board of directors of a listed company whose shares have been or were suspended from being traded on the BSE or NSE.

Details of current and past directorship(s) in listed companies which have been/ were delisted from the stock exchange(s) and reasons for delisting.

Except as stated below, none of our Directors are currently or have been on the board of directors of a public listed company whose shares have been or were delisted from being traded on any stock exchange

Mr. Arun K Saha was a director of IL&FS Investsmart Limited, which was voluntarily delisted from the BSE and NSE in accordance with the SEBI (Delisting) Regulations. In this regard, the relevant details are as below:

Name of the company: IL&FS Investsmart Limited

Listed on: BSE and NSE

Date of delisting on the Stock Exchanges: July 15, 2010

Compulsory or voluntary delisting: Voluntary delisting

Reasons for delisting: Acquisition of IL&FS Investsmart Limited by HSBC Securities and Capital Markets (India) Limited and HSBC Violet Investments (Mauritius) Limited.

Whether relisted: No.

If yes, date of relisting and stock exchange listed on: Not applicable

Term (along with relevant dates) of directorship in the above company: April 2, 1998 to September 29, 2008

Further, Mr. Ravi Parathasarathy was also a director of IL&FS Investsmart Limited, which was voluntarily delisted from the BSE and NSE in accordance with the SEBI (Delisting) Regulations. In this regard, the relevant details are as below:

Name of the company: IL&FS Investsmart Limited

Listed on: BSE and NSE

Date of delisting on the Stock Exchanges: July 15, 2010

Compulsory or voluntary delisting: Voluntary delisting

Reasons for delisting: Acquisition of IL&FS Investsmart Limited by HSBC Securities and Capital Markets (India) Limited and HSBC Violet Investments (Mauritius) Limited.

Whether relisted: No.

If yes, date of relisting and stock exchange listed on: Not applicable

Term (along with relevant dates) of directorship in the above company: April 2, 1998 to September 29, 2008

Arrangements and Understanding with Major Shareholders, Customers, Suppliers or others.

None of our Directors or members of our senior management have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

SECTION V – FINANCIAL INFORMATION

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

IL&FS TRANSPORTATION NETWORKS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **IL&FS TRANSPORTATION NETWORKS LIMITED** ('the Company'), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors and Management are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

Attention is invited to Note 40 of the standalone financial statements, regarding an amount of Rs.2,352.70 million included in the Revenue from Operations for the year ended March 31, 2015 on account of aggregate compensation claimed by the Company from two Special Purpose Vehicles ("SPVs") and by the two SPV's on the Concession Granting Authorities ("CGA"), for the incremental work and related claims arising from delays due to handing over of the land for project execution. The compensation is based on the provisions in the Service Concession Agreements and is supported by the Extension of Time granted by the Independent Engineers. The SPVs have been legally advised that they are contractually entitled to such claims under the Service Concession Agreements.

Our opinion is not modified in this regard.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 21 to the standalone financial statements;
 - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 4 to the standalone financial statements;
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

(Firm Registration No. 117366W/W-100018)

Kalpesh J. Mehta
Partner
(Membership No. 48791)

Mumbai, May 15, 2015
KJM/NDU

**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT
IL&FS TRANSPORTATION NETWORKS LIMITED**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. Having regard to the nature of the Company's business / activities / results during the year, clause (ii) of paragraph 3 of the Order is not applicable to the Company.
2. In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
3. According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 In respect of such loans:
 - (a) The receipts of principal amounts and interest (where contractually receivable) have been regular as per stipulations during the year except in the case of loans given by the Company to its six subsidiary companies, two jointly controlled companies and two associate companies incorporated in India where there were delays in receipt of interest.
 - (b) In respect of overdue amounts of over Rs.1 lakh remaining outstanding as at year end, as explained to us, the Management has taken reasonable steps for recovery of the interest.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services and during the course of our audit we have not observed any major weakness in such internal control system.
5. According to the information and explanations given to us, the Company has not accepted any deposit during the year as provided under Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013. There were no unclaimed deposits with the Company any time during the year.
6. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has been regular in depositing undisputed statutory dues, including provident fund, income tax, value added tax, cess and other material statutory dues applicable to it with the appropriate authorities.

The Company has been generally regular in depositing service tax with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of provident fund, income tax, service tax, value added tax, cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.

- (c) There are no dues of provident fund, Income-tax, service tax, value added tax, cess and other material statutory dues which have not been deposited as on March 31, 2015 on account of disputes.
 - (d) There are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.
- 8. The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
 - 9. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
 - 10. In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not, *prima facie*, prejudicial to the interests of the Company.
 - 11. In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.
 - 12. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

Kalpesh J. Mehta
Partner
(Membership No. 48791)

Mumbai, May 15, 2015
KJM/NDU

IL&FS TRANSPORTATION NETWORKS LIMITED

Balance Sheet as at March 31, 2015

₹in Million

	Particulars	Note	As at March 31, 2015		As at March 31, 2014	
I	<u>EQUITY AND LIABILITIES</u>					
1	SHAREHOLDERS' FUNDS					
	(a) Share capital	2	6,231.70		5,707.18	
	(b) Reserves and surplus	3	29,563.74	35,795.44	24,114.45	29,821.63
2	NON-CURRENT LIABILITIES					
	(a) Long-term borrowings	4	41,154.20		26,907.85	
	(b) Deferred tax liabilities (Net)	7	354.01		207.56	
	(c) Other long term liabilities	9	5,218.24		4,032.30	
	(d) Long-term provisions	8	94.17	46,820.62	39.13	31,186.84
3	CURRENT LIABILITIES					
	(a) Current maturities of long-term debt	5	13,724.92		11,067.50	
	(b) Short-term borrowings	6	19,511.65		8,265.17	
	(c) Trade payables	11	7,461.46		10,294.95	
	(d) Other current liabilities	10	5,907.03		4,943.59	
	(e) Short-term provisions	12	2,377.70	48,982.76	1,690.36	36,261.57
	TOTAL			131,598.82		97,270.04
II	<u>ASSETS</u>					
1	NON CURRENT ASSETS					
	(a) Fixed assets	13				
	(i) Tangible assets (net)		327.15		179.26	
	(ii) Intangible assets (net)		1,060.55		108.09	
	(iii) Capital work-in-progress		-		24.12	
	(b) Non-current investments (net)	14	47,900.81		39,991.69	
	(c) Long-term loans and advances	15	21,219.34		13,235.77	
	(d) Other non-current assets	17	4,566.48	75,074.33	3,617.04	57,155.97
2	CURRENT ASSETS					
	(a) Trade receivables (net)	19	27,394.61		24,953.26	
	(b) Cash and cash equivalents	20	203.22		111.42	
	(c) Short-term loans and advances (net)	16	23,303.69		12,060.44	
	(d) Other current assets	18	5,622.97	56,524.49	2,988.95	40,114.07
	TOTAL			131,598.82		97,270.04

Note 1 to 41 forms part of the financial statements.
In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
Kalpesh J. Mehta
Partner

Mumbai, May 15, 2015

For and on behalf of the Board

Managing Director

Chief Financial Officer,
Company Secretary
Mumbai, May 15, 2015

IL&FS TRANSPORTATION NETWORKS LIMITED

Statement of Profit and Loss for the year ended March 31, 2015

₹in Million				
	Particulars	Note	Year ended March 31, 2015	Year ended March 31, 2014
I	Revenue from operations	24	35,229.33	34,045.83
II	Other income	25	3,588.93	2,673.84
III	Total revenue (I + II)		38,818.26	36,719.67
IV	Expenses			
	Operating expenses	26	25,146.43	26,221.20
	Employee benefits expense	27	670.21	617.77
	Finance costs	28	7,381.24	5,196.51
	Depreciation and amortisation expense (net)	13	98.78	109.25
	Administrative and general expenses	29	1,680.35	1,345.88
	Total expenses		34,977.01	33,490.61
V	Profit before taxation (III-IV)		3,841.25	3,229.06
VI	Tax expense:		765.80	840.00
	(a) Current tax expenses			
	(b) Less: MAT credit entitlement		(267.55)	-
	(c) Tax relating to earlier years written back (Refer note 39)		-	(479.17)
	(d) Net Current tax		498.25	360.83
	(e) Deferred tax (net)		156.38	207.96
	Net tax expenses (VI)		654.63	568.79
VII	Profit for the year (V - VI)		3,186.62	2,660.27
	Earnings per equity share (Face value per share ₹ 10/-):	34		
	(1) Basic		9.21	11.02
	(2) Diluted		9.21	11.02

Note 1 to 41 forms part of the financial statements.

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

Kalpesh J. Mehta

Partner

Mumbai, May 15, 2015

Managing Director

Chief Financial Officer

Mumbai, May 15, 2015

IL&FS TRANSPORTATION NETWORKS LIMITED

Cash Flow Statement for the Year ended March 31, 2015

		₹ in Million
Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Cash Flow from Operating Activities		
Profit Before Tax	3,841.25	3,229.06
Adjustments for		
Interest Income	(2,992.13)	(1,698.16)
Employee benefits (net)	3.03	4.50
Profit on sale of fixed assets (net)	0.72	(0.33)
Profit on sale of investments	(2,826.05)	-
Depreciation and amortization expense	98.78	109.25
Foreign exchange gain transferred from Foreign Currency Translation Reserve to Statement of Profit and Loss	(29.23)	(18.06)
Interest accrued on loans written off	96.13	-
Finance Costs	7,381.24	5,196.51
Dividend Income on non-current investments	(220.12)	(341.40)
Operating profit before Working Capital Changes	5,353.63	6,481.37
		-
Increase in trade receivables	(2,441.35)	(8,975.73)
Increase in other assets & loans and advances (current and non current)	(3,482.67)	(1,114.26)
(Decrease) / Increase in liabilities (current and non current)	(1,175.00)	6,456.78
Cash (used in) / generated from Operations	(1,745.39)	2,848.16
Direct Taxes paid (Net)	(853.14)	(1,864.56)
Net Cash (used in) / generated from Operating Activities (A)	(2,598.54)	983.60
Cash flow from Investing Activities		
Additions to fixed assets and Capital Work in Progress	(183.86)	(171.19)
Proceeds from sale of fixed assets	1.83	27.58
Proceeds from sale of investments in subsidiaries	2,654.30	-
Investment in / Purchase of equity shares of subsidiaries	(6,740.47)	(7,460.01)
Investment in Others	(336.76)	(142.50)
Amount received towards exercise of call option issued	0.00	6.11
Long term loans given	(6,613.70)	(3,694.11)
Long term loans recovered	4.68	3,315.70
Short term loans (given) / received back (net)	(10,998.30)	(3,133.81)
Interest received	1,659.05	1,105.04
Dividend received	382.00	179.52
Net Cash used in Investing Activities (B)	(20,171.23)	(9,967.67)
Cash flow from Financing Activities		
Proceeds from issue of Preference Shares (including securities premium)	-	7,529.00
Proceeds from issue of Rights Equity Shares (including securities premium)	5,245.23	-
Preference issue expenses adjusted in securities premium	(55.93)	(67.23)
Repayment of loans on demand from Banks (net)	(27.38)	164.47
Proceeds from long term borrowings	28,140.34	19,420.00
Repayment of long term borrowings	(11,371.23)	(9,850.00)
Proceeds from short term borrowings	47,155.63	21,300.00
Repayment of short term borrowings	(35,881.77)	(22,144.50)
Finance Costs paid	(7,712.02)	(5,332.75)

Equity Dividend paid	(986.88)	(777.07)
Tax on Equity Dividend paid	(167.72)	(132.06)
Preference Dividend paid	(305.11)	-
Tax on Preference Dividend paid	(51.85)	-
Fixed deposits placed as security against borrowings (Net)	(1,119.91)	(1,069.43)
Net Cash generated from Financing Activities (C)	22,861.40	9,040.43
Net Increase in Cash and Cash Equivalents (A+B+C)	91.63	56.36
Cash and Cash Equivalents at the beginning of the year	110.71	54.35
Cash and Cash Equivalents at the end of the year	202.34	110.71
Net Increase in Cash and Cash Equivalents	91.63	56.36
Components of Cash and Cash Equivalents		
Cash on Hand	0.08	0.32
Balances with Banks in current accounts	199.92	108.06
Fixed deposits	2.33	2.33
	202.34	110.71
Unpaid Dividend Accounts	0.88	0.71
Cash and Cash Equivalents as per Balance Sheet	203.22	111.42

Footnote: During the year the Company has purchased additional shares of a subsidiary company for a value of ₹ 393.24 Mn of which a sum of ₹ 387.73 mn has been adjusted against the loan outstanding from the seller, the impact of this has not been given in the cash flow statement above.

Note 1 to 41 forms part of the financial statements.

In terms of our report attached.

For and on behalf of the Board

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

Kalpesh J. Mehta
Partner
Mumbai, May 15, 2015

Managing Director
Chief Financial Officer
Mumbai, May 15, 2015

Director
Company Secretary

IL&FS TRANSPORTATION NETWORKS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2015

Note 1 : Significant Accounting Policies

Background :

IL&FS Transportation Networks Limited ("ITNL") is a surface transportation infrastructure company incorporated in the year 2000 under the provisions of the Companies Act, 1956, by Infrastructure Leasing & Financial Services Limited, a promoter company, in order to consolidate their existing road infrastructure projects and to pursue various new project initiatives in the area of surface transportation infrastructure.

ITNL is a developer, operator and facilitator of surface transportation infrastructure projects, taking projects from conceptualisation through commissioning to operations and maintenance under public to private partnership on build-operate transfer ("BOT") basis in India.

I. Basis for preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for change in the accounting policy for depreciation as more fully described in Note 1 III below.

II. Use of estimates

The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of Assets and Liabilities (including Contingent Liabilities) as of the date of the Financial Statements and the reported Income and Expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. In case the actual results are different those from estimates, the effect thereof is given in the financial statements of the period in which the events materialise. Any change in such estimates is accounted prospectively.

III. Fixed Assets and Depreciation/Amortisation

(a) Tangible assets

Tangible fixed assets acquired by the Company are reported at acquisition cost, with deductions for accumulated depreciation and impairment losses, if any.

The acquisition cost includes the purchase price (excluding refundable taxes) and expenses such as delivery and handling costs, installation, legal services and consultancy services, directly attributable to bringing the asset to the site and in working condition for its intended use.

Where the construction or development of any asset requiring a substantial period of time to set up for its intended use is funded by borrowings, the corresponding borrowing costs are capitalised up to the date when the asset is ready for its intended use.

(b) Change in Accounting Policy and Accounting Estimates

Pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company has changed its method of depreciation from Written Down Value ("WDV") method to Straight Line Method ("SLM"). Consequent to this change, all assets are now being depreciated under SLM. The Company has also revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II based on internal technical

advice, taking into account the nature of the asset, the estimate usage of the asset, operating conditions of the asset, past history of replacement, anticipated technological changes etc.

The details of previously applied depreciation method, rates / useful life and revised method and lives are given below:

Asset	Previous depreciation method	Previous depreciation rate/useful life	Revised useful life based on SLM
Premises	SLM	1.63% / 61 Years	60 Years
Computers and Data Processing	SLM	25% / 4 Years	3 Years
Equipment (other than Server & Networking)			
Office Equipments	WDV	13.91% / 20 Years	5 Years
Furniture and Fixtures	WDV	18.10% / 15 Years	10 Years
Plant & Machinery	WDV	13.91% / 20 Years	15 Years
Electrical Installation	WDV	13.91% / 20 Years	10 Years
Data Processing Equipment (Server & Networking)	SLM	4	4
Mobile Phones and I pad / Tablets	SLM	Fully depreciated in the year of purchase	Fully depreciated in the year of purchase
Specialised office equipment's	SLM	3	3
Vehicles	SLM	5	5
Assets provided to employees	SLM	3	3
Leasehold improvement costs	SLM	Amortised over Primary period of Lease	Amortised over Primary period of Lease
All categories of assets costing less than ₹5,000/- each	SLM	Fully depreciated in the year of purchase	Fully depreciated in the year of purchase
The residual value of all the assets is retained	at ₹ 1/- each		

IL&FS TRANSPORTATION NETWORKS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2015

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013,

- the Company has fully depreciated the carrying value of assets (determined after considering the change in the method of depreciation from WDV to SLM), net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014 and adjusted an amount of ₹ 6.30 million against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus
- The depreciation expense in the Statement of Profit and Loss for the year is lower by ₹ 30.17 million consequent to the above change in the method of depreciation
- The depreciation expense in the Statement of Profit and Loss for the year is higher by ₹ 20.42 million consequent to the change in the useful life of the assets

(c) Leased Assets

Type of Lease	Capitalisation	Depreciation Policy
Operating Lease Capital Expenditure on renovation / Improvements to Lease-hold Premises	At Cost including incidental expenses to bring the asset to its working condition for its intended use At Cost	Straight Line Method at the rates provided under Schedule II to the Companies Act, 2013 Amortised over the primary period of the Lease

(d) Intangible assets and amortisation

Intangible assets comprise of software and amounts paid for acquisition of commercial rights under an “Operation and Maintenance” agreement of a toll road project.

Intangible assets are reported at acquisition cost with deductions for accumulated amortisation and impairment losses, if any.

Intangible assets are amortised on a “straight line” basis over their estimated useful lives. The estimated useful life of software is four years. The amount paid for the Commercial Rights acquired under the “Operations and Maintenance” agreement, is amortised over the minimum balance period of the concession agreement relating to the corresponding toll road project as it existed at the time of acquisition.

IV. Impairment of Assets

The carrying values of assets of the Company’s cash-generating unit are reviewed for impairment annually or more often if there is an indication of decline in value. If any indication of such impairment exists, the recoverable amounts of those assets are estimated and impairment loss is recognised, if the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the estimated future cash flows to their present value based on appropriate discount factor.

V. Investments

- (a) Investments are capitalised at actual cost including costs incidental to acquisition. Dividend received attributable to the period prior to acquisition of investment is reduced from the cost of investment in the year of receipt.
- (b) Cost of investment property acquired in exchange for an asset is determined by reference to the fair value of the asset given up.
- (c) Investments are classified as long-term or current at the time of making such investments.
- (d) Long-term investments are individually valued at cost, less provision for diminution that is other than temporary.
- (e) Current investments are valued at the lower of cost and fair value.

VI. Revenue Recognition

- (a) The Company’s service offerings include advisory and management services, supervisory services (including as lenders’ engineers), operation and maintenance services, toll collection services for toll road projects and rendering assistance to applicant for toll road concessions with the bidding process.

Revenue is recognised when it is realised or realisable and earned. Revenue is considered as realised or realisable and earned when it has persuasive evidence of an arrangement, delivery has occurred, the sales price is fixed or determinable and collectability is reasonably assured.

Advisory, Design and Engineering fees are billed as services are rendered, however they are due for payment one year from the date of billing. Disclosure with respect to such Trade Receivables as been made considering above policy.

Revenue in respect of arrangements made for rendering services is recognised over the contractual term of the arrangement. In respect of arrangements, which provide for an upfront payment followed by additional payments as certain conditions are met (milestone payments), the amount of revenue recognised is based on the services delivered in the period as stated in the contract. In respect of arrangements where fees for services rendered are success based (contingent fees), revenue is recognised only when the factor(s) on which the contingent fees is based, actually occur and the collectibility is reasonably assured.

Revenue from development projects under fixed - price contracts, where there is no uncertainty as to measurement or collectability of consideration is recognised based on the milestones reached under the contracts.

IL&FS TRANSPORTATION NETWORKS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2015

- (b) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable provided it is not unreasonable to expect ultimate collection.
- (c) Dividend, other than attributable to the period prior to acquisition of investment, is recognised as income when the unconditional right to receive the payment is established.

(d) **Revenue from construction contracts:**

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the percentage of completion of the contract activity at the reporting date. The percentage of completion of a contract is determined considering the proportion that contract costs incurred for work performed upto the reporting date bear to the estimated total contract costs.

For the purposes of recognising revenue, contract revenue comprises the initial amount of revenue agreed in the contract, the variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured

The percentage of completion method is applied on a cumulative basis in each accounting period to the current estimates of contract revenue and contract costs. The effect of a change in the estimate of contract revenue or contract costs, or the effect of a change in the estimate of the outcome of a contract, is accounted for as a change in accounting estimate and the effect of which are recognised in the Statement of Profit and Loss in the period in which the change is made and in subsequent periods.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred of which recovery is probable and the related contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense in the Statement of Profit and Loss in the period in which such probability occurs.

Any excess revenue recognised in accordance with the stage of completion of the project, in comparison to the amounts billed to the clients in accordance with the milestones completed as per the respective development agreements, is carried forward as "Unearned Revenue".

Any short revenue recognised in accordance with the stage of completion of the project, in comparison to the amounts billed to the clients in accordance with the milestones completed as per the respective development agreements, is carried forward as "Unbilled Revenue".

VII. Foreign Currency Transactions

Transactions in foreign currencies are translated to the reporting currency based on the exchange rate on the date of the transaction. Exchange difference arising on settlement thereof during the period is recognised as income or expense in the Statement of Profit and Loss.

Foreign currency denominated cash and cash equivalents, assets (other than those that are in substance the Company's net investment in a non integral foreign operation), and liabilities (monetary items) outstanding as at the period end are valued at closing-date rates, and unrealised translation differences are included in the Statement of Profit and Loss.

Non monetary items (such as equity investments) denominated in foreign currencies are reported using the exchange rate as at the date of the transaction. Where such items are carried at fair value, these are reported using exchange rates that existed on dates when the fair values were determined.

Inter-company receivables or payables for which settlement is neither planned nor likely to occur in the foreseeable future and are in substance an extension to or a deduction from the Company's net investments in a non - integral foreign operations are also translated at closing rates but the exchange differences arising are accumulated in the foreign currency translation reserve until disposal of the net investment, at which time they are recognised as income or expense in the Statement of Profit and Loss. Any repayment of receivables or payables forming part of net investment in foreign operations is considered as partial disposal of investments in foreign operations and amounts previously recognised in the foreign currency translation reserve is adjusted on such recovery.

The Company has exercised the option of amortising / capitalising the exchange differences arising on long-term foreign currency monetary items as given under Ministry of Corporate Affairs (MCA) Notification No. G.S.R 914(E) dated December 29, 2011

VIII. Employee Benefits

1 Short term

Short term employee benefits are recognised as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Company.

2 Long term

The Company has both defined-contribution and defined-benefit plans, of which some have assets in special funds or securities. The plans are financed by the Company and in the case of some defined contribution plans by the Company along with its employees.

IL&FS TRANSPORTATION NETWORKS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2015

(i) Defined-contribution plans

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the employees' provident fund, family pension fund and superannuation fund. The Company's payments to the defined-contribution plans are reported as expenses in period in which the employees perform the services that the payment covers.

(ii) Defined-benefit plans

Expenses for defined-benefit gratuity plans are calculated as at the balance sheet date by independent actuaries in a manner that distributes expenses over the employee's working life. These commitments are valued at the present value of expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds

with a remaining term that is almost equivalent to the average balance working period of employees.

The actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

3 Others

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the period end are reported as expenses in the period in which the employees perform the services that the benefit covers at the undiscounted amount of the benefits after deducting amounts already paid. Where there are restrictions on availment or encashment of such accrued benefit or where the availment or encashment is otherwise not expected to wholly occur in the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.

IX. Taxes on Income

Taxes include taxes on the Company's taxable profits, adjustment attributable to earlier periods and changes in deferred taxes. Current tax is the amount of income tax determined to be payable in respect of the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

Deferred tax is calculated to correspond to the tax effect arising when final tax is determined. Deferred tax corresponds to the net effect of tax on all timing differences which occur as a result of items being allowed for income tax purposes during a period different from when they are recognised in the financial statements.

Deferred tax assets are recognised with regard to all deductible timing differences to the extent that it is probable that taxable profit will be available in future against which deductible timing differences can be utilised.

When the Company carries forward unused tax losses and unabsorbed depreciation, deferred tax assets are recognised only to the extent there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced by the extent that it is no longer probable that sufficient taxable profit will be available to allow all or a part of the aggregate deferred tax asset to be utilised.

X. Lease Accounting

Leases of assets where the lessor retains substantially all the risks and benefits of ownership of the assets are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease term. Any compensation, according to agreement, that the lessee is obliged to pay to the lessor if the leasing contract is terminated prematurely is expensed during the period in which the contract is terminated.

XI. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provision for final dividend payable (including dividend tax thereon) is made in the financial statements of the period to which the dividend relates when the same is proposed by the Board of Directors after the Balance Sheet date but before the approval of financial statements of the period to which the dividend relates. Provisions (excluding employee benefits) are not discounted to their present value and are determined based on best estimates required to settle the obligation at the Balance Sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the notes to the financial statement. A contingent asset is neither recognised nor disclosed.

XII. Borrowing Costs

Borrowing costs are recognised in the period to which they relate, regardless of how the funds have been utilised, except where it relates to the financing of construction or development of assets requiring a substantial period of time to prepare for their intended future use. Borrowing Costs are capitalised up to the date when the asset is ready for its intended use. The amount of borrowing costs capitalised (gross of tax) for the period is determined by applying the interest rate applicable to appropriate borrowings outstanding during the period to the average amount of accumulated expenditure for the assets during the period.

XIII. Cash and Cash Equivalents

Cash comprises of Cash on Hand, Cheques on Hand, current account and demand deposits with Banks. Cash Equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risks of changes in value.

IL&FS TRANSPORTATION NETWORKS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2015

XIV. Cash Flow Statement

The Cash Flow Statement is prepared in accordance with the "Indirect Method" as explained in the Accounting Standard (AS) 3 on Cash Flow Statements.

XV. Earnings per Share

Basic earnings per share is calculated by dividing the net profit after tax for the period attributable to equity shareholders of the Company (after deducting preference share dividend, attributable tax thereon and related redemption premium) by the weighted average number of equity shares in issue during the period.

Diluted earnings per share is calculated by dividing the net profit after tax for the period attributable to equity shareholders of the Company (after deducting preference share dividend, attributable tax thereon and related redemption premium) by the weighted average number of equity shares determined by assuming conversion on exercise of conversion rights for all potential dilutive securities.

XVI. Derivative :

- (a) Premium paid on option contracts acquired is treated as an asset until maturity. Premium received on option contracts written is treated as liability until maturity. In case of Forward exchange contracts which are not intended for trading or speculation purposes, the premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense for the period.
- (b) The Company uses foreign currency derivative contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Company designates such contracts in a cash flow hedging relationship by applying the hedge accounting principles set out in "Accounting Standard 30 Financial Instruments: Recognition and Measurement" issued by the ICAI. These contracts are stated at fair value at each reporting date. Changes in the fair value of these contracts that are designated and effective as hedges of future cash flows are recognised directly in "Cash flow hedge reserve" under Reserves and surplus, net of applicable deferred income taxes and the ineffective portion is recognised immediately in the Statement of Profit and Loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

XVII. Redemption Premium on Preference Shares

Fixed premium on redemption of Preference Shares, is recognised by the Company out of Securities Premium Account prior to the contractual date of redemption of the Preference Shares.

Premium on redemption which is contractually accruing annually to the preference shareholders is accrued by way of appropriation out of Securities Premium Account as is permissible within the Companies Act, 2013 as may be amended from time to time.

IL&FS TRANSPORTATION NETWORKS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2015

Note 2: Share capital

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number of Shares	₹ in Million	Number of Shares	₹ in Million
Authorised				
Equity Shares of ₹ 10/- each	500,000,000	5,000.00	500,000,000	5,000.00
Preference Shares of ₹ 10/- each	1,000,000,000	10,000.00	1,000,000,000	10,000.00
Issued, Subscribed and Paid up (Refer footnote no. i, ii, iii and iv)				
Equity Shares of ₹ 10/- each fully paid	246,720,020	2,467.20	194,267,732	1,942.68
Cumulative Non-Convertible Compulsorily Redeemable Preference Shares of ₹ 10/- each fully paid	376,450,000	3,764.50	376,450,000	3,764.50
Total	623,170,020	6,231.70	570,717,732	5,707.18

Footnotes:

- Of the above, 171,450,000 (As at March 31, 2014 : 135,000,000) equity shares are held by the Holding Company viz. Infrastructure Leasing & Financial Services Limited ("IL&FS"), 3,199,776 (As at March 31, 2014 : 2,440,534) equity shares are held by a fellow subsidiary viz. IL&FS Financial Services Limited. 100,000,000 CRPS each are held by two fellow subsidiaries viz. IL&FS Maritime Infrastructure Company Limited ("IMICL") and IL&FS Financial Services Limited ("IFIN"), respectively.
- Reconciliation of the number of equity shares and Cumulative Non-Convertible Compulsorily Redeemable Preference Shares ("CNCRPS") outstanding at the beginning and at the end of the reporting period :

Equity Shares	Year ended March 31, 2015		Year ended March 31, 2014	
	Number of Shares	₹ in Million	Number of Shares	₹ in Million
Shares outstanding at the beginning of the year	194,267,732	1,942.68	194,267,732	1,942.68
Shares issued during the year	52,452,288	524.52	-	-
Shares outstanding at the end of the year	246,720,020	2,467.20	194,267,732	1,942.68

Cumulative Non-Convertible Compulsorily Redeemable Preference Shares	Year ended March 31, 2015		Year ended March 31, 2014	
	Number of Shares	₹ in Million	Number of Shares	₹ in Million
Shares outstanding at the beginning of the year	376,450,000	3,764.50	-	-
Shares issued during the year	-	-	376,450,000	3,764.50
Shares outstanding at the end of the year	376,450,000	3,764.50	376,450,000	3,764.50

- Shareholders holding more than 5% of issued, subscribed and paid up equity share capital and Cumulative Non-Convertible Compulsorily Redeemable Preference Shares :

Equity Shareholder	As at March 31, 2015		As at March 31, 2014	
	Number of Shares	% of total holding	Number of Shares	% of total holding
IL&FS	171,450,000	69.49%	135,000,000	69.49%

Cumulative Non-Convertible Compulsorily Redeemable Preference Shareholder	As at March 31, 2015		As at March 31, 2014	
	Number of Shares	% of total holding	Number of Shares	% of total holding
IL&FS Maritime Infrastructure Company Limited	100,000,000	26.56%	100,000,000	26.56%
IL&FS Financial Services Limited	100,000,000	26.56%	100,000,000	26.56%
Azim Hasham Premji	25,000,000	6.64%	25,000,000	6.64%
L & T Infrastructure Finance Company Limited	25,000,000	6.64%	25,000,000	6.64%

- iv. The Company has one class of equity shares with face value of ₹10 each fully paid-up. Each shareholder has a voting right in proportion to his holding in the paid-up equity share capital of the Company. Where final dividend is proposed by the Board of Directors, it is subject to the approval of the shareholders in the Annual General Meeting.

During the year ended March 31, 2015 the Company issued 52,452,288 equity shares on rights basis in the ratio of 27:100 at a price of ₹ 100 per share having a face value of ₹ 10 each aggregating ₹ 524.52 million and premium of ₹ 90 each aggregating to ₹ 4,720.71 million. The Earnings per share has been accordingly adjusted for the effect of Rights Issue for the current year and previous year.

The details of utilisation of proceeds of above issue is given below:

Particulars	(₹ in million)
Amount received from the issue Utilisation :	5,245.23
For repayment of loans	5,100.00
For working capital payments (including issue expenses)	145.23
Total utilisation	5,245.23
Balance amount unutilised as on March 31, 2015	Nil

IL&FS TRANSPORTATION NETWORKS LIMITED**Notes forming part of the financial statements for the year ended March 31, 2015**

During the previous year, the Company issued following series of Cumulative Non-Convertible Compulsorily Redeemable Preference Shares :

Series Name	Number of shares	Face value per share	Premium received per share	Maturity date	Dividend payout	Redemption terms
20.50% CRPS	200,000,000	10	10	Refer footnote v.(a) below	20.50% per annum	Refer footnote v.(a) below
10.40% ITNL CNCRPS 2017	107,250,000	10	10	June 23, 2017	21.06% per annum	Redemption at face value plus premium of ₹ 10 per share
10.50% ITNL CNCRPS 2018	19,200,000	10	10	December 23, 2018	21.44% per annum	
11% ITNL CNCRPS 2021	50,000,000	10	10	January 17, 2021	22.32% per annum	

Footnote v.(a) : The 20.50% CRPS will be redeemed starting from May 31, 2017 to May 31, 2025 at a premium of ₹ 10 per share and an additional redemption premium of 2.50% p.a. on the face value from the date of issue. See below table for details:

Date of redemption	No of shares to be redeemed (in Million)	Redemption Amount ₹ in Million
31-May-17	20.00	418.40
31-May-18	20.00	423.40
31-May-19	30.00	642.60
31-May-20	30.00	650.12
31-May-21	30.00	657.62
31-May-22	30.00	665.12
31-May-23	30.00	672.62
31-May-24	5.00	113.36
31-May-25	5.00	114.78
Total	200.00	4,358.02

Rights of CNCRPS holders are as follows:

The holder(s) of CNCRPS shall have no voting rights other than in respect of matters directly affecting the rights attached to the CNCRPS. In the event of any due and payable dividends on the CNCRPS remaining unpaid for a period of two years prior to the start of any General Meeting of the Equity Shareholders, the holder(s) of CNCRPS shall gain voting rights in respect of all matters placed by the Company at a General Meeting of its Equity Shareholders in accordance with the provisions of the Companies Act and the Articles of Association of the Company. In the event of winding up or repayment of capital, the holder(s) of the CNCRPS shall carry a preferential right vis-à-vis equity shareholders to be repaid the amount of paid up capital, unpaid dividends and fixed premium, in accordance with the provisions of the Companies Act and the Articles of Association of the Company. The claims of holder(s) of CNCRPS shall be subordinated to the claims of all secured and unsecured creditors of the Company but senior to equity shareholders and pari passu amongst other preference shareholders.

IL&FS TRANSPORTATION NETWORKS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2015

Note 3: Reserves and surplus

₹ in Million

Particulars	As at March 31, 2015		As at March 31, 2014	
(a) Securities Premium Account				
Opening balance	14,017.84		10,320.57	
(+) Addition during the period from issue of Cumulative Non-Convertible Compulsorily Redeemable Preference Shares	-		3,764.50	
(+) Addition during the period from issue of equity shares on a rights basis	4,720.71		-	
(-) Premium utilised towards preference shares issue expenses and rights issue expenses	(55.93)		(67.23)	
(-) Premium utilised towards discount on issue of Non-Convertible Debentures	(134.66)		-	
(-) Redemption premium on 20.50% CRPS	(50.00)	18,497.96	-	14,017.84
(b) General Reserve				
Opening balance	1,505.01		1,238.98	
(+) Transfer from balance in Statement of Profit and Loss	318.66	1,823.67	266.03	1,505.01
(c) Foreign Currency Translation Reserve (Refer Note VII of Note 1)				
Opening Balance [net of deferred tax asset (net) of ₹ Nil, (previous year ₹ 41.37 million)]	19.29	-	31.20	-
Foreign exchange translation gain / (loss) [net of deferred tax liability of ₹ 9.93 million (Previous year net of deferred tax asset of ₹ 6.14 million)]	(19.29)	-	(11.91)	19.29
(d) Cash flow hedge reserve				
Opening balance				
(+) Created during the current year (net of effect of foreign exchange rate variations on hedging instruments outstanding at the end of the year)	(54.89)	(54.89)	-	-
(e) Debenture Redemption Reserve (Refer Footnote below)				
Opening balance	947.74		461.37	
(+) Transfer from balance in Statement of Profit and Loss (Refer footnote)	989.50	1,937.24	486.37	947.74
(f) Surplus in the Statement of Profit and Loss				
Opening balance	7,624.57		7,253.88	
(+) Profit for the year	3,186.62		2,660.27	
(-) Transfer to general reserve	(318.66)		(266.03)	
(-) Depreciation adjustment relating to fixed assets [Refer Note 1 III (b)]	(6.30)		-	
(-) Transfer to debenture redemption redemption reserve	(989.50)		(486.37)	
(-) Provision for proposed dividend on equity shares	(986.88)		(986.88)	
(-) Provision for dividend distribution tax on proposed dividend on equity shares	(200.91)		(167.72)	
(-) Provision for proposed dividend on preference shares	(788.63)		(305.11)	
(-) Provision for dividend distribution tax on proposed dividend on preference shares	(160.55)		(51.85)	

(-) Redemption premium on 20.50% CRPS	-	7,359.76	(25.62)	7,624.57
Total		29,563.74		24,114.45

Footnote: The Company had issued Non Convertible Debentures (NCDs) as detailed in Footnote 1 to Note 4 In terms of Section 71(4) of the Companies Act, 2013 read with rule 18(7)(b)(iii) of the Companies (Share capital and Debentures) Rules 2014, the Company being an Infrastructure Company is required to create Debenture Redemption Reserve to the extent of 25% of the value of privately placed NCDs until such NCDs are redeemed, to which adequate amounts shall be credited from out of its profits every year.

For the year ended March 31, 2015, the transfer to Debenture Redemption Reserve has been made in accordance with above provisions amounting to ₹ 989.50 million. (March 31, 2014 ₹ 486.37 million)

IL&FS TRANSPORTATION NETWORKS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2015

Note 4: Long-term Borrowings

₹ in Million

Particulars	As at March 31, 2015	As at March 31, 2014
(a) Debentures (Refer footnote no.1 (a))		
Unsecured Redeemable Non-Convertible Debentures [NCDs]	18,300.00	10,000.00
Unsecured Redeemable NCDs (issued at discount)	3,000.00	1,000.00
Less : Unexpired Discount on issue	-	(44.65)
Net	3,000.00	955.35
Sub-total (a)	21,300.00	10,955.35
(b) Term Loans from banks (Refer footnote no.1 (b))		
(i) Secured	13,627.75	7,455.64
(Out of above ₹ 12,969.25 million (Previous year ₹ 6,965.00 million) is secured by Investment property (book value ₹ 1,153.02 million) [Refer footnote 6 to Note 14] and a residual charge over current assets and receivables and balance ₹ 660.83 million (Previous year ₹ 490.64 million) is secured by fixed deposits placed with lending banks including interest accrued thereon)		
(ii) Unsecured	6,226.45	8,496.86
Sub-total (b)	19,854.20	15,952.50
Total	41,154.20	26,907.85

Footnote

1 During the current year, the Company Listed following Unsecured Redeemable NCDs :

- 2,000 discounted NCDs of the face value of ₹ 1,000,000 per unit issued on a private placement basis at discount of ₹ 45,000 per debenture.
- 7,750 undiscounted NCDs of the face value of ₹ 1,000,000 per unit issued on a private placement basis.

The Company also issued unlisted 1,250 Rated, Unsecured Redeemable, NCDs of the face value of ₹ 1,000,000 per unit on a private placement basis.

During the previous year, the Company had Listed 1,000 Rated, Unsecured Redeemable, Non-Convertible Debentures ("NCDs") of the face value of ₹ 1,000,000 per unit on a private placement basis issued at discount of ₹ 45,000 per debenture.

(a) The details of Unsecured Redeemable Non-Convertible Debentures [NCDs] :

As at March 31, 2015

Series of NCDs	No. of NCDs issued	No. of NCDs outstanding as at March 31, 2015	Face value per NCD (₹)	Rate of interest % p.a.	Terms of repayment	Date of redemption
ITNL, 11.50%, 2024	2,000	2,000	1,000,000	11.50	Bullet repayment	June 21, 2024
ITNL 11.25%	1,250	1,250	1,000,000	11.25	Bullet repayment	April 21, 2016
ITNL 11.50% 2019	1,250	1,250	1,000,000	11.50	Bullet repayment	November 20, 2019
ITNL 11.80% 2024	2,500	2,500	1,000,000	11.80	Bullet	December 21,

					repayment	2024
ITNL 11.80% 2024	2,500	2,500	1,000,000	11.80	Bullet repayment	January 3, 2025
ITNL 11.70% 2018	1,500	1,500	1,000,000	11.70	Bullet repayment	April 12, 2018
Total	21,300	21,300				

As at March 31, 2014

Series of NCDs	No. of NCDs issued	No. of NCDs outstanding as at March 31, 2014	Face value per NCD (₹)	Rate of interest % p.a.	Terms of repayment	Date of redemption
ITNL, 12.00%, 2019 Series II	5,300	5,300	1,000,000	12.00	Bullet repayment	March 18, 2019
ITNL, 12.00%, 2019	4,000	4,000	1,000,000	12.00	Bullet repayment	January 23, 2019
ITNL, 12.25%, 2015 Series I *	700	700	1,000,000	12.25	Bullet repayment compounded annually	April 2, 2015
ITNL, 11.50%, 2024	1,000	1,000	1,000,000	11.50	Bullet repayment	February 4, 2024
Total	11,000	11,000				
* These were repaid during the current year.						

The details of utilisation of proceeds of above issues are as below:

Particulars	Year ended March 31, 2015 ₹ in Million	Year ended March 31, 2014 ₹ in Million
Face value of NCDs	11,000.00	1,000.00
Less: Discount on NCDs	90.00	45.00
Amount received from the issue	10,910.00	955.00
Utilisation :		
For repayment of loans	8,903.18	400.00
For working capital payments	842.82	531.50
Loans to subsidiaries	605.00	-
Investment in subsidiaries	559.00	23.50
Total utilisation	10,910.00	955.00
Balance amount unutilised as on year end	-	-

IL&FS TRANSPORTATION NETWORKS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2015

(b) Terms of Repayment for long term borrowings from banks outstanding as on March 31, 2015

As at March 31, 2015

Name of Bank	₹ in Million	Terms of repayment	Due Date for Repayment
Yes Bank Limited	4,705.00	17 quarterly installments of ₹ 105 million to ₹ 300 million	June 30, 2016 to June 30, 2020
Yes Bank Limited	2,704.25	13 quarterly installments of ₹116 million to ₹	June 30, 2016 to June 30, 2019

		26.825 million	
Yes Bank Limited	4,400.00	8 quarterly installments of ₹343.75 million each and 4 quarterly installments ₹	June 30, 2016 to March 31, 2019
Indusind Bank #	1,976.61	Bullet repayment	September 24, 2018
State Bank of Hyderabad	166.67	3rd of 3 installments	March 31, 2018
Yes Bank Limited	580.00	4th of 4 installments	September 30, 2017
State Bank of Hyderabad	166.67	2nd of 3 installments	March 31, 2017
Bank of Maharashtra	1,000.00	1st of 2 installments	March 27, 2017
Bank of Bahrain & Kuwait	275.00	Bullet repayment	February 27, 2017
United Bank of India	1,000.00	Bullet repayment	December 30, 2016
Yes Bank Limited	580.00	3rd of 4 installments	September 30, 2016
State Bank of Bikaner & Jaipur	1,000.00	Bullet repayment	August 26, 2016
Nainital bank	300.00	2nd of 2 installments	June 30, 2016
Allahabad Bank	1,000.00	2nd of 2 installments	May 22, 2016
Total	19,854.20		

The Company has entered into cross currency interest rate swap on December 31, 2014 for borrowing of ₹ 2,000 million taken by the Company. The details of Swap are as under:

Swap Counter party Indusind Bank

Cross Currency interest rate SWAP 3 Month USD Libor + 250 bps p.a. on US \$ 31.72 Million against 10.80% p.a. on ₹ 2,000 Million

Interest payable Monthly

Maturity Date December 31, 2017

The changes in the fair value of these derivatives is designated and effective. Accordingly, the notional gain / loss on Mark to market are recognised in the shareholders funds under "Cash Flow hedge reserve"

Terms of Repayment for long term borrowings from banks outstanding as on March 31, 2014

As at March 31, 2014

Name of Bank	₹ in Million	Terms of repayment	Due Date for Repayment
Yes Bank Limited	5,225.00	16 quarterly installments of ₹ 206.25 million to ₹ 412.50 million	June 30, 2015 to March 31, 2019
Yes Bank Limited	580.00	4th of 4 installments	September 30, 2017
Yes Bank Limited	580.00	3rd of 4 installments	September 30, 2016
Oriental Bank of Commerce	625.00	3rd of 3 installments	March 31, 2016
Lakshmi Vilas Bank	750.00	2nd of 2 installments	March 27, 2016
South Indian Bank	1,000.00	Bullet repayment	March 24, 2016
Bank of Baroda	1,000.00	2nd of 2 installments	March 24, 2016
Bank of Bahrain and Kuwait	275.00	2nd of 2 installments	January 31, 2016
South Indian Bank	1,000.00	Bullet repayment	December 19, 2015
United Bank of India	750.00	2nd of 2 installments	November 21, 2015
Yes Bank Limited	580.00	2nd of 4 installments	September 30, 2015
Oriental Bank of Commerce	312.50	2nd of 3 installments	September 30, 2015
Lakshmi Vilas Bank	750.00	1st of 2 installments	September 27, 2015
Development Credit Bank	275.00	2nd of 2 installments	September 26, 2015
State Bank of Bikaner & Jaipur	500.00	2nd of 2 installments	September 24, 2015

Bank of Maharashtra	1,000.00	2nd of 2 installments	September 23, 2015
State Bank of Travancore	500.00	2nd of 2 installments	August 23, 2015
Jammu and Kashmir Bank	125.00	4th of 4 installments	July 28, 2015
Jammu and Kashmir Bank	125.00	3rd of 4 installments	April 28, 2015
	15,952.50		

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Notes forming part of the financial statements for the year ended March 31, 2015

Note 5: Current maturities of long-term debt

₹ in Million

Particulars	As at March 31, 2015	As at March 31, 2014
(a) Term Loans from banks (Refer footnote below)		
(i) Secured	2,623.67	1,401.25
(Out of above ₹ 1,895.75 million (Previous year ₹ 855 million) is secured by Investment property [Refer footnote 6 to Note 14] and a residual charge over current assets and receivables and balance ₹ 727.92 million (Previous year ₹ 546.25 million) is secured by fixed deposits placed with lending banks including interest accrued thereon)		
(ii) Unsecured	11,101.25	9,666.25
Total	13,724.92	11,067.50

Footnote:

Terms of Repayment for Current maturities of long-term debt from banks outstanding as on March 31, 2015

As at March 31, 2015

Name of Bank	₹ in Million	Terms of repayment	Due Date for Repayment
Yes Bank Limited	825.00	4 quarterly installments of ₹ 68.75 million each	June 30, 2015 to March
Yes Bank Limited	295.00	1 quarterly installment of ₹ 95 million and 2 quarterly installments of ₹ 100 million each	September 30, 2015 to March 31, 2016
Yes Bank Limited	195.75	3 quarterly installments of ₹ 65.25 million each	September 30, 2015 to March 31, 2016
Oriental Bank of Commerce	875.00	3rd of 3 installments	March 31, 2016
State Bank of Hyderabad	166.67	1st of 3 installments	March 31, 2016
Lakshmi Vilas Bank	750.00	2nd of 2 installments	March 27, 2016
Bank of Maharashtra	1,000.00	2nd of 2 installments	March 27, 2016
South Indian Bank	1,000.00	Bullet repayment	March 24, 2016
Bank of Baroda	1,000.00	2nd of 2 installments	March 24, 2016
Bank of Bahrain and Kuwait	275.00	2nd of 2 installments	January 31, 2016
South Indian Bank	1,000.00	Bullet repayment	December 19, 2015
United Bank of India	750.00	2nd of 2 installments	November 21, 2015
Oriental Bank of Commerce	437.50	2nd of 3 installments	September 30, 2015
Yes Bank Limited	580.00	2nd of 4 installments	September 30, 2015
Lakshmi Vilas Bank	750.00	1st of 2 installments	September 27, 2015
Development Credit Bank	275.00	2nd of 2 installments	September 26, 2015
State Bank of Bikaner & Jaipur	500.00	2nd of 2 installments	September 24, 2015
Bank of Maharashtra	1,000.00	2nd of 2 installments	September 23, 2015
State Bank of Travancore	500.00	2nd of 2 installments	August 23, 2015
Jammu and Kashmir Bank	125.00	4th of 4 installments	July 28, 2015
Nainital bank	300.00	1st of 2 installments	June 30, 2015
Allahabad Bank	1,000.00	1st of 2 installments	May 22, 2015
Jammu and Kashmir Bank	125.00	3rd of 4 installments	April 28, 2015
	13,724.92		

Terms of Repayment for Current maturities of long-term debt from banks outstanding as on March 31, 2014

As at March 31, 2014

Name of Bank	₹ in Million	Terms of repayment	Due Date for Repayment
Yes Bank Limited	275.00	4 installments of ₹ 68.75 million each	June 30, 2014 to March31, 2015
Oriental Bank of Commerce	312.50	1st of 3 installments	March 31, 2015
Allahabad Bank	2,000.00	Bullet repayment	March 28, 2015
Bank Of Baroda	1,000.00	1st of 2 installments	March 24, 2015
Bank of India	1,100.00	2nd of 2 installments	March 20, 2015
Bank of Bahrain and Kuwait	275.00	1st of 2 installments	January 31, 2015
Jammu and Kashmir Bank	125.00	2nd of 4 installments	January 28, 2015
United Bank of India	1,000.00	1st of 2 installments	November 21, 2014
Jammu and Kashmir Bank	125.00	1st of 4 installments	October 28, 2014
Yes Bank	580.00	1st of 4 installments	September 30, 2014
Development Credit Bank	275.00	1st of 2 installments	September 27, 2014
State Bank of Bikaner and Jaipur	500.00	1st of 2 installments	September 24, 2014
Bank of Maharashtra	1,000.00	1st of 2 installments	September 23, 2014
State Bank of Travancore	500.00	1st of 2 installments	August 23, 2014
United Bank of India	1,000.00	Bullet repayment	June 30, 2014
Jammu & Kashmir Bank Limited	500.00	2nd of 2 installments	June 29, 2014
The Nainital Bank Limited	500.00	Bullet repayment	April 17, 2014
	11,067.50		

IL&FS TRANSPORTATION NETWORKS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2015

Note 6: Short-term Borrowings

₹ in Million		
Particulars	As at March 31, 2015	As at March 31, 2014
(a) Secured		
(i) Loans repayable on demand from Banks	-	24.04
(Secured by First pari passu charge over current assets and receivables)		
(ii) Short term loans		
from banks (Secured by fixed deposits placed with lending banks ₹ 270 Million)	270.00	-
sub-total (a)	270.00	24.04
(b) Unsecured		
(i) Loans repayable on demand from Banks	238.85	242.18
(ii) Commercial Paper	9,500.00	4,000.00
Less : Unexpired discount	(227.20)	(101.05)
Net amount	9,272.80	3,898.95
(iii) Short term loans		
from banks	4,480.00	3,400.00
from financial institutions	3,000.00	-
from related parties	2,250.00	700.00
sub-total (b)	19,241.64	8,241.13
Total	19,511.65	8,265.17

Note 7: Deferred Tax Liabilities (Net)

The Company has a net deferred tax liability of ₹ 354.01 million (As at March 31, 2014 net deferred tax liability: ₹ 207.56 million). The components are as under (Refer footnote 1):

₹ in Million			
Particulars	As at March 31, 2014	Movement during the year	As at March 31, 2015
<u>Liabilities :</u>			
In respect of depreciation	8.85	1.84	10.69
In respect of unamortised borrowing costs	214.85	263.99	478.84
<u>Assets:</u>			
In respect of employee benefits	(15.13)	(1.08)	(16.21)
in respect of provision for doubtful debts	(1.01)	-	(1.01)
in respect of provision for loan	-	(118.30)	(118.30)
Deferred Tax Liabilities (Net)	207.56	146.45	354.01

Footnote

- The Company has not recognised deferred tax asset against provision created for diminution in value of investments in absence of virtual certainty of future taxable capital gains against which the deferred tax asset could be offset.
- Deferred tax liability (net) as at the year end includes deferred tax credit of ₹ 9.93 million on account of reversal of deferred tax asset created during the earlier years which had been directly adjusted against Foreign Currency translation reserve recognised in respect of the foreign exchange translation differences on the Company's receivables which were regarded as an extension to the Company's net investments in a foreign entity. This deferred tax asset has been reversed because the gains in respect of these have been transferred in current year from foreign currency translation reserve to Statement of Profit and Loss.

IL&FS TRANSPORTATION NETWORKS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2015

Note 8: Long-term Provisions

₹ in Million

Particulars	As at March 31, 2015	As at March 31, 2014
(a) Provision for employee benefits	18.55	13.51
(b) Provision for redemption premium on Preference Shares	75.62	25.62
Total	94.17	39.13

Note 9: Other Long term liabilities

₹ in Million

Particulars	As at March 31, 2015	As at March 31, 2014
(a) Interest accrued but not due on borrowings	-	89.44
(b) Retention Money Payable	2,476.88	2,052.21
(c) Payable due to fair valuation of derivative contract	78.28	-
(d) Mobilisation Advances Received	2,663.08	1,890.65
Total	5,218.24	4,032.30

Note 10: Other Current Liabilities

₹ in Million

Particulars	As at March 31, 2015	As at March 31, 2014
(a) Interest accrued but not due on borrowings	650.42	234.17
(b) Mobilisation Advances Received	2,331.93	2,498.32
(c) Unearned Revenue (Refer Note 30)	2,631.63	1,923.53
(d) Unclaimed Dividends	0.88	0.71
(e) Payable to related party - Holding company	150.00	-
(f) Other Payables (statutory dues payable)	142.17	286.86
Total	5,907.03	4,943.59

Note 11: Trade Payables

Based on information received by the Company from its vendors, the amount of principal outstanding in respect of Micro and

Small Enterprises as at Balance Sheet date covered under the Micro, Small and Medium Enterprises Development Act, 2006 is ₹ Nil. There were no delays in the payment of dues to Micro and Small Enterprises.

Note 12: Short-term Provisions

₹ in Million

Particulars	As at March 31, 2015	As at March 31, 2014
(a) Provision for employee benefits (net)	233.20	171.34
(b) Provision for Proposed Dividend on equity shares	986.88	986.88
(c) Provision for Dividend Distribution Tax on equity shares	200.91	167.72
(d) Provision for Proposed Dividend on preference shares	788.63	305.11
(e) Provision for Dividend Distribution Tax on preference shares	160.55	51.85
(f) Provision for tax (net)	7.53	7.46
Total	2,377.70	1,690.36

IL&FS TRANSPORTATION NETWORKS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2015

Note 13: Fixed Assets Current year:

₹ in Million											
Particulars	Gross Block (at cost)					Accumulated Depreciation and Amortisation				Net Block	
	Balance as at April 1, 2014	Additions	Deletions / Adjustments	Balance as at March 31, 2015	Balance as at April 1, 2014	Adjustments	Depreciation for the year adjusted in reserves (Refer footnote 1)	Depreciation / Amortisation for the year	Deletions	Balance as at March 31, 2015	Balance as at March 31, 2015
a Tangible Assets											
Buildings	14.96	0.00	-	14.96	1.59	0.01	-	0.25	-	1.85	13.11
Plant and Machinery	93.44	137.74	-	231.18	34.99	(18.93)	-	9.63	-	25.69	205.49
Furniture and Fixtures	22.01	1.56	-	23.57	14.66	(3.79)	0.03	2.54	-	13.44	10.13
Vehicles	122.55	17.75	10.21	130.09	62.56	(2.14)	-	26.26	7.66	79.02	51.07
Office Equipments	38.34	17.83	-	56.17	24.51	(5.20)	4.63	11.49	-	35.43	20.74
Data Processing Equipments	60.42	16.62	-	77.04	38.13	0.00	1.64	12.99	-	52.76	24.28
Leasehold Improvements	19.28	0.00	-	19.28	15.30	0.00	-	1.65	-	16.95	2.33
Total	371.00	191.50	10.21	552.29	191.74	(30.05)	6.30	64.81	7.66	225.14	327.15
b Intangible Assets											
Computer Software (Acquired)	351.39	16.49	-	367.88	283.06	-	-	23.60	-	306.66	61.22
Commercial Rights (Acquired) (Refer footnote 2)	60.00	1,000.00	-	1,060.00	20.25	-	-	40.42	-	60.67	999.33
Total	411.39	1,016.49	-	1,427.88	303.31	-	-	64.02	-	367.33	1,060.55

Capital Progress	Work-In-	24.12	-	24.12	-	-	-	-	-	-	-	-
Grand Total		806.51	1,207.99	34.33	1,980.17	495.05	(30.05)	6.30	128.83	7.66	592.47	1,387.70

Footnote:

1. ₹ 6.30 million is debited to surplus in the Statement of Profit & Loss as per Schedule II of the Companies Act 2013 due to revised useful life being Nil as on March 31, 2014₁
2. During the year ended March 31, 2013, the Company had paid ₹ 1,000 million to acquire right to invest in equity of a special purpose vehicle ("SPV") to be formed for construction, operation and maintenance of Z-morh Tunnel including approaches on National Highway no. 1 (Srinagar Sonamarg Gumri Road) in the state of Jammu and Kashmir. Subsequently, the SPV has been formed during the year namely Srinagar Sonamarg Tunnelway Limited ("SSTL"). During the current year ended March 31, 2015 the Company has capitalised the aforesaid capital advances of ₹ 1,000 million, to the intangible assets viz. Commercial Rights. The Commercial Rights are being amortised w.e.f. July 1, 2014 over the concession period of 20 years. Accordingly, during the year, the Company has amortised ₹ 37.77 million to the Statement of Profit and Loss.

IL&FS TRANSPORTATION NETWORKS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2015

Note 13: Fixed Assets Previous year:

₹ in Million									
Particulars	Gross Block (at cost)			Accumulated Depreciation and Amortisation					Net Block
	Balance as at April 1, 2013	Additions	Deletions / Adjustments	Balance as at March 31, 2014	Balance as at April 1, 2013	Depreciation for the year	Deletions / Adjustments	Balance as at March 31, 2014	Balance as at March 31, 2014
a Tangible Assets									
Buildings	14.96	-	-	14.96	1.33	0.26	-	1.59	13.37
Plant and Machinery	68.18	25.26	-	93.44	26.11	8.88	-	34.99	58.45
Furniture and Fixtures	19.33	2.74	0.06	22.01	12.99	1.72	0.05	14.66	7.34
Vehicles	100.99	24.47	2.91	122.55	48.57	16.40	2.41	62.56	59.99
Office Equipments	32.34	7.40	1.40	38.34	20.52	4.68	0.69	24.51	13.83
Data Processing Equipments	43.51	17.47	0.56	60.42	29.41	8.92	0.20	38.13	22.28
Leasehold Improvements	19.28	-	-	19.28	13.12	2.18	-	15.30	3.98
Total	298.59	77.34	4.93	371.00	152.05	43.04	3.35	191.74	179.26
b Intangible Assets									
Computer Software (Acquired)	281.66	69.73	-	351.39	219.47	63.58	-	283.05	68.34
Commercial Rights (Acquired)	60.00	-	-	60.00	17.60	2.65	-	20.25	39.75
Total	341.66	69.73	-	411.39	237.07	66.23	-	303.30	108.09
c Capital Work-In-Progress	25.67	24.12	25.67	24.12	-	-	-	-	24.12
Grand Total	665.92	171.19	30.60	806.51	389.12	109.25	3.34	495.04	311.47

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Notes forming part of the financial statements for the year ended March 31, 2015

Note 14: Non-Current Investments

₹ in Million

Particulars	As at March 31, 2015	As at March 31, 2014
Investment property (Refer footnote 6)	1,153.02	1,153.02
Trade Investments (Refer A below)		
(a) Investments in Equity shares	41,036.83	33,742.71
(b) Investments in preference shares	2,496.90	2,496.90
(c) Investments in debentures	320.00	320.00
(d) Investments in Covered Warrants	1,943.00	1,693.00
(e) Investments in units	1,096.06	1,096.06
sub- total	46,892.79	39,348.67
Less : Provision for diminution in the value of Investments	145.00	510.00
Total Trade Investments	46,747.79	38,838.67
Total investments	47,900.81	39,991.69

A. Details of Trade Investments (Refer footnotes 1 to 12)

Sr. No.	Name of the Entity	As at March 31, 2015			As at March 31, 2014		
		Quantity	Face Value per unit (₹)	₹ in million	Quantity	Face Value per unit (₹)	₹ in million
(a)	Investment in Equity shares						
	in Subsidiaries (Unquoted; Fully paid - At Cost)						
	Gujarat Road and Infrastructure Company Limited ("GRICL") (Refer footnote 9)	-	-	-	119,065,747	10	442.50
	North Karnataka Expressway Limited	7,720,823	10	77.21	7,720,823	10	77.21
	East Hyderabad Expressway Limited	21,689,400	10	216.89	21,689,400	10	216.89
	ITNL International Pte. Ltd., Singapore (Nominal value US\$ 1 each) (Refer footnote 7)	60,894,038	Not Applicable	3,292.74	48,050,001	Not Applicable	2,435.13
	ITNL Road Infrastructure Development Company Limited	140,000,000	10	1,400.00	140,000,000	10	1,400.00
	Elsamex S.A. (Nominal value Euro 60.10121 each) (Refer footnote 2)	260,949	Not Applicable	2,722.34	260,949	Not Applicable	2,722.34
	Vansh Nimay Infraprojects Limited (Refer footnote 3)	14,300,000	10	145.00	14,300,000	10	145.00
	IL&FS Rail Limited (Refer footnote 10)	385,285,112	10	3,852.85	279,985,532	10	2,799.86
	Hazaribagh Ranchi Expressway Limited (Refer footnote 11)	130,986,900	10	1,362.64	96,940,000	10	969.40
	Pune Sholapur Road Development Company Limited	160,000,000	10	1,600.00	160,000,000	10	1,600.00

	West Gujarat Expressway Limited	14,799,985	10	100.50	14,799,985	10	100.50
	Moradabad Bareilly Expressway Limited	221,660,000	10	2,216.60	221,660,000	10	2,216.60
	Jharkhand Road Projects Implementation Company Limited	242,448,000	10	2,424.48	242,448,000	10	2,424.48
	Chenani Nashri Tunnelway Limited	372,000,000	10	3,720.00	372,000,000	10	3,720.00
	MP Border Checkposts Development Company Limited	110,278,130	10	1,102.78	48,943,847	10	489.44
	Badarpur Tollway Operations Management Limited	49,994	10	0.50	49,994	10	0.50
	Rapid MetroRail Gurgaon Limited (Refer footnote 8)	193,332,083	10	1,933.32	156,932,083	10	1,569.32
	Futureage Infrastructure India Limited	3,000,000	10	30.00	3,000,000	10	30.00
	Charminar Robopark Limited	4,680,000	10	46.80	4,680,000	10	46.80
	Karyavattom Sports Facilities Limited	43,119,940	10	431.20	15,049,940	10	150.50
	Kiratpur Ner Chowk Expressway Limited	320,750,000	10	3,207.50	177,000,000	10	1,770.00
	ITNL Offshore Pte. Ltd., Singapore (Nominal value US\$ 1 each)	3,370,500	Not Applicable	208.44	3,370,500	Not Applicable	208.44
	Baleshwar Kharagpur Expressway Limited	172,780,000	10	1,727.80	116,300,000	10.00	1,163.00
	Sikar Bikaner Highway Limited	124,050,000	10	1,240.50	124,050,000	10.00	1,240.50
	Rapid MetroRail Gurgaon South Limited	87,867,500	10	878.68	56,717,500	10.00	567.18
	ITNL Africa Projects Ltd., Nigeria (Nominal value Nigerian Naira 1 each)	2,500,000	Not Applicable	0.86	2,500,000	Not Applicable	0.86
	Barwa Adda Expressway Limited	84,999,940	10	850.00	28,249,940	10.00	282.50
	Khed Sinnar Expressway Limited	149,999,994	10	1,500.00	51,500,000	10.00	515.00
	Andhra Pradesh Expressway Limited (Refer footnote 10)	4,293,440	10	42.93	4,293,440.00	10.00	42.93
	GIFT Parking Facilities Limited	49,994	10	0.50	-	-	-
	ITNL Offshore Two Pte. Ltd. (Nominal value US\$ 1 each)	1	Not Applicable	0.00	-	-	-
	ITNL Offshore Three Pte. Ltd. (Nominal value US\$ 1 each)	1	Not Applicable	0.00	-	-	-
	in Joint Ventures (Fully paid - At Cost)						
	Jorabat Shillong Expressway Limited (Unquoted)	42,000,000	10	420.00	39,000,000	10	390.00
	NAM Expressway Limited	116,754,970	10	1,167.55	116,754,970	10	1,167.55

	(Unquoted)						
	Noida Toll Bridge Company Limited (Quoted)	47,195,007	10	1,871.58	47,195,007	10	1,871.58
	in Associates (Unquoted; Fully paid - At Cost)						
	Thiruvananthapuram Road Development Company Limited	17,030,000	10	170.30	17,030,000	10	170.30
	ITNL Toll Management Services Limited	24,500	10	0.25	24,500	10	0.25
	Warora Chandrapur Ballarpur Toll Road Limited	61,708,500	10	617.08	61,708,500	10	617.08
	Srinagar Sonamarg Tunnelway Limited	5,676,068	10	56.76	-	-	-
	Gujarat Road and Infrastructure Company Limited ("GRICL") (Refer footnote 9)	23,187,166	10	221.25	-	-	-
	in Others (Unquoted; Fully paid - At Cost)						
	Pipavav Railway Corporation Limited	12,000,000	10	179.00	12,000,000	10	179.00
	Srinagar Sonamarg Tunnelway Limited	-	-	-	7,250	10	0.07
	sub-total (a)			41,036.83			33,742.71

IL&FS TRANSPORTATION NETWORKS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2015

A. Details of Trade Investments (Refer footnotes 1 to 12)

Sr. No.	Name of the Entity	As at March 31, 2015			As at March 31, 2014		
		Quantity	Face Value per unit (₹)	₹ in million	Quantity	Face Value per unit (₹)	₹ in million
(b)	Investments in Preference Shares (Unquoted; Fully paid - At Cost)						
	in Subsidiaries						
	West Gujarat Expressway Limited (Refer footnote 5)	20,000,000	10	296.90	20,000,000	10	296.90
	Andhra Pradesh Expressway Limited (Refer footnote 10)	220,000,000	10	2,200.00	220,000,000	10	2,200.00
	sub-total (b)			2,496.90			2,496.90
(c)	Investments in Debentures (Unquoted; Fully paid - At Cost)						
	11.50% Non-Convertible Debentures of Road Infrastructure Development Company of Rajasthan Limited	32,000,000	10	320.00	32,000,000	10	320.00
	sub-total (c)			320.00			320.00
(d)	Investments in Covered Warrants (Unquoted; Fully paid - At Cost)						
	Infrastructure Leasing & Financial Services Limited (Refer footnote 4)	194,300,000	10	1,943.00	169,300,000	10	1,693.00
(e)	Investments in Units (Unquoted; Fully paid - At Cost)						
	ITNL Road Investment Trust (a Subsidiary)	1,096,062	1000	1,096.06	1,096,062	1000	1,096.06
	Grand Total (a+b+c+d+e)			46,892.79			39,348.67

Particulars	₹ in million	
	As at March 31, 2015	As at March 31, 2014
Aggregate cost of quoted investments (Market value of ₹ 1,571.59 million; as at March 31, 2014 : ₹ 1,127.96 million)	1,871.58	1,871.58
Aggregate cost of unquoted investments	45,021.21	37,477.09
Total	46,892.79	39,348.67

IL&FS TRANSPORTATION NETWORKS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2015

Footnotes

- 1 The Company has given non-disposal undertakings to the lenders, the equity investors and the grantors of the Concession for its investment infrastructure companies promoted by it with regard to its investments in the equity share capital of these companies as a part of promoter's undertaking to such lenders, equity investors and the grantors of the Concession, the carrying value of which works out to ₹ 15,146.22 million as on March 31, 2015. (₹ 12,475.28 million as on March 31, 2014)
- 2 The Company has pledged 171,959 equity shares aggregating ₹ 1,388.39 million (As at March 31, 2014 - 171,959 equity shares aggregating ₹ 1,388.39 million) representing 51% of the overall shareholding in Elsamex S.A., in favour of certain lenders for a Term Loan facility availed by Elsamex S.A.
- 3 The Company has pledged 14,300,000 equity shares aggregating ₹ 145.00 million (As at March 31, 2014 - 14,300,000 equity shares aggregating ₹ 145.00 million) of Vansh Nimay Infraprojects Limited ("Borrower") with IL&FS Trust Company Limited ("Security Trustee") to secure the dues of the Borrower including without limitation all principal amounts, interest expenses, penalties, costs, fees, etc payable by the Borrower in relation to the facility extended by the Consortium of Financial Institutions and Banks under the Pooled Municipal Debt Obligation Facility ("PMDO").
- 4 The Company's investment in "Covered Warrants" aggregating to ₹ 1,943.00 million (As at March 31, 2014 ₹ 1693.00 million) issued by Infrastructure Leasing & Financial Services Limited ("IL&FS") are variable interest debt instruments under which the holder is entitled to a proportionate share of the dividend, if any, declared by Road Infrastructure Development Company of Rajasthan Limited ("RIDCOR"), Jharkhand Accelerated Road Development Company Limited ("JARDCL"), Chhatisgarh Highways Development Company Limited ("CHDCL") and Jharkhand Road Projects Implementation Company Limited ("JRPICL") on the equity shares held by IL&FS as well as the interest granted by RIDCOR on the Fully Convertible Debentures ("FCDs") held by IL&FS. However, the Company is not entitled to rights and privileges, which IL&FS enjoys as a shareholder / debentureholder. The instruments are unsecured.
- 5 The Company's investment in redeemable / optionally convertible cumulative preference shares of West Gujarat Expressway Limited ("WGEL") are convertible, at the option of the Company, into 1 equity share and carry a coupon of 2% per annum upto the conversion, accrued annually in arrears ("Coupon"). An additional coupon consisting of 95% of the balance distributable profits, that may be available with WGEL after it has met all other obligations, would also accrue on the said preference shares ("Additional Coupon").
- 6 During the year ended March 31, 2013, the Company had exercised an option available vide an Agreement entered into by it, by virtue of which it has become entitled to 49,555 sq. ft. area in a commercial development project in lieu of the outstanding balance of advance given of ₹ 1,118.46 million (including interest accrued of ₹ 127.68 million). The Company has received letter of allotment for the above mentioned area. Thus, the amount has been transferred from "Loans to others" and "Interest accrued but not due" to "Investment property" (including an advance of ₹ 14.19 million given during the year). The fair value of the amount of advances and the interest accrued thereon amounting to ₹ 1,118.46 million has been considered to be the cost of acquisition of the said investment property. Also, the Company had paid ₹ 34.56 million towards incidental expenses in relation to conversion which has been added to the carrying value of the investment property. As stated in Note 4 and 5, the Company has given said investment property as security to one of the lenders. Subsequently the Company has been allotted designated commercial area of 49,555 sq.ft. in the said project vide letter dated May 22, 2015 [Refer Note 4 (b) (i)]
- 7 The Company had given short-term loan to its subsidiary, ITNL International Pte. Ltd., Singapore aggregating USD 4,500,000 upto March 31, 2013.

During the previous year, the same (equivalent ₹ 244.75 million) has been converted into 4,500,000 equity shares of USD 1/- each by way of allotment of shares with effect from April 1, 2013
- 8 During the previous year, the Company has invested ₹ 426.02 million in CCPS of RMGL which has been converted into Equity shares in the ratio of 1:1 on November 29, 2013. Additionally, CCPS amounting to ₹ 996.02 million held by the Company as on March 31, 2013 have also been converted into Equity shares in the ratio of 1:1 on November 29, 2013
- 9 During the previous year, GRICL had issued 5 bonus equity shares for every 9 equity shares held by the shareholders, thereby allotting 42,523,481 shares as bonus to the Company. GRICL had reduced its paid up equity share capital by 86,936,783 shares through a scheme of capital reduction approved by High Court.

During the current year, the Company had sold its Investment representing 23,187,155 shares of Gujarat Road and Infrastructure Company Limited ("GRICL") vide sale and purchase agreement dated June 25, 2014 to BayCapital Advisors Private Limited ("BCAPL") and for a sales consideration of ₹ 2,508.39 million and the said shares were transferred to an

escrow account on August 8, 2014.

Subsequently, based on the assignment by BCAPL to MAIF Investments India Pte. Ltd. ("MAIF") of the right to purchase the said shares, the Company entered into a share sale and purchase agreement with MAIF on November 11, 2014 for sale of the aforesaid GRICL shares. The Company received the sale consideration of ₹ 2,654.30 million on January 29, 2015 from MAIF and the said shares have been transferred to MAIF. The above sale represents 41.80% of the stake in GRICL and accordingly, the Company now holds 41.81% of the stake in GRICL as at March 31, 2015.

During the current year, the Company has diluted its control over the Board of GRICL from August 8, 2014, consequently GRICL has been considered as an associate of the Company from that date.

- 10 During the current year, the Company has sold its Investment representing 26,200,000 shares of IL&FS Rail Limited ("IRL") vide sale and purchase agreement dated March 23, 2015 to Enso Infrastructure Pvt. Ltd. Sales consideration of ₹ 655.00 million is receivable as at March 31, 2015 and the said shares were transferred to an escrow account on April 30, 2015.
- 11 During the current year, the Company acquired 34,046,900 equity shares of Hazaribagh Ranchi Expressway Limited ("HREL") having face value of ₹ 10/- each at a premium of ₹ 1.55 per share from Punj Lloyd Limited ("PLL") for a total purchase consideration of ₹ 393.24 million. The said purchase consideration was settled by the Company by setting off loan given to PLL of ₹ 387.73 million and payment of balance amount of ₹ 5.51 million as per the share purchase agreement signed with PLL.
- 12 During the previous year, the Company sold 12,219,620 equity shares of Andhra Pradesh Expressway Limited ("APEL") to one of its subsidiaries, ITNL Road Investment Trust ("IRIT") under a call option. Also IRIT acquired 12,718,380 equity shares of APEL from the other investor and as a result APEL has become subsidiary of IRIT.

IL&FS TRANSPORTATION NETWORKS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2015

Note 15: Long-term Loans and Advances (Unsecured, considered good unless otherwise mentioned)

₹ in Million

Particulars		As at March 31, 2015	As at March 31, 2014
a. Security Deposits			
Related party		22.50	21.50
Others		36.28	
	sub-total (a)	58.78	64.87
b. Capital Advances	sub-total (b)	315.55	86.37
c. Loans and advances to related parties			1,000.00
Long term loans		11,774.00	5,147.78
Advance towards Share Application Money (Refer footnote)		906.45	1,290.57
	sub-total (c)	12,680.45	6,438.35
d. Other Loans and Advances			
Prepaid expenses		207.47	196.23
Preconstruction and Mobilisation advances paid to contractors and other advances		4,330.49	2,493.53
Advance towards Share Application Money		200.00	200.00
Advance payment of taxes (net of provision)		2,344.35	1,989.39
MAT Credit Entitlement		267.55	-
Long term loans		814.70	831.90
	sub-total (d)	8,164.56	5,711.05
Total		21,219.34	13,235.77

Foot Note

Advance towards Share Application Money includes ₹ 150.00 million assigned by IL&FS in the name of the Company for the advances given by it to the GRICL with all the risk and rewards attached to the said advances. The Company has accepted the proposal given by IL&FS vide letter dated December 15, 2014 and accordingly the Company has accounted the corresponding amount payable to IL&FS under "Other current liabilities".

GRICL has written request letter to the Company vide letter dated March 30, 2015 for allowing it to continue the advance of ₹ 750 Million (Previous year ₹ 600 Million) as Advances towards Capital / Debt until the repayment of the DDB's and NCD's proposed to be repaid in the month July'2018 and thereafter the aforesaid advance may be converted into capital / debt.

The Company has given consent vide letter dated March 31, 2015 to GRICL to continue the classification of the advances towards Capital / debt as requested by GRICL.

Note 16: Short-term Loans and Advances (Unsecured, considered good unless otherwise mentioned)

₹ in Million

Particulars	As at March 31, 2015	As at March 31, 2014
a. Loans and Advances to Related Parties		
Short-term loans (Refer footnote 7 under Note 14)		
Unsecured, considered good	15,529.62	4,971.00
Unsecured, considered doubtful	365.00	-
Less: Provision	(365.00)	-
Advances receivable	839.40	656.37
Mobilisation advance	115.52	-
b. Others	16,484.54	5,627.37
Short-term loans	2,815.65	2,740.97
Security Deposits	414.30	165.00
Inter corporate deposits	40.04	40.04
Prepaid expenses	340.01	61.83
Staff loans	21.82	20.93
Indirect tax balances / Receivable credit	414.73	329.43
Mobilisation advances paid to contractors and other advances	2,480.04	2,838.51
Advances receivable	292.56	236.36
	6,819.15	6,433.07
Total	23,303.69	12,060.44

IL&FS TRANSPORTATION NETWORKS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2015

Note 17: Other non-current assets

₹ in Million

Particulars	As at March 31, 2015	As at March 31, 2014
Retention Money Receivable (Refer Note 30)	1,402.87	1,184.37
Interest Accrued but not due	661.44	520.89
Balances with Banks in deposit accounts (under lien)	1,674.72	1,512.14
Unamortised borrowing costs	827.45	399.64
Total	4,566.48	3,617.04

Note 18: Other current assets

₹ in Million

Particulars	As at March 31, 2015	As at March 31, 2014
Interest Accrued and due	912.57	543.18
Interest Accrued but not due	858.68	489.36
Balances with Banks in deposit accounts (under lien)	1,617.90	425.00
Unbilled revenue (Refer Note 30)	1,198.10	1,137.08
Unamortised borrowing costs	380.72	232.45
Receivable for sale of investment (Refer footnote 10 to Note 14)	655.00	-
Dividend Receivable	-	161.88
Total	5,622.97	2,988.95

Note 19: Trade Receivables

₹ in Million

Particulars	As at March 31, 2015	As at March 31, 2014
<u>Trade receivables outstanding for a period less than six months from the date they are due for payment</u>		
Unsecured, considered good	15,516.53	19,196.71
<u>Trade receivables outstanding for a period exceeding six months from the date they are due for payment</u>	15,516.53	19,196.71
Unsecured, considered good	11,878.08	5,756.55
Unsecured, considered doubtful	3.00	3.00
Less: Provision for doubtful debts	(3.00)	(3.00)
	11,878.08	5,756.55
Total	27,394.61	24,953.26

Note 20: Cash and Cash Equivalents

₹ in Million

Particulars	As at March 31, 2015	As at March 31, 2014
a. Cash and cash equivalents		
Cash on hand	0.08	0.32
Balances with Banks in current accounts	199.93	108.06
Balances with Banks in deposit accounts	2.33	2.33
b. Others	202.34	110.71
Unpaid Dividend accounts	0.88	0.71
	0.88	0.71
Total	203.22	111.42
Included in above, the balances that meet the definition of cash and cash equivalents as per AS-3 "Cash Flow Statements"	202.34	110.71

IL&FS TRANSPORTATION NETWORKS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2015

Note 21: Contingent Liabilities and Commitments

₹ in Million

Particulars	As at March 31, 2015	As at March 31, 2014
(i) Contingent Liabilities (Refer footnote 1)		
a) Claims against the Company not acknowledged as debts	81.20	538.90
Income tax demands contested by the Company		
b) Guarantees (Refer footnote 2)		
- Guarantees/counter guarantees issued to outsider in respect of group companies	16,880.72	21,531.58
- Guarantees/counter guarantees issued to outsider in respect of other than group companies	92.68	328.76
c) During the year ended March 31, 2015, the Company had assigned loans aggregating to ₹ Nil (March 31, 2014 ₹ 4,507 million) at its book value, out of which in the case of loans aggregating ₹ Nil (March 31, 2014 ₹ 2,950 million), the lender has a put option on the Company on specified future dates till the maturity of the loans assigned and having a recourse to the Company in case of default by the borrower on the due dates.		
d) Put option on sale of investment	Unascertainable	Not applicable
(ii) Commitments		
Investment Commitments [net of advances of ₹ 356.45 million, (As at March 31, 2014 : ₹ 890.57 million)]	9,189.68	12,972.30

Foot Note

- The Company does not expect any outflow of economic resources in respect of the above and therefore no provision is made in respect thereof.
- Certain bankers have issued guarantees which have been shown under "Guarantees/counter guarantees issued in respect of group companies" aggregating ₹ 2,011.09 million (as at March 31, 2014: ₹ 3,684.68 million) against a first charge on the receivables (including loans and advances) of the Company.

IL&FS TRANSPORTATION NETWORKS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2015

Note 22 Letter of comfort, letter of awareness and letter of financial support

- a. The Company has issued letter of comfort / letter of awareness in respect of loans availed by a few of its subsidiaries aggregating to ₹ 6,855 million (Previous year ₹ 1,557 million)
- b. Letter of financial support has been issued to ITNL Road Infrastructure Development Company Limited, West Gujarat Expressway Limited, Vansh Nimay Infraprojects Limited, ITNL International Pte. Ltd., Singapore, ITNL Offshore Pte. Ltd., Singapore, ITNL Africa Projects Ltd., Nigeria, ITNL International DMCC, Dubai and Sharjah General Services Company LLC, Dubai to enable them to continue their operations and meet their financial obligations as and when they fall due.

Note 23: Proposed Dividend

Particulars	As at March 31, 2015		As at March 31, 2014	
	Total ₹ in Million	Per share ₹	Total ₹ in Million	Per share ₹
Dividend proposed to be distributed to equity shareholders	986.88	4.00	986.88	4.00
Dividend proposed to be distributed to 20.50% CRPS	410.00	2.05	210.05	2.05
Dividend proposed to be distributed to 10.40% ITNL	225.87	2.11	61.26	2.11
Dividend proposed to be distributed to 10.50% ITNL	41.16	2.14	11.17	2.14
Dividend proposed to be distributed to 11% ITNL	111.60	2.13	22.63	2.13

Footnote: The Board of Directors have recommended dividend of ₹ 4.00 per equity share of ₹ 10 each (40%) for the year ended March 31, 2015 on the existing 246,720,020 fully paid-up equity shares of the Company.

IL&FS TRANSPORTATION NETWORKS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2015

Note 24: Revenue from operations

Particulars	₹ in Million	
	Year ended March 31, 2015	Year ended March 31, 2014
(a) Sale of services		
Advisory, Design and Engineering fees	3,156.89	6,042.06
Supervision fees	505.78	726.59
Operation and maintenance income	1,453.42	1,132.46
(b) Construction Revenue (Refer Note 30)	27,287.19	26,144.72
(c) Other operating revenues (Refer footnote 9 and 10 to Note 14)		
Profit on sale of investments	2,826.05	-
Total	35,229.33	34,045.83

Note 25: Other Income

Particulars	₹ in Million	
	Year ended March 31, 2015	Year ended March 31, 2014
(a) Interest Income		
Interest on loans	2,701.40	1,506.74
Interest on debentures	52.06	46.69
Interest on bank deposits	235.10	105.10
Other interest income	3.58	39.62
(b) Dividend Income on non-current investments	220.12	341.40
(c) Profit on sale of fixed assets (net)	-	0.33
(d) Foreign Exchange fluctuation gain (net)	1.58	19.36
(e) Guarantee fee income	179.41	201.91
(f) Insurance claim received	0.93	190.28
(g) Recovery of expenses	-	183.59
(h) Miscellaneous income	194.75	38.82
Total	3,588.93	2,673.84

Note 26: Operating expenses

Particulars	₹ in Million	
	Year ended March 31, 2015	Year ended March 31, 2014
Construction Contract Costs	23,355.65	24,157.45
Fees for Legal and technical services	537.07	1,021.80
Operation and maintenance expenses	1,253.71	1,041.95
Total	25,146.43	26,221.20

Note 27: Employee benefits expense

Particulars	₹ in Million	
	Year ended March 31, 2015	Year ended March 31, 2014
Salaries and wages (Refer footnote 1)	520.91	470.28
Contribution to provident and other funds (Refer footnote 2)	44.11	38.40
Staff welfare expenses	49.25	36.76
Deputation Cost	55.94	72.33
Total	670.21	617.77

Footnotes

- 1 Employee cost is net of salaries of ₹ 19.98 Million (for the year ended March 31, 2014 : ₹ 21.91 Million), and contribution to provident and other funds of ₹ 1.98 Million (for the year ended March 31, 2014 : ₹ 2.27 million) towards amounts recovered / recoverable in respect of staff on deputation with other entities.

IL&FS TRANSPORTATION NETWORKS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2015

2 Employee Benefit Obligations

(a) Defined-Contribution Plans

The Company offers its employees defined contribution plans in the form of provident fund, family pension fund and superannuation fund. Provident fund, family pension fund and superannuation fund cover substantially all regular employees. Contributions are paid during the period into separate funds under certain statutory/fiduciary-type arrangements. While both the employees and the Company pay predetermined contributions into the provident fund and pension fund, the contribution to superannuation fund are made only by the Company. The contributions are normally based on a certain proportion of the employee's salary.

A sum of ₹ 27.90 Million (for the year ended March 31, 2014: ₹ 22.59 Million) has been charged to the Statement of Profit and Loss in this respect.

(b) Defined-Benefits Plans

The Company offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount). Benefits under the defined benefit plans are typically based on years of service rendered and the employee's eligible compensation (immediately before retirement). The gratuity scheme covers substantially all regular employees. In the case of the gratuity scheme, the Company contributes funds to the Life Insurance Corporation of India which administers the scheme on behalf of the Company. Commitments are actuarially determined at year-end. Actuarial valuation is based on "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions are charged to the Statement of Profit and Loss.

The net value of the defined-benefit commitment is detailed below:

₹ in Million		
Particulars	As at March 31, 2015	As at March 31, 2014
Present Value of Commitments	63.88	45.29
Fair value of Plans	(84.52)	(66.42)
Provision / (Prepaid) amount taken to the balance sheet	(20.64)	(21.14)

₹ in Million		
Defined benefit Commitments : Gratuity	For the year ended March 31, 2015	For the year ended March 31, 2014
Opening balance	45.28	50.62
Interest costs	3.43	3.78
Current service cost	12.14	10.41
Benefits paid	(3.12)	(18.17)
Transfer to other employer	-	-
Transfer from other employer	-	-
Actuarial loss	6.15	(1.35)
Closing Balance	63.88	45.29

₹ in Million		
Plan Assets: Gratuity	For the year ended March 31, 2015	For the year ended March 31, 2014
Opening balance	66.42	59.57
Expected return on plan assets	6.04	5.04
Contributions by the Company	12.17	19.89
Benefits paid	(3.12)	(18.17)
Transfer to other employer	-	-
Transfer from other employer	-	-
Actuarial gain	3.01	0.09
Fair value of plan assets	84.52	66.42

₹ in Million		
Return on plan assets: Gratuity	For the year ended March 31, 2015	For the year ended March 31, 2014
Expected return on plan assets	6.04	5.04
Actuarial gain	3.01	0.09
Actual return on plan assets	9.05	5.13

IL&FS TRANSPORTATION NETWORKS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2015

Expenses on defined benefit plan recognised in the Statement of Profit and Loss:

₹ in Million		
Return on plan assets: Gratuity	Year ended March 31, 2015	Year ended March 31, 2014
Current service costs	12.14	10.41
Interest expense	3.43	3.78
Expected return on investment	(6.04)	(5.04)
Net actuarial loss	3.14	(1.45)
Charge to the Statement of Profit and Loss	12.67	7.70

The actuarial calculations used to estimate defined benefit commitments and expenses are based on the following assumptions, which if changed, would affect the defined benefit commitment's size, funding requirements and pension expense.

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Rate for discounting liabilities	7.84%	9.11%
Expected salary increase rate	6.50%	6.50%
Expected return on scheme assets	8.00%	8.00%
Attrition rate	2.00%	2.00%
Mortality table used	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

The estimates of future salary increases considered in the actuarial valuation take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The amounts of the present value of the obligation, fair value of the plan assets, surplus or deficit in the plan, experience adjustments arising on plan liabilities and plan assets for the current period and previous four annual periods are given below:

₹ in Million					
Particulars	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Defined benefit obligations	63.88	45.29	50.61	37.29	31.29
Plan Assets	84.52	66.42	59.56	46.23	39.66
Unfunded liability transferred from Group Company	-	-	-	-	0.64
Surplus / (Deficit)	20.64	21.13	8.95	8.94	7.73

₹ in Million					
Experience adjustments on	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
Plan liabilities (loss) / gain	1.48	(2.62)	(4.14)	(0.27)	(1.00)
Plan assets (loss) / gain	3.01	0.09	0.32	(0.26)	(0.27)

The contributions expected to be made by the Company during the next 12 months is ₹ 76.01 million (Previous year ₹ 55.69 million).

IL&FS TRANSPORTATION NETWORKS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2015 Note 28:
Finance costs

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
(a) Interest expenses		
Interest on loans	6,223.75	4,905.57
Discount on Commercial Paper	657.15	166.07
(b) Other borrowing costs		
Upfront fees and other finance charges	500.34	124.87
Total	7,381.24	5,196.51

Note 29: Administrative and general expenses

₹ in Million		
Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Electricity	16.46	13.41
Travelling and conveyance	260.85	207.82
Printing and stationery	12.74	10.84
Rent (Refer Note 33)	159.50	147.05
Rates and taxes (including wealth tax)	27.33	28.00
Repairs and maintenance (other than building and machinery)	73.59	55.13
Communication expenses	29.55	26.65
Insurance	161.67	138.98
Legal and consultation fees	182.12	110.14
Directors' fees	6.02	2.13
Bank commission	57.88	55.33
Loss on sale of fixed assets	0.72	-
Bid documents	15.28	8.10
Brand Subscription Fees	226.76	308.45
Corporate Social Responsibility expenses (Refer footnote 1 below)	82.59	-
Interest accrued on loans written off	96.13	-

Miscellaneous expenses (Refer footnote 2 below)	271.16	233.85
Total	1,680.35	1,345.88

Footnote

- Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof : ₹ 82.59 million
- Miscellaneous expenses includes payment to auditors for the following:

₹ in Million		
Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Payment to Auditor as :		
Audit Fees	21.16	16.76
Other Services (assurance)	11.58	4.85
Service tax on above	4.05	2.67

Note 30: Disclosure in respect of Construction Contracts

₹ in Million		
Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Contract revenue recognised as revenue during the period	27,287.19	26,144.72
	As at March 31, 2015	As at March 31, 2014
Cumulative revenue recognised	110,702.17	83,414.98
Advances received	4,995.01	4,388.96
Retention Money receivable	1,402.87	1,184.37
Gross amount due from customers for contract work, disclosed as asset (i.e. Unbilled Revenue)	1,198.10	1,137.08
Gross amount due to customers for contract work, disclosed as liability (i.e. Unearned Revenue)	2,631.63	1,923.53

IL&FS TRANSPORTATION NETWORKS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2015

Note 31: Jointly Controlled Entities and Operations a. Jointly Controlled Entities:

The Company has the following Jointly Controlled Entities as on March 31, 2015 and its proportionate share in the assets, liabilities, income and expenditure of the Jointly Controlled Entities on the basis of the financial statements as at / for the year ended of those entities is given below:

₹ in Million								
Name of The Controlled Entities	Jointly Country of Incorporation/ residence	Percentage of holding	Share in Assets	Share in Liabilities	Share in Contingent Liabilities	Share in Capital Commitments	Share in Income	Share in Expenditure
Noida Toll Bridge Company Limited	India	25.35%	1,667.37	398.77	-	25.67	331.84	119.09
Jorabat Shillong Expressway Limited	India	(25.35%)	(1,645.98)	(409.47)	(-)	(-)	(316.22)	(109.87)
N.A.M.	India	50.00%	6,125.52	5,344.79	-	408.11	1,879.03	1,915.69
		(50.00%)	(4,357.13)	(3,569.74)	(-)	(1,044.49)	(742.16)	(700.43)
	India	50.00%	9,596.96	5,701.31	-	619.10	209.88	192.28

Expressway Limited								
		(50.00%)	(9,027.40)	(5,267.86)	(-)	(800.39)	(1,214.28)	(1,104.00)

Figure in brackets relate to previous periods.

b. Jointly Controlled Operations :

The Company has the following Jointly Controlled Operations as on March 31, 2015 and its proportionate share in the assets, liabilities, income and expenditure of the Jointly Controlled Operations on the basis of the financial statements as at / for the year ended of those operations is given below:

₹ in Million								
Name of The Controlled Entities	Jointly Country of Incorporation/ residence	Percentage of holding	Share in Assets	Share in Liabilities	Share in Contingent Liabilities	Share in Capital Commitments	Share in Income	Share in Expenditure
Elsamex - ITNL JVCA (refer footnote below)	Spain	0.00%	-	-	-	-	-	-
		(50.00%)	(0.07)	(0.07)	-	-	-	-

Footnote: During the year the Company has assigned its proportionate rights under the above jointly controlled operation and hence the percentage of holding of the Company as on March 31, 2015 has been shown as nil.

IL&FS TRANSPORTATION NETWORKS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2015

Note 32: Foreign currency Exposures

The period end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Amounts receivable/Investments in foreign currency on account of the following: -

Particulars	As at March 31, 2015		As at March 31, 2014	
	₹ in million	Foreign currency in Million	₹ in million	Foreign currency in million
Investments in subsidiary companies (At historical cost)	2,722.34	EUR 41.59	2,722.34	EUR 41.59
Investments in subsidiary companies (At historical cost)	3,501.18	USD 62.05	2,643.57	USD 48.05
Investments in subsidiary companies (At historical cost)	0.86	Nigerian Naira 2.50	0.86	Nigerian Naira 2.50
Advance towards Share Application Money	156.30	USD 2.50	61.86	USD 1.00
Dividend Receivable	-	-	161.88	EUR 1.96
Advances recoverable	150.25	USD 2.50	150.25	USD 2.50
Interest accrued on loans given	4.94	EUR 0.06	0.03	EUR 0.00
Loans to subsidiary companies	101.27	EURO 1.5	4.68	EURO 0.06

Particulars	As at March 31, 2015		As at March 31, 2014	
	₹ in million	Foreign currency in Million	₹ in million	Foreign currency in million
Trade payables	-	-	95.29	EUR 1.11
Trade payables	19.91	GBP 0.21	-	-
Trade payables	30.95	USD 0.49	5.69	USD 0.09

₹ in Million		
	As at March 31, 2015	As at March 31, 2014
Future lease rentals :		
Within one year	72.41	72.20
Over one year but less than 5 years	38.32	110.74
More than 5 years	-	-
Amount charged to the Statement of Profit and Loss for rent in respect of these properties	Year ended March 31, 2015	Year ended March 31, 2014
	65.32	65.32

Note 33: Lease

The Company holds certain properties under a non-cancellable operating lease. The Company's future lease rentals under the operating lease arrangements as at the year ends are as under:

The lease terms do not contain any exceptional / restrictive covenants nor are there any options given to Company to renew the lease or purchase the properties. The agreements provide for changes in the rentals if the taxes leviable on such rentals change.

IL&FS TRANSPORTATION NETWORKS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2015

Note 34: Earnings per Equity Share:

* As adjusted for rights issue in accordance with AS - 20 Earnings Per Share.

Particulars	Unit	Year ended March 31, 2015	Year ended March 31, 2014
Profit after tax	₹ in million	3,186.62	2,660.27
Adjustment of written down value of fixed assets on change of method of depreciation	₹ in million	6.30	-
Dividend on preference shares	₹ in million	788.63	305.11
Dividend Tax on dividend on preference shares	₹ in million	160.55	51.85
Redemption premium on preference shares	₹ in million	-	25.62
Profit available for Equity Shareholders	₹ in million	2,231.14	2,277.69
Weighted average number of equity shares outstanding after effect of right shares	Number	242,215,075	206,615,020*
Weighted average number of equity shares outstanding as originally reported in previous year	Number	Not applicable	194,267,732
Nominal value per equity share	₹	10.00	10.00
Basic / Diluted earnings per share after effect of right shares	₹	9.21	11.02
Basic / Diluted earnings per share as originally reported in previous year	₹	Not applicable	11.72

Note 35: Income and Expenditure in foreign currency (on accrual basis)

₹ in Million

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Income		
Dividend income	-	161.88
Interest income	0.18	0.11
Recovery of expenses	-	150.25
Expenditure		
Foreign Travel	-	3.34
Legal and consultation Fees	248.86	390.25
Seminar and conference expenses	3.32	2.14
Deputation cost	-	26.21
Others	1.43	3.60

IL&FS TRANSPORTATION NETWORKS LIMITED**Notes forming part of the financial statements for the year ended March 31, 2015****Note 37: Disclosure of Loans and advances in the nature of loans to subsidiaries and associates in accordance with clause 32 of Listing Agreement**

₹ in Million

Name of the Company	March 31, 2015		March 31, 2014	
	Amount as at	Maximum amount	Amount as at	Maximum amount
	March 31, 2015	outstanding during the year	March 31, 2014	outstanding during the year
Subsidiaries				
East Hyderabad Expressway Limited	75.00	317.30	-	267.50
ITNL International Pte. Ltd., Singapore	-	-	-	244.75
ITNL Road Infrastructure Development Company Limited	2,165.90	2,165.90	793.00	1,018.00
Vansh Nimay Infraprojects Limited	753.00	753.00	547.00	547.00
West Gujarat Expressway Limited	394.20	394.20	10.00	350.00
Hazaribagh Ranchi Expressway Limited	2,703.80	2,833.80	1,820.00	2,175.00
Jharkhand Road Projects Implementation Company Limited	3,131.10	3,404.10	2,506.60	3,943.60
MP Border Checkposts Development Company Limited	2,136.00	2,136.00	1,145.00	1,145.00
Pune Sholapur Road Development Company Limited	1,657.00	1,657.00	500.00	500.00
Elsamex S.A., Spain	101.27	101.27	4.68	4.68
Moradabad Bareilly Expressway Limited	5,532.50	5,532.50	1,487.50	1,487.50
Sikar Bikaner Highway Limited	650.00	650.00	280.00	280.00
Baleshwar Kharagpur Expressway Limited	600.00	600.00	-	-
Barwa Adda Expressway Limited	1,545.00	1,545.00	-	-
Khed Sinnar Expressway Limited	1,382.50	1,382.50	-	-
Chenani Nashri Tunnelway Limited	1,080.00	1,080.00	-	-
Kiratpur Ner Chowk Expressway Limited	522.50	522.50	-	-
Srinagar Sonamarg Tunnelway Limited	505.00	505.00	-	-
Associates				
Thiruvananthapuram Road Development Company Limited	1,123.00	1,123.00	944.50	944.50

Warora Chandrapur Ballarpur Toll Road Limited	245.00	245.00	-	-

Note 38

Segment Disclosures: The Company operates in a single business segment viz. Surface Transportation Business. Also it operates in a single geographic segment. In the absence of separate reportable business or geographic segments the disclosures required under the Accounting Standard (AS) 17 on 'Segment Reporting' are not applicable.

Note 39

During the year ended March 31, 2014, the Company had changed the estimates used to compute current tax, based on the recent High Court judgement relating to disallowance of expenses under section 14A of Income Tax Act, 1961 and accordingly arrived at the current tax as applicable to the year ended March 31, 2012 and for the year ended March 31, 2013 on the aforesaid basis. Consequently, ₹ 231.17 million pertaining to the year ended March 31, 2012 and ₹ 248.00 million pertaining to year ended March 31, 2013 are reversed in the current year and shown in Statement of Profit and Loss account as "Tax relating to earlier year". Accordingly, the profit after tax for the previous year is higher by ₹ 479.17 million.

Note 40

Revenue from Operations for the year ended March 31, 2015 includes an amount of ₹ 2,352.70 million on account of compensation claimed by ITNL from two Special Purpose Vehicles ("SPVs") for the incremental work and related claims arising from delays due to handing over of the land for project execution. The compensation is based on the provisions in the Service Concession Agreements and is supported by the Extension of Time granted by the Independent Engineers. The claims made by ITNL on the SPV's have been based on the legal opinions obtained by the SPV's, that such claims are contractually admissible under the Service Concession Agreements entered into with Concession Granting Authorities. Costs in connection with the foregoing have been considered in recognising the above income.

Note 41

Figures for the previous years have been regrouped and reclassified wherever considered necessary to conform to the classification for the current year.

For and on behalf of the Board

Managing Director Director

Chief Financial Officer Company Secretary

Mumbai, May 15, 2015

IL&FS TRANSPORTATION NETWORKS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2015

Note 36: Related Party Disclosures

(i) Current Year

(a) Name of the Related Parties and Description of Relationship:

Nature of Relationship	Name of Entity	Abbreviation used
Holding Company	Infrastructure Leasing & Financial Services Limited	ILFS
Subsidiaries		
Direct	Badarpur Tollway Operations Management Limited	BTOML
	Baleshwar Kharagpur Expressway Limited	BKEL
	Barwa Adda Expressway Limited	BAEL
	Charminar RoboPark Limited	CRL
	Chenani Nashri Tunnelway Limited	CNTL
	East Hyderabad Expressway Limited	EHEL
	Elsamex S.A	ELSA
	Futureage Infrastructure India Linmited	FIIL
	GIFT Parking Facilities Limited	GPFL
	Gujarat Road and Infrastructure Company Limited (<i>till August 07, 2014</i>)	
	Hazaribagh Ranchi Expressway Limited	HREL
	IL&FS Rail Limited	IRL
	ITNL International Pte Ltd, Singapore	IPL
	ITNL Offshore Pte Ltd, Singapore	IOPL
	ITNL Offshore Two Pte Ltd, Singapore (<i>since February 9, 2015</i>)	
	ITNL Offshore Three Pte Ltd, Singapore (<i>since March 10, 2015</i>)	
	ITNL Road Infrastructure Development Company Limited	IRIDCL
	ITNL Road Investment Trust	IRIT
	Jharkhand Road Projects Implementation Company Limited	JRPICL
	Karyavattom Sports Facilities Limited	KSFL
	Khed Sinnar Expressway Limited	KSEL
	Kiratpur Ner Chowk Expressway Limited	KNCEL
	Moradabad Bareilly Expressway Limited	MBEL
	MP Border Checkposts Development Company Limited	MPBCDCL
	Pune Sholapur Road Development Company Limited	PSRDCL
	Sikar Bikaner Highways Limited	SBHL
	Vansh Nimay Infraprojects Limited	VNIL
	West Gujarat Expressway Limited	WGEL
Subsidiaries Indirect		
	North Karnataka Expressway Limited	NKEL
	Andhra Pradesh Expressway Limited	APEL
	Alcantarilla Fotovoltaica SA, Sociedad Unipersonal	
	Antenea Seguridad Y Medico Ambiente SA	
	Area De Servicio Punta Umbria SL	
	Area De Servicio Coiros S.L.	
	Beasolarta S.L.	
	CIESM-INTEVIA S.A. Sociedad Unipersonal	
	Conservacion de Infraestructuras De Mexico SD DE CV	
	Control 7, S. A	
	Elsamex India Private Limited	ELSAIND

	Elsamex Internacional, SLR	
	Elsamex Portugal-Engenharia E Sistemas De Gestao, S.A	EPE
	Elsamex Construção E Manutenção LTDA, Brazil	
	Elsamex Brazil LTDA	
	ESM Mantenimiento Integral DE S.A DE C.V	
	GRICL Rail Bridge Development Company Ltd (<i>upto August 7, 2014</i>)	GRBDCL
	Grusamar Albania SHPK	
	Grusamar Ingenieria Y Consulting, SL (<i>Proyectos De Gestion Sistemao Y Analisis S.A w</i>	
	Grusamar India Limited	GIL
	Inteval-Gestao Integral Rodoviaria S.A	
	ITNL Africa Projects Limited	IAPL
	ITNL International DMCC, Dubai (Formerly known as ITNL International JLT, Dubai)	IJLT
	Mantenimiento Y Conservacion De Vialidades, DE C.V	
	Elsamex Maintenance Services Ltd	EMSL
	Elsamex LLC	

IL&FS TRANSPORTATION NETWORKS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2015

Note 36: Related Party Disclosures

(i) Current Year

(a) Name of the Related Parties and Description of Relationship:

Nature of Relationship	Name of Entity	Abbreviation used
Subsidiaries - Indirect	I IPL USA LLC	
	Sharjah General Services Company LLC	
	Grusamar Engenharia & Consultoria Brasil LTDA	
	Rapid MetroRail Gurgaon Limited	RMGL
	Rapid MetroRail Gurgaon South Limited	RMGSL
	Senalizacion Viales E Imagen, SA	
	Yala Construction Company Private Limited	YCCPL
Fellow Subsidiaries (Only with whom there have been transaction during the period there was balance outstanding at the year end)	Chattisgarh Highways Development Company Limited	CHDCL
	IL&FS Airport Limited	IAL
	IL&FS Capital Advisors Limited	ICAL
	IL&FS Education Technology Services Limited	IETS
	IL&FS Energy Development Company Limited	IEDCL
	IL&FS Environment Infrastructure Services Limited	IEISL
	IL&FS Financial Services Limited	IFIN
	IL&FS Maritime Infrastructure Company Limited	IMICL
	IL&FS Renewable Energy Limited	IREL
	IL&FS Securities Services Limited	ISSL
	IL&FS Technology Limited (since January 30, 2015)	ITL
	IL&FS Township Urban Assets Limited	ITUAL
	IL&FS Global Financial Services (UK) Limited	IGFSUKL
	IL&FS Global Financial Services (ME) Limited	IGFSMEL
	PT Mantimin Coal Mining	PTMCM
Associates - Direct	ITNL Toll Management Services Limited	ITMSL
	Thiruvananthapuram Road Development Company Limited	TRDCL
	Warora Chandrapur Ballarpur Toll Road Limited	WCBTRL
	Srinagar Sonmarg Tunnelway Limited (since June 3, 2014)	SSTL
	Gujarat Road and Infrastructure Company Limited (Since August 08, 2014)	GRICL
Associates - Indirect	Centro de Investigaciones de Curretros Andalucía S.A.	CICAN
	Labetec Ensayos Técnicos Canarios, S.A.	LABTEC
	CGI 8 S.A.	CGI-8
	Elsamex Road Technology Company Limited	ERT(China)
	Sociedad Concesionaria Autovía A-4 Madrid S.A	A4 CONCESSION
	VCS-Enterprises Limited	VCS
	Ramky Elsamex Ring Road Limited, Hyderabad	REHRR
	Zhejiang Elsamex Road Technology Co Ltd	
	Zhejiang Elsamex Road Construction Equipment Co Ltd	
	Emprsas Pame sa De CV	EPSD

Jointly Controlled Entities - Direct	Noida Toll Bridge Company Limited	NTBCL
	Jorabat Shillong Expressway Limited	JSEL
	N.A.M. Expressway Limited	NAMEL
Jointly Controlled Entities - Indirect	Geotecnia y Control De Qualitat, S.A.	
	Chongqing Yuhe Expressway Co. Ltd.	
	Consorcio De Obras Civiles S.R.L	
	Vies Y Construcciones S. R. L.	
Jointly Controlled Operations	Elsamex - ITNL JVCA	EIJVCA
Key Management Personnel ("KMP")	Mr K Ramchand-Managing Director	
	Mr Mukund Sapre-Executive Director	
	Mr George Cherian-Chief Financial Officer	
	Mr Krishna Ghag-Company Secretary	
Relatives of KMP	Mrs Rita Ramchand (<i>wife of Mr K Ramchand</i>)	
	Mrs Sangeeta Sapre (<i>wife of Mr Mukund Sapre</i>)	
	Mrs Vishpala Parthasarathy (<i>wife of Mr Ravi Parthasarathy</i>)	
KMP of Holding Company	Mr Ravi Parthasarathy - Director	
	Mr Hari Sankaran - Director	
	Mr Arun Saha - Director	

IL&FS TRANSPORTATION NETWORKS LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2015
Note 36 : Related Party Disclosures. (contd.)

(b) transactions/ balances with above mentioned related parties (mentioned in note 36 (i) (a) above)

Particulars	Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities	Key Management personnel and relatives	Total
Balances							
Advance towards Share Application Money (Long-term)							
GRICL	-	-	-	750.00	-	-	750.00
IPL	-	156.30	-	-	-	-	156.30
OTHERS	-	0.02	-	-	0.13	-	0.15
Advances Receivable - Short Term	-	156.32	-	750.00	0.13	-	906.45
ILFS	0.57	-	-	-	-	-	0.57
IAL	-	-	270.72	-	-	-	270.72
PTMCM	-	-	183.59	-	-	-	183.59
OTHERS	-	399.78	44.04	3.16	53.05	-	500.04
Cost of Investment in equity shares	0.57	399.78	498.35	3.16	53.05	-	954.92
IRL	-	4,114.85	-	-	-	-	4,114.85
OTHERS	-	32,480.21	-	1,065.64	3,459.13	-	37,004.98
Equity share Capital with Premium	-	36,595.06	-	1,065.64	3,459.13	-	41,119.83
ILFS	3,645.00	-	-	-	-	-	3,645.00
		-	-	-	-	-	3,645.00
Interest Accrued and due	3,645.00						
MBEL	-	240.04	-	-	-	-	240.04
MPBCDCL	-	111.79	-	-	-	-	111.79
PSRDCL	-	143.79	-	-	-	-	143.79
WGEL	-	100.93	-	-	-	-	100.93
OTHERS	-	118.25	-	138.32	135.94	-	392.51
Interest Accrued and not due LT	-	714.80	-	138.32	135.94	-	989.06
JRPICL	-	54.74	-	-	-	-	54.74
KSEL	-	64.57	-	-	-	-	64.57
SBHL	-	79.30	-	-	-	-	79.30
TRDCL	-	-	-	250.85	-	-	250.85
OTHERS	-	41.01	-	-	-	-	41.01
Interest Accrued and not due ST	-	239.63	-	250.85	-	-	490.48
CNTL	-	13.61	-	-	-	-	13.61
ELSA	-	4.94	-	-	-	-	4.94
IMICL	-	-	11.89	-	-	-	11.89
WCBTRL	-	-	-	12.91	-	-	12.91

OTHERS	-	-	1.35	-	-	-	1.35
Interest accrued but not due on borrowings	-	18.55	13.24	12.91	-	-	44.71
NKEL	-	204.32	-	-	-	-	204.32
Investment in Covered Warrants	-	204.32	-	-	-	-	204.32
ILFS	1,943.00	-	-	-	-	-	1,943.00
Investment in Preference Shares	1,943.00	-	-	-	-	-	1,943.00
WGEL	-	296.90	-	-	-	-	296.90
Investment in Redeemable optionally convertible cumulative preference shares	-	296.90	-	-	-	-	296.90
APEL	-	2,200.00	-	-	-	-	2,200.00
	-	2,200.00	-	-	-	-	2,200.00

IL&FS TRANSPORTATION NETWORKS LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2015
Note 36 : Related Party Disclosures. (contd.)

(b) transactions/ balances with above mentioned related parties (mentioned in note 36 (i) (a) above)

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities	Key Management personnel and relatives	Total
Investments in Units							
IRIT	-	1,096.06	-	-	-	-	1,096.06
Long-term Lendings	-	1,096.06	-	-	-	-	1,096.06
BAEL	-	1,545.00	-	-	-	-	1,545.00
JRPICL	-	3,131.10	-	-	-	-	3,131.10
KSEL	-	1,382.50	-	-	-	-	1,382.50
MPBCDCL	-	2,136.00	-	-	-	-	2,136.00
OTHERS	-	3,235.90	-	343.50	-	-	3,579.40
Mobilisation Advances Received (Long-term)	-	11,430.50	-	343.50	-	-	11,774.00
BAEL	-	883.06	-	-	-	-	883.06
CNTL	-	372.82	-	-	-	-	372.82
IRIDCL	-	592.68	-	-	-	-	592.68
KNCCL	-	662.61	-	-	-	-	662.61
OTHERS	-	122.24	-	-	29.68	-	151.92
Mobilisation Advances Received (Short-term)	-	2,633.40	-	-	29.68	-	2,663.08
CNTL	-	791.69	-	-	-	-	791.69
KNCCL	-	638.26	-	-	-	-	638.26
SBHL	-	263.72	-	-	-	-	263.72
OTHERS	-	563.53	-	-	74.75	-	638.27
Preference share Capital with Premium	-	2,257.19	-	-	74.75	-	2,331.93
IFIN	-	-	2,000.00	-	-	-	2,000.00
IMICL	-	-	2,000.00	-	-	-	2,000.00
Other Current Liabilities	-	-	4,000.00	-	-	-	4,000.00
ILFS	150.00	-	-	-	-	-	150.00
Provision for redemption premium on	150.00	-	-	-	-	-	150.00
Preference Shares							
IFIN	-	-	37.81	-	-	-	37.81
IMICL	-	-	37.81	-	-	-	37.81
Rent Deposit	-	-	75.62	-	-	-	75.62
Mr K Ramchand- Managing Director	-	-	-	-	-	1.00	1.00
Mr Mukund Sapre- Executive Director	-	-	-	-	-	0.50	0.50
Mrs Rita Ramchand (wife of Mr K Ramchand)	-	-	-	-	-	0.50	0.50

Mrs Sangeeta Sapre (wife of Mr Mukund Sapre)	-	-	-	-	-	0.50	0.50
Mrs Vishpala Parthasarathy (wife of Mr Ravi Parthasarathy)	-	-	-	-	-	20.00	20.00
Retention Money Payable	-	-	-	-	-	22.50	22.50
ELSAIND	-	10.37	-	-	-	-	10.37
EMSL	-	13.65	-	-	-	-	13.65
EPE	-	3.32	-	-	-	-	3.32
GIYC	-	4.54	-	-	-	-	4.54
ITL	-	-	13.03	-	-	-	13.03
OTHERS	-	-	0.29	-	-	-	0.29
Retention Money Payable Total	-	31.88	13.32	-	-	-	45.20

IL&FS TRANSPORTATION NETWORKS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2015

Note 36 : Related Party Disclosures. (contd.)

(b) transactions/ balances with above mentioned related parties (mentioned in note 36 (i) (a) above)

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities	Key Management personnel and relatives	Total
Retention Money Receivable							
JSEL	-	-	-	-	392.89	-	392.89
KSEL	-	267.59	-	-	-	-	267.59
PSRDCL	-	429.16	-	-	-	-	429.16
SBHL	-	250.27	-	-	-	-	250.27
OTHERS	-	62.96	-	-	-	-	62.96
Retention Money Rec Short-term Borrowings eivable Total	-	1,009.98	-	-	392.89	-	1,402.87
IRL	-	1,550.00	-	-	-	-	1,550.00
NKEL	-	700.00	-	-	-	-	700.00
Short-term Borrowi Short-term Lendings ngs Total	-	2,250.00	-	-	-	-	2,250.00
HREL	-	2,203.80	-	-	-	-	2,203.80
MBEL	-	5,532.50	-	-	-	-	5,532.50
PSRDCL	-	1,657.00	-	-	-	-	1,657.00
OTHERS	-	3,605.97	158.65	1,529.50	1,207.20	-	6,501.32
Provision for Advances Lendings Total	-	12,999.27	158.65	1,529.50	1,207.20	-	15,894.62
VNIL	-	365.00	-	-	-	-	365.00

Provision for Advances Total							
Trade Payables	-	365.00	-	-	-	-	365.00
ILFS	58.51	-	-	-	-	-	58.51
EMSL	-	171.53	-	-	-	-	171.53
IFIN	-	-	152.55	-	-	-	152.55
IRL	-	570.09	-	-	-	-	570.09
OTHERS	-	32.14	89.68	33.78	5.78	-	161.38
Trade Payables Total							
Trade Receivables	58.51	773.76	242.23	33.78	5.78	-	1,114.06
BAEL	-	4,259.27	-	-	-	-	4,259.27
IRIDCL	-	3,014.91	-	-	-	-	3,014.91
KSEL	-	5,338.41	-	-	-	-	5,338.41
OTHERS	-	10,065.93	-	2,515.81	1,980.21	-	14,561.95
Trade Receivables Total							
Unamortised Expenses	-	22,678.51	-	2,515.81	1,980.21	-	27,174.53
IFIN	-	-	371.27	-	-	-	371.27
Unamortised Expenses Total							
Unbilled Revenue	-	-	371.27	-	-	-	371.27
HREL	-	255.63	-	-	-	-	255.63
JSEL	-	-	-	-	237.38	-	237.38
RMGSL	-	354.98	-	-	-	-	354.98
SBHL	-	206.42	-	-	-	-	206.42
OTHERS	-	138.42	-	-	5.27	-	143.68
Unbilled Revenue Total							
Unearned Revenue	-	955.46	-	-	242.65	-	1,198.10
BAEL	-	300.98	-	-	-	-	300.98
CNTL	-	583.92	-	-	-	-	583.92
KSEL	-	695.16	-	-	-	-	695.16
MBEL	-	263.64	-	-	-	-	263.64
MPBCDCL	-	574.08	-	-	-	-	574.08
OTHERS	-	213.84	-	-	-	-	213.84
Unearned Revenue Total							
Transactions Administrative and general expenses	-	2,631.63	-	-	-	-	2,631.63
ILFS *	412.62	-	-	-	-	-	412.62
IFIN	-	-	152.48	-	-	-	152.48
IMICL	-	-	118.02	-	-	-	118.02
OTHERS	-	55.53	94.15	-	-	-	149.68
Administrative and general expenses Total	412.62	55.53	364.65	-	-	-	832.80

IL&FS TRANSPORTATION NETWORKS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2015

Note 36 : Related Party Disclosures. (contd.)

(b) transactions/ balances with above mentioned related parties (mentioned in note 36 (i) (a) above)

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities	Key Management personnel and relatives	Total
Advance towards Share Application Money							
IPL	-	952.06	-	-	-	-	952.06
KSFL	-	280.70	-	-	-	-	280.70
Borrowings	-	1,232.76	-	-	-	-	1,232.76
IRL	-	3,500.00	-	-	-	-	3,500.00
Borrowings Total	-	3,500.00	-	-	-	-	3,500.00
Construction Cost							
IRL	-	1,055.45	-	-	-	-	1,055.45
OTHERS	-	80.97	-	-	-	-	80.97
Construction Cost Total							
Remuneration to director / KMP	-	1,136.43	-	-	-	-	1,136.43
Mr K Ramchand-Managing Director	-	-	-	-	-	47.57	47.57
Mr Mukund Sapre-Executive Director	-	-	-	-	-	28.09	28.09
Mr George Cherian-Chief Financial Officer	-	-	-	-	-	15.97	15.97
Mr Krishna Ghag-Company Secretary	-	-	-	-	-	6.38	6.38
Director Remuneration Total							
Director Commission	-	-	-	-	-	98.01	98.01
Mr Ravi Parthasarathy - Director	-	-	-	-	-	0.99	0.99
Mr Hari Sankaran - Director	-	-	-	-	-	0.99	0.99
Mr Arun Saha - Director	-	-	-	-	-	0.99	0.99
Dividend Income	-	-	-	-	-	2.97	2.97
NKEL	-	7.72	-	-	-	-	7.72
NTBCL	-	-	-	-	141.59	-	141.59
IRIT	-	46.81	-	-	-	-	46.81
Dividend Income Total							
Interest Expenses	-	54.53	-	-	141.59	-	196.12
ILFS	9.11	-	-	-	-	-	9.11
Interest Expenses Total							

Interest Income	9.11	-	-	-	-	-	9.11
HREL	-	282.71	-	-	-	-	282.71
JRPICL	-	301.73	-	-	-	-	301.73
MBEL	-	494.39	-	-	-	-	494.39
OTHERS	-	999.47	13.44	206.53	55.40	-	1,274.84
Interest Income Total							
Interest on Loans (Expense)	-	2,078.31	13.44	206.53	55.40	-	2,353.68
IRL	-	34.37	-	-	-	-	34.37
NKEL	-	66.50	-	-	-	-	66.50
Interest on Loans (Expense) Total							
Investment made / purchased	-	100.87	-	-	-	-	100.87
IIPL	-	857.61	-	-	-	-	857.61
IRL	-	1,315.00	-	-	-	-	1,315.00
KNCEL	-	1,437.50	-	-	-	-	1,437.50
KSEL	-	985.00	-	-	-	-	985.00
OTHERS	-	2,619.56	-	56.64	30.00	-	2,706.20
Investment made / purchased Total							
Lendings	-	7,214.67	-	56.64	30.00	-	7,301.31
JRPICL	-	3,520.50	-	-	-	-	3,520.50
MBEL	-	4,045.00	-	-	-	-	4,045.00
OTHERS	-	12,121.20	78.15	776.00	1,207.20	-	14,182.55
Lendings Total	-	19,686.70	78.15	776.00	1,207.20	-	21,748.05

IL&FS TRANSPORTATION NETWORKS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2015

Note 36 : Related Party Disclosures. (contd.)

(b) transactions/ balances with above mentioned related parties (mentioned in note 36 (i) (a) above)

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities	Key Management personnel and relatives	Total
Miscellaneous Income							
CNTL	-	84.55	-	-	-	-	84.55
ELSA	-	58.64	-	-	-	-	58.64
IOPL	-	76.77	-	-	-	-	76.77
OTHERS	-	19.68	-	-	30.39	-	50.06
Miscellaneous Income Total							
Operating Expenses (Other than Construction Cost)	-	239.63	-	-	30.39	-	270.02
EMSL	-	973.77	-	-	-	-	973.77
OTHERS	-	27.36	1.89	-	-	-	29.25
	-	1,001.13	1.89	-	-	-	1,003.02
Proposed Dividend on Preference Shares							

IFIN	-	-	205.00	-	-	-	205.00
IMICL	-	-	205.00	-	-	-	205.00
Proposed Dividend Paid	-	-	410.00	-	-	-	410.00
IFIN	-	-	105.03	-	-	-	105.03
IMICL	-	-	105.03	-	-	-	105.03
Proposed Dividend Paid Total							
Purchase of Goods	-	-	210.06	-	-	-	210.06
IETS	-	-	1.23	-	-	-	1.23
Purchase of Goods Total							
Purchase of Shares	-	-	1.23	-	-	-	1.23
MPBCDCL	-	82.78	-	-	-	-	82.78
Purchase of Shares Total							
Rent Expense	-	82.78	-	-	-	-	82.78
Mr K Ramchand-Managing Director	-	-	-	-	-	3.21	3.21
Mr Mukund Sapre-Executive Director	-	-	-	-	-	1.56	1.56
Mrs Rita Ramchand (wife of Mr K Ramchand)	-	-	-	-	-	3.91	3.91
Mrs Sangeeta Sapre (wife of Mr Mukund Sapre)	-	-	-	-	-	1.56	1.56
Mrs Vishpala Parthasarathy (wife of Mr Ravi Parthasarathy)	-	-	-	-	-	0.10	0.10
Rent Expense Total							
Repayment of Lendings	-	-	-	-	-	10.33	10.33
EHEL	-	447.30	-	-	-	-	447.30
HREL	-	385.00	-	-	-	-	385.00
JRPICL	-	2,896.00	-	-	-	-	2,896.00
OTHERS	-	4.68	-	-	-	-	4.68
Repayment of Lendings Total							
Revenue from Operations	-	3,732.98	-	-	-	-	3,732.98
KSEL	-	3,715.01	-	-	-	-	3,715.01
MBEL	-	4,246.58	-	-	-	-	4,246.58
OTHERS	-	20,296.75	-	927.20	3,188.59	-	24,412.54
Revenue from Operations Total	-	28,258.35	-	927.20	3,188.59	-	32,374.14

Footnote:- * Includes Deputation cost of ₹52.06 million charged by Holding Company "IL&FS"

Mr K Ramchand-Managing Director	34.54
Mr Mukund Sapre-Executive Director	17.52
	52.06

IL&FS TRANSPORTATION NETWORKS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2015

Note : 36 Related Party Disclosures

(ii) Previous Year

(a) Name of the Related Parties and Description of Relationship:

Nature of Relationship	Name of Entity	Abbreviation used
Holding Company	Infrastructure Leasing & Financial Services Limited	ILFS
Subsidiaries - Direct	Badarpur Tollway Operations Management Limited	BTOML
	Baleshwar Kharagpur Expressway Limited	BKEL
	Barwa Adda Expressway Limited	BAEL
	Charminar RoboPark Limited	CRL
	Chenani Nashri Tunnelway Limited	CNTL
	East Hyderabad Expressway Limited	EHEL
	Elsamex S.A	ELSA
	Futureage Infrastructure India Linmited	FIIL
	GIFT Parking Facilities Limited (<i>incorporated on January 9,2014</i>)	GPFL
	Gujarat Road and Infrastructure Company Limited	GRICL
	Hazaribagh Ranchi Expressway Limited	HREL
	IL&FS Rail Limited	IRL
	ITNL International Pte Ltd, Singapore	IPL
	ITNL Offshore Pte Ltd, Singapore	IOPL
	ITNL Road Infrastructure Development Company Limited	IRIDCL
	ITNL Road Investment Trust	IRIT
	Jharkhand Road Projects Implementation Company Limited	JRPICL
	Karyavattom Sports Facilities Limited	KSFL
	Khed Sinnar Expressway Limited (<i>Since June 12, 2013</i>)	KSEL
	Kiratpur Ner Chowk Expressway Limited	KNCCL
	Moradabad Bareilly Expressway Limited	MBEL
	MP Border Checkposts Development Company Limited	MPBCDCL
	Pune Sholapur Road Development Company Limited	PSRDCL
	Sikar Bikaner Highways Limited	SBHL
	Vansh Nimay Infraprojects Limited	VNIL
	West Gujarat Expressway Limited	WGEL
Subsidiaries - Indirect	North Karnataka Expressway Limited	NKEL
	Andhra Pradesh Expressway Limited (<i>Since March 27, 2014</i>)	APEL
	Alcantarilla Fotovoltaica SA, Sociedad Unipersonal	
	Antenea Seguridad Y Medico Ambiente SA	
	Area De Servicio Punta Umbria SL	
	Area De Servicio Coiros S.L.	
	Beasolarta S.L.	
	CIESM-INTEVIA S.A. Sociedad Unipersonal	
	Conservacion de Infraestructuras De Mexico SD DE CV	
	Control 7, S. A	
	Elsamex India Private Limited	ELSAIND
	Elsamex Internacional, SLR	
	Elsamex Portugal-Engenharia E Sistemas De Gestao, S.A	
	Elsamex Construcao E Manutencao LTDA, Brazil (<i>since June 26, 2013</i>)	
	Elsamex Brazil LTDA	

	ESM Mantenimiento Integral DE S.A DE C.V	
	GRICL Rail Bridge Development Company Ltd (<i>incorporated on February 24, 2014</i>)	GRBDCL
	Grusamar Albania SHPK	
	Grusamar Ingenieria Y Consulting, SL (<i>Proyectos De Gestion Sistemas Calculo Y Analisis S.A w</i>	.
	Grusamar India Limited	GIL
	Inteval-Gestao Integral Rodoviaria S.A	
	ITNL Africa Projects Limited	IAPL
	ITNL International JLT	IJLT
	Mantenimiento Y Conservacion De Vialidades, DE C.V	
	Elsamex Maintenance Services Ltd (<i>since September 12, 2013</i>)	EMSL
	Elsamex LLC (<i>since September 26, 2013</i>)	

IL&FS TRANSPORTATION NETWORKS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2015

Note : 36 Related Party Disclosures

(ii) Previous Year

(a) Name of the Related Parties and Description of Relationship:

Nature of Relationship	Name of Entity	Abbreviation used
Subsidiaries - Indirect	IIPL USA LLC (<i>since November 20, 2013</i>)	
	Sharjah General Services Company LLC (<i>since October 9, 2013</i>)	
	Grusamar Engenharia & Consultoria Brasil LTDA (<i>since August 29, 2013</i>)	
	Rapid MetroRail Gurgaon Limited	RMGL
	Rapid MetroRail Gurgaon South Limited	RMGSL
	Senalizacion Viales E Imagen, SA	
	Yala Construction Company Private Limited	YCCPL
Fellow Subsidiaries (Only with whom there have been transaction during the year/ there was balance outstanding at the year end)	IL&FS Financial Services Limited	IFIN
	IL&FS Capital Advisors Limited	ICAL
	IL&FS Education & Technology Services Limited	IETS
	IL&FS Environmental Infrastructure Services Limited	IEISL
	IL&FS Infrastructure Development Corporation Limited	IIDCL
	IL&FS Maritime Infrastructure Company Limited	IMICL
	IL&FS Township & Urban Assets Limited	ITUAL
	IL&FS Trust Company Limited	ITCL
	IL&FS Renewable Energy Limited	IREL
	IL&FS Securities Services Limited	ISSL
	IL&FS Airport Limited	IAL
	PT Mantimin Coal Mining	PTMCM
	Chattisgarh Highways Development Company Limited	CHDCL
	Jharkhand Accelerated Road Development Company Limited	JARDCL
Associates - Direct	Andhra Pradesh Expressway Limited (<i>upto March 26, 2014</i>)	APEL
	ITNL Toll Management Services Limited	ITMSL
	Thiruvananthapuram Road Development Company Limited	TRDCL
	Warora Chandrapur Ballarpur Toll Road Limited	WCBTRL
Associates - Indirect	Centro de Investigaciones de Curretros Andalucía S.A.	CICAN
	Labetec Ensayos Técnicos Canarios, S.A.	LABTEC

	CGI 8 S.A.	CGI-8
	Elsamex Road Technology Company Limited	ERT(China)
	Sociedad Concesionaria Autovía A-4 Madrid S.A	A4 CONCESSION
	VCS-Enterprises Limited	VCS
	Ramky Elsamex Ring Road Limited, Hyderabad	REHRR
	Zhejiang Elsamex Road Technology Co Ltd	
	Zhejiang Elsamex Road Construction Equipment Co Ltd	
	Emprsas Pame sa De CV	EPSD
Jointly Controlled	Noida Toll Bridge Company Limited	NTBCL
Entities - Direct	Jorabat Shillong Expressway Limited	JSEL
	N.A.M. Expressway Limited	NAMEL
Jointly Controlled	Geotecnia y Control De Qualitat, S.A.	
Entities - Indirect	Chongqing Yuhe Expressway Co. Ltd.	
	Consorcio De Obras Civiles S.R.L	
	Vies Y Construcciones S. R. L.	
Jointly Controlled	Elsamex - ITNL JVCA	
Operations		
Key Management	Mr K Ramchand-Managing Director	
Personnel ("KMP")	Mr Mukund Sapre-Executive Director	
Relatives of KMP	Mrs Rita Ramchand (<i>wife of Mr K Ramchand</i>)	
	Mrs Sangeeta Sapre (<i>wife of Mr Mukund Sapre</i>)	
	Mrs Vishpala Parthasarathy (wife of Mr Ravi Parthasarathy)	
KMP of Holding	Mr Ravi Parthasarathy - Director	
Company	Mr Hari Sankaran - Director	
	Mr Arun Saha - Director	

IL&FS TRANSPORTATION NETWORKS LIMITED

Notes forming part of the Financial Statements for the
year ended March 31, 2015 Note 36 : Related Party
Disclosures. (contd.)

(b) transactions/ balances with above mentioned related parties (mentioned in note 36 (ii) (a) above)

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities	Key Management personnel and relatives	Total
Balances							
Mobilisation Advance paid							
EMSL	-	18.50	-	-	-	-	18.50
Advance paid Total							
Advance towards Share Application Money	-	18.50	-	-	-	-	18.50
(Long-term)							
GRICL	-	600.00	-	-	-	-	600.00
MPBCDCL	-	530.56	-	-	-	-	530.56
OTHERS	-	159.88	-	-	0.13	-	160.01
Advance towards Share Application Money (Lo							
Advances Receivable (Short Term)	-	1,290.44	-	-	0.13	-	1,290.57
ILFS	0.92	-	-	-	-	-	0.92
ELSA	-	189.54	-	-	-	-	189.54
WGEL	-	89.67	-	-	-	-	89.67
PTMCM	-	-	183.59	-	-	-	183.59
OTHERS	-	109.93	49.62	11.93	2.68	-	174.16
Advances Recoverable in Cash or Kind Total							
Cost of Investment in equity shares	0.92	389.13	233.21	11.93	2.68	-	637.87
CNTL	-	3,720.00	-	-	-	-	3,720.00
OTHERS	-	25,583.93	-	830.56	3,429.13	-	29,843.63
Cost of Investment in equity shares Total							
Dividend Receivable	-	29,303.93	-	830.56	3,429.13	-	33,563.63
ELSA	-	161.88	-	-	-	-	161.88
Dividend Receivable Total							
Interest Accrued and due	-	161.88	-	-	-	-	161.88
JRPICL	-	109.62	-	-	-	-	109.62
NAMEL	-	-	-	-	86.08	-	86.08
TRDCL	-	-	-	110.90	-	-	110.90
VNIL	-	96.13	-	-	-	-	96.13
WGEL	-	66.67	-	-	-	-	66.67

OTHERS	-	65.03	-	-	-	-	65.03
Interest Accrued and due Total							
Interest Accrued and not due	-	337.44	-	110.90	86.08	-	534.42
TRDCL	-	-	-	96.67	-	-	96.67
JRPICL	-	190.22	-	-	-	-	190.22
OTHERS	-	24.47	1.15	-	-	-	25.62
Interest Accrued and not due Total							
Interest accrued but not due on borrowings	-	214.68	1.15	96.67	-	-	312.50
NKEL	-	144.47	-	-	-	-	144.47
Interest accrued but not due on borrowings To							
Investment in Covered Warrants	-	144.47	-	-	-	-	144.47
ILFS	1,693.00	-	-	-	-	-	1,693.00
Investment in Covered Warrants Total							
Investment in Preference Shares	1,693.00	-	-	-	-	-	1,693.00
WGEL	-	296.90	-	-	-	-	296.90
Investment in Preference Shares Total							
Investment in Redeemable optionally convertible cumulative preference shares	-	296.90	-	-	-	-	296.90
APEL	-	2,200.00	-	-	-	-	2,200.00
Investment in Redeemable optionally convertib							
Investments in Units	-	2,200.00	-	-	-	-	2,200.00
IRIT	-	1,096.06	-	-	-	-	1,096.06
Investments in Units Total							
Long-term Lendings	-	1,096.06	-	-	-	-	1,096.06
JRPICL	-	2,506.60	-	-	-	-	2,506.60
MPBCDCL	-	1,145.00	-	-	-	-	1,145.00
OTHERS	-	1,152.68	-	343.50	-	-	1,496.18
Long-term Lendings Total	-	4,804.28	-	343.50	-	-	5,147.78

IL&FS TRANSPORTATION NETWORKS LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2015 Note 36 : Related Party Disclosures. (contd.)

(b) transactions/ balances with above mentioned related parties (mentioned in note 36 (ii) (a) above)

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities	Key Management personnel and relatives	Total
Mobilisation Advances Received (Long- term)							
CNTL	-	625.52	-	-	-	-	625.52
IRIDCL	-	270.95	-	-	-	-	270.95
KNCCL	-	628.99	-	-	-	-	628.99
RMGSL	-	206.42	-	-	-	-	206.42
OTHERS	-	124.00	-	-	34.77	-	158.77
Mobilisation Advances Received (Long-term) T							
Mobilisation Advances Received (Short- term)	-	1,855.87	-	-	34.77	-	1,890.65
CNTL	-	490.72	-	-	-	-	490.72
IRIDCL	-	336.55	-	-	-	-	336.55
KNCCL	-	365.37	-	-	-	-	365.37
BKEL	-	287.56	-	-	-	-	287.56
SBHL	-	418.58	-	-	-	-	418.58
JSEL	-	-	-	-	272.86	-	272.86
OTHERS	-	303.61	-	-	24.63	-	328.24
Mobilisation Advances Received (Short-term)							
Preference share with Capital Premium	-	2,202.40	-	-	297.49	-	2,499.89
IFIN	-	-	2,000.00	-	-	-	2,000.00
IMICL	-	-	2,000.00	-	-	-	2,000.00
Provision for redemption premium on Preference Shares	-	-	4,000.00	-	-	-	4,000.00
IFIN	-	-	12.81	-	-	-	12.81
IMICL	-	-	12.81	-	-	-	12.81
Long Term Prepaid eference share Capital with Premium Total	-	-	25.62	-	-	-	25.62
IFIN	-	-	169.11	-	-	-	169.11
Prepaid Total							
Short Term Prepaid	-	-	169.11	-	-	-	169.11

IFIN	-	-	22.49	-	-	-	22.49
Prepaid Total							
Rent Deposit	-	-	22.49	-	-	-	22.49
Mr K Ramchand- Managing Director	-	-	-	-	-	0.50	0.50
Mr Mukund Sapre- Executive Director	-	-	-	-	-	0.25	0.25
Mrs Rita Ramchand (wife of Mr K Ramchand)	-	-	-	-	-	0.50	0.50
Mrs Sangeeta Sapre (wife of Mr Mukund Sapre)	-	-	-	-	-	0.25	0.25
Mrs Vishpala Parthasarathy (wife of Mr Ravi Parthasarathy)	-	-	-	-	-	20.00	20.00
Rent Deposit Total							
Retention Money Payable	-	-	-	-	-	21.50	21.50
ELSAIND	-	4.76	-	-	-	-	4.76
EPE	-	1.49	-	-	-	-	1.49
OTHERS	-	-	0.24	-	-	-	0.24
Retention Money Payable Total							
Retention Money Receivable	-	6.25	0.24	-	-	-	6.49
JSEL	-	-	-	-	255.86	-	255.86
KNCEL	-	143.83	-	-	-	-	143.83
PSRDCL	-	414.26	-	-	-	-	414.26
SBHL	-	158.33	-	-	-	-	158.33
OTHERS	-	212.08	-	-	-	-	212.08
Short-term Borrowings	-	928.50	-	-	255.86	-	1,184.37
NKEL	-	700.00	-	-	-	-	700.00
Short-term Borrowings Total	-	700.00	-	-	-	-	700.00

IL&FS TRANSPORTATION NETWORKS LIMITED
**Notes forming part of the Financial Statements for the
year ended March 31, 2015 Note 36 : Related Party
Disclosures. (contd.)**

(b) transactions/ balances with above mentioned related parties (mentioned in note 36 (ii) (a) above)

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities	Key Management personnel and relatives	Total
Short-term Lendings							
TRDCL	-	-	-	601.00	-	-	601.00
HREL	-	1,320.00	-	-	-	-	1,320.00
MBEL	-	1,487.50	-	-	-	-	1,487.50
PSRDCL	-	500.00	-	-	-	-	500.00
VNIL	-	547.00	-	-	-	-	547.00
OTHERS	-	435.00	80.50	-	-	-	515.50
Trade Payablesort-term Lendings Total	-	4,289.50	80.50	601.00	-	-	4,971.00
IL&FS	108.46	-	-	-	-	-	108.46
IFIN	-	-	131.79	-	-	-	131.79
IRL	-	722.87	-	-	-	-	722.87
OTHERS	-	309.65	12.76	9.88	5.78	-	338.08
Trade Payables Total							
Trade Receivables	108.46	1,032.53	144.55	9.88	5.78	-	1,301.20
IRIDCL	-	2,990.48	-	-	-	-	2,990.48
KNCEL	-	3,496.47	-	-	-	-	3,496.47
KSEL	-	3,324.82	-	-	-	-	3,324.82
OTHERS	-	11,652.06	-	183.35	901.46	-	12,736.86
Trade Receivables Total							
Transactions Administrative and general expenses	-	21,463.82	-	183.35	901.46	-	22,548.62
IL&FS *	366.56	-	-	-	-	-	366.56
IMICL	-	-	92.58	-	-	-	92.58
OTHERS	-	-	67.09	-	-	-	67.09
Administrative and general expenses Total							
Advance towards Share Application Money	366.56	-	159.67	-	-	-	526.23
IPL	-	61.86	-	-	-	-	61.86
RMGL	-	98.00	-	-	-	-	98.00
ELSAIJVCA	-	-	-	-	-	-	-
Advance towards Share Application Money To							
Construction Cost	-	159.86	-	-	-	-	159.86

ELSAIND	-	250.57	-	-	-	-	250.57
IRL	-	1,872.45	-	-	-	-	1,872.45
Construction Cost Total							
Converted to Equity Shares	-	2,123.02	-	-	-	-	2,123.02
RMGL	-	1,422.05	-	-	-	-	1,422.05
IPL	-	244.75	-	-	-	-	244.75
Converted to Equity Shares Total							
Deputation Cost	-	1,666.80	-	-	-	-	1,666.80
ELSA	-	23.33	-	-	-	-	23.33
Deputation Cost Total							
Director Remuneration	-	23.33	-	-	-	-	23.33
Mr K Ramchand-Managing Director	-	-	-	-	-	69.72	69.72
Mr Mukund Sapre-Executive Director	-	-	-	-	-	40.08	40.08
Director Remuneration Total							
Director Commission	-	-	-	-	-	109.80	109.80
Mr Parthasarathy Ravi Director	-	-	-	-	-	0.90	0.90
Mr Hari Sankaran Director	-	-	-	-	-	0.90	0.90
Mr Arun Saha Director	-	-	-	-	-	0.90	0.90
Dividend Income	-	-	-	-	-	2.70	2.70
ELSA	-	161.88	-	-	-	-	161.88
IRIT	-	47.81	-	-	-	-	47.81
NTBCL	-	-	-	-	117.99	-	117.99
OTHERS	-	7.72	-	-	-	-	7.72
Dividend Income Total	-	217.42	-	-	117.99	-	335.40

IL&FS TRANSPORTATION NETWORKS LIMITED
**Notes forming part of the Financial Statements for the
year ended March 31, 2015 Note 36 : Related Party
Disclosures. (contd.)**

(b) transactions/ balances with above mentioned related parties (mentioned in note 36 (ii) (a) above)

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities	Key Management personnel and relatives	Total
Dividend Paid							
ILFS	540.00	-	-	-	-	-	540.00
Othres	-	-	9.76	-	-	-	9.76
Dividend Paid Total							
Interest Income	540.00	-	9.76	-	-	-	549.76
TRDCL	-	-	-	114.23	-	-	114.23
HREL	-	219.88	-	-	-	-	219.88
JRPICL	-	422.07	-	-	-	-	422.07
MPBCDCL	-	117.86	-	-	-	-	117.86
OTHERS	-	243.61	0.55	-	1.00	-	245.17
Interest Income Total							
Interest on Loans (Expense)	-	1,003.42	0.55	114.23	1.00	-	1,119.20
ISSL	-	-	142.38	-	-	-	142.38
NKEL	-	66.50	-	-	-	-	66.50
OTHERS	-	8.55	18.90	-	-	-	27.45
Interest on Loans (Expense) Total							
Investment made / purchased	-	75.05	161.28	-	-	-	236.33
HREL	-	969.03	-	-	-	-	969.03
IRIDCL	-	880.00	-	-	-	-	880.00
IRL	-	1,353.07	-	-	-	-	1,353.07
KNCEL	-	1,485.00	-	-	-	-	1,485.00
OTHERS	-	3,589.84	-	-	130.00	-	3,719.84
Investment made / purchased Total							
Lendings	-	8,276.94	-	-	130.00	-	8,406.94
HREL	-	1,180.00	-	-	-	-	1,180.00
JRPICL	-	2,489.50	-	-	-	-	2,489.50
MBEL	-	1,487.50	-	-	-	-	1,487.50
OTHERS	-	2,924.20	77.50	190.00	-	-	3,191.70
Lendings Total							
Miscellaneous Income	-	8,081.20	77.50	190.00	-	-	8,348.70
ELSA	-	61.93	-	-	-	-	61.93
I IPL	-	64.18	-	-	-	-	64.18
IOPL	-	75.80	-	-	-	-	75.80
PTMCM	-	-	183.59	-	-	-	183.59
OTHERS	-	-	-	-	6.00	-	6.00
Miscellaneous Income Total							
Operating Expenses	-	201.91	183.59	-	6.00	-	391.50

(Other than Construction Cost)							
ELSAIND	-	222.80	-	-	-	-	222.80
GIYC	-	393.89	-	-	-	-	393.89
EMSL	-	84.31	-	-	-	-	84.31
OTHERS	-	102.99	3.03	-	-	-	106.02
Operating Expenses (Other than Construction)							
Purchase of goods	-	803.98	3.03	-	-	-	807.01
IETS	-	-	0.76	-	-	-	0.76
Purchase of goods Total							
Proposed Dividend on Preference Shares	-	-	0.76	-	-	-	0.76
IFIN	-	-	105.03	-	-	-	105.03
IMICL	-	-	105.03	-	-	-	105.03
Rent Expense	-	-	210.05	-	-	-	210.05
Mr K Ramchand- Managing Director	-	-	-	-	-	3.03	3.03
Mr Mukund Sapre- Executive Director	-	-	-	-	-	1.50	1.50
Mrs Rita Ramchand (wife of Mr K Ramchand)	-	-	-	-	-	3.73	3.73
Mrs Sangeeta Sapre (wife of Mr Mukund Sapre)	-	-	-	-	-	1.50	1.50
Mrs Vishpala Parthasarathy (wife of Mr Ravi Parthasarathy)	-	-	-	-	-	0.10	0.10
Rent Expense Total	-	-	-	-	-	9.86	9.86

IL&FS TRANSPORTATION NETWORKS LIMITED
**Notes forming part of the Financial Statements for the
year ended March 31, 2015 Note 36 : Related Party
Disclosures. (contd.)**

(b) transactions/ balances with above mentioned related parties (mentioned in note 36 (ii) (a) above)

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities	Key Management personnel and relatives	Total
Repayment of Borrowings							
IFIN	-	-	1,000.00	-	-	-	1,000.00
IRL	-	2,850.00	-	-	-	-	2,850.00
ISSL	-	-	5,000.00	-	-	-	5,000.00
Repayment of Borrowings Total							
Repayment of Lendings	-	2,850.00	6,000.00	-	-	-	8,850.00
IRIDCL	-	800.00	-	-	-	-	800.00
JRPICL	-	3,245.60	-	-	-	-	3,245.60
OTHERS	-	1,652.25	-	5.10	280.00	-	1,937.35
Repayment of Lendings Total							
Revenue from Operations	-	5,697.85	-	5.10	280.00	-	5,982.95
CNTL	-	4,144.82	-	-	-	-	4,144.82
RMGSL	-	3,262.08	-	-	-	-	3,262.08
OTHRES	-	23,518.55	-	110.25	1,342.19	-	24,971.00
Revenue from Operations Total							
Sale of Shares	-	30,925.45	-	110.25	1,342.19	-	32,377.90
APEL	-	122.20	-	-	-	-	-
Sale of Shares Total							
Short-term Borrowings	-	122.20	-	-	-	-	-
IFIN	-	-	1,000.00	-	-	-	1,000.00
IRL	-	2,850.00	-	-	-	-	2,850.00
ISSL	-	-	5,000.00	-	-	-	5,000.00
	-	2,850.00	6,000.00	-	-	-	8,850.00

Footnote:- *Includes Deputation cost of ₹ 57.31 million charged by Holding Company

Mr K Ramchand-Managing Director	41.59
Mr Mukund Sapre-Executive Director	15.72
	57.31

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
IL&FS TRANSPORTATION NETWORKS LIMITED**

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **IL&FS TRANSPORTATION NETWORKS LIMITED** (hereinafter referred to as "the Holding Company") and its Subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities / operations, comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors and Management are responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities / operations in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Governing Board of the entities included in the Group and of its associates and jointly controlled entities / operations are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, its associate companies and jointly controlled entities / operations and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Holding Company's Board of Directors and Management, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors and Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (1) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the other auditors referred to in sub-paragraph (1) of the Other Matters paragraph below and based on the financial information certified by the Management referred to in sub-paragraph (2) of the Other Matters paragraph below, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities / operations as at March 31, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to:

- (i) the following elements as explained in the footnote of Note 12 and Note 13 of the consolidated financial statements in respect of Intangible Assets / Intangible Assets under Development under the Service Concession Arrangements determined on the basis of:
 - a. Technical evaluations made by experts with respect to:
 1. the amortisation charge of Rs.1,220.38 Mn for the current financial year in respect of the intangible assets under Service Concession Arrangements (SCA) based on the estimated units of usage and estimated toll rates over respective concession period.
 2. estimate of Rs.181.87 Mn provision for overlay expenditure for the year ended March 31, 2015 and the overlay liability as at March 31, 2015 of Rs.505.16 Mn and the timing of the same.
 - b. Internal evaluation by the Management with respect to the margin (construction revenue less construction costs) included in the fair value estimate of the construction services (as required by the Draft Guidance note on Service Concession Arrangements) as part of the intangible asset covered under each Service Concession Arrangements. The cumulative margin included in Intangible asset and Intangible asset under development aggregates Rs.13,398.75 Mn of which Rs.3,232.68 Mn is recognised for the year ended March 31, 2015.
- (ii) the following elements as explained in the footnote of Note 19 of the consolidated financial statements in respect of Receivables against Service Concession Arrangements ("financial assets") determined on the basis of:
 - a. Technical evaluations made by experts with respect to future operating and maintenance costs of Rs.13,214.23 Mn and the provision for and timing of overlay / renewal costs of Rs.12,377.80 Mn considered in determining the effective interest rate for revenue recognition on financial assets covered under each Service Concession Arrangements.
 - b. Internal Management evaluation of the:
 1. cumulative margin to arrive at the fair value estimate of the construction services (margin earned being difference between the construction revenue and construction costs) aggregates Rs.6,638.23 Mn of which Rs.534.37 Mn is recognised for the year ended March 31, 2015 for financial assets covered under each Service Concession Arrangements.
 2. current year revenue of Rs.7,459.89 Mn being the finance income on the basis of the effective interest rate applied on the fair value of the construction services, future operating and maintenance costs and provision for overlay and renewal costs, considering the contractual provisions of each Service Concession Arrangement and the contracted annuities receivable over the Concession period .
- (iii) Foot Note (iv) of Note 14 of the consolidated financial statements, wherein it has been stated that during the year ended March 31, 2015, an associate Company (subsidiary upto August 7, 2014) received a formal communication from the Corporate Debt Restructuring (CDR) Empowered Group with respect to it having formally exited from the CDR system on May 20, 2014. The financial statements of the associate reflect, the contribution by Government of Gujarat ("GOG") amounting to Rs.300 Mn as Advance towards Capital / Debt, liabilities towards Non-convertible Debentures ("NCDs") aggregating Rs.160 Mn and Deep Discount Bonds

("DDBs") aggregating to Rs.1,830.20 Mn. Consequent to the Company's exit from the CDR, the below mentioned items are under discussion and decisions are pending:

- (a) with respect to the Advances towards Capital / Debt, approval from Government of Gujarat ("GOG") to continue the classification of the advances given by GOG of Rs.300 Mn as Advance towards Capital / Debt until the repayment of DDBs and NCDs till July 2018; and
- (b) with respect to the acceptance of the revised terms of the NCDs and DDBs as explained below.

In the view of the Management of the associate company, the amounts payable, if any, for the aforesaid item (a) is currently unascertainable and accordingly, no liability/charge has been created in its financial statements. With respect to item (b) above, the revised terms of the NCDs / DDBs are subject to approval from the trustees for DDBs, DDB holders and NCD holders, however the Group has accounted interest cost / premium on the basis of the revised terms as approved in the Board meeting dated April 23, 2015 of the said Associate, thereby the additional interest / premium cost accounted by the associate on account of the above matter aggregates to Rs.145.50 Mn which has been debited to the Statement of Profit and Loss of the associate. The Group has recognised its share of profit of associate after considering the above additional cost.

- (iv) Note 42 of the consolidated financial statements, regarding an amount of Rs.2,609.30 Mn included as Income from Operations for the year ended March 31, 2015 on account of aggregate compensation claimed by the Company from two Special Purpose Vehicles ("SPVs") and by the two SPV's on the Concession Granting Authorities ("CGA"), for the incremental work and related claims arising from delays due to handing over of the land for project execution. The compensation is based on the provisions in the Service Concession Agreements and is supported by the Extension of Time granted by the Independent Engineers. The SPV's have been legally advised that they are contractually entitled to such claims under the Service Concession Agreements.
- (v) Note 40 of the consolidated financial statements, wherein one of the subsidiary company's auditors' report includes an emphasis of matter drawing attention to the impact on account of additional works / revised project specifications, which have been determined based on the Management estimates and / or technical evaluation by independent experts.
- (vi) Note 41 of the consolidated financial statements, wherein one of the associate company's auditors' report includes an emphasis of matter drawing attention to the appropriateness of the going concern assumption being dependent upon the Annuity and Claim receivable from Kerala Road Fund Board due to delay in the project. According to the Holding Company's Board of Directors and Management there is no additional financial impact on the consolidated financial statement owing to the above matter.

Our opinion on the consolidated financial statements is not modified in respect of the above mentioned matters from (i) to (vi).

Other Matters

1. We did not audit the financial statements of :
 - (a) Forty six subsidiaries whose financial statements reflect total assets of Rs.199,873.53 Mn as at March 31, 2015, total revenues of Rs.25,569.63 Mn and net cash inflows amounting to Rs.923.67 Mn for the year ended on that date, as considered in the consolidated financial statements.
 - (b) Seven jointly controlled entities which reflects the Group's share of total assets of Rs.35,152.78 Mn as at March 31, 2015, in total revenues is Rs.4,082.04 Mn and in net cash outflows is Rs.287.81 Mn for the year ended on that date, as considered in the consolidated financial statements.
 - (c) Ten associates in which the Group's share of Profit of Rs.25.94 Mn for the year ended on March 31, 2015, as considered in the consolidated financial statements.

The financial statements of these sixty three entities have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub section (3) and (11) of section 143 of the Act, in so far as it relates to

the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

2. The consolidated financial statements also include the Group's share of net profit of Rs.16.44 Mn for the year ended March 31, 2015 (carrying value of Rs.1,302.29 million), as considered in the consolidated financial statements, in respect of one associate, whose financial statements / financial information as at / for the nine months ended December 31, 2014 have not been audited by us. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on such unaudited financial statements / financial information certified by the Management. There is no financial information available with the Management after December 31, 2014. In our opinion and according to the information and explanations given to us by the Management, this financial statements / financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters read with sub-paragraph (i) to (vi) given under Emphasis of Matters paragraph above, with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's reports of the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. Our reporting on the Section 143(3) of the Act and Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, includes twenty four subsidiary companies, three associate companies and three jointly controlled companies incorporated in India, to which the aforesaid reporting is applicable, which have been audited by other auditors and our report in respect of these entities is based solely on the reports of the other auditors, to the extent considered applicable for aforesaid reporting in the case of the consolidated financial statements. In addition, there are two subsidiaries which are incorporated in India, to whom aforesaid reporting is not applicable and hence no reporting under the Section has been made.
3. In respect of one subsidiary company and two associate companies incorporated in India which have been audited by other auditors, whilst in our opinion, and according to the information and explanations given to us, reporting under the Section 143(3) of the Act and Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 is applicable in respect of these entities, since the report of the other auditors under the aforesaid reporting have not been provided to us, the possible effects of the same on our aforesaid reporting in the case of these consolidated financial statements has not been considered.
4. In respect of one associate company incorporated in India, which have been included in the consolidated financial statements based on unaudited financial statements /financial information of such entity provided to us by the Management as explained in sub-paragraph (2) of the Other Matters paragraph above, whilst in our opinion, and according to the information and explanations given to us, reporting under the Section 143(3) of the Act and Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 is applicable in respect of this entity, since this entity is unaudited, the possible effects of the same on our reporting under the aforesaid reporting in the case of these consolidated financial statements has not been considered.
5. As required by Section 143(3) of the Act, read with paragraph 2, and subject to paragraphs 3 and 4 above, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the Directors of the Group companies and its associate companies and jointly controlled companies incorporated in India is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and the opinion of the other auditors and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associate companies and its jointly controlled companies - Refer Note 23 to the consolidated financial statements.
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 6 and 6A to the consolidated financial statements.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kalpesh J. Mehta
Partner
(Membership No. 48791)

MUMBAI, May 15, 2015
KJM/NDU

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT
IL&FS TRANSPORTATION NETWORKS LIMITED

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

13. (a) Our reporting on the Order includes twenty three subsidiary companies, three associate companies and three jointly controlled companies incorporated in India, to which the Order is applicable, which have been audited by other auditors and our report in respect of these entities is based solely on the reports of the other auditors, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements. In addition, there are two subsidiaries which are incorporated in India, to whom reporting under this Order is not applicable and hence no reporting under the Order has been made.
- (b) In respect of two subsidiary companies and two associate companies incorporated in India which have been audited by other auditors, whilst in our opinion, and according to the information and explanations given to us, reporting under the Order is applicable in respect of these entities, since the report of the other auditors under the Order have not been provided to us, the possible effects of the same on our reporting under the Order in the case of these consolidated financial statements has not been considered.
- (c) In respect of one associate company incorporated in India, which have been included in the consolidated financial statements based on unaudited financial statements /financial information of such entity provided to us by the Management as explained in sub-paragraph (2) of the Other Matters paragraph above, whilst in our opinion, and according to the information and explanations given to us, reporting under the Order is applicable in respect of this entity, since this entity is unaudited, the possible effects of the same on our reporting under the Order in the case of these consolidated financial statements has not been considered.
14. As required by the Order, read with paragraph 1(a), and subject to paragraphs 1(b) and 1(c) above, we report in below paragraphs.
15. In respect of the fixed assets of the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India:
- (a) The respective companies have generally maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b) The fixed assets were physically verified during the year by the Management of the respective companies in accordance with a regular programme of verification which, in our opinion and the opinion of the other auditors, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us and the other auditors, no material discrepancies were noticed on such verification.
16. In respect of the inventories of the subsidiary companies, associate companies and jointly controlled companies incorporated in India:
- (a) As explained to the other auditors, the inventories were physically verified during the year by the Management of the respective entities at reasonable intervals.
- (b) In the opinion of the other auditors and according to the information and explanations given to the other auditors, the procedures of physical verification of inventories followed by the Management of the respective entities were reasonable and adequate in relation to the size of the respective entities and the nature of their business.
- (c) In the opinion of the other auditors and according to the information and explanations given to the other auditors, the respective entities have maintained proper records of their inventories and no material discrepancies were noticed on physical verification.

17. According to the information and explanations given to us and the other auditors, the Holding Company, its subsidiary companies and jointly controlled company incorporated in India have granted loans, to the extent included in the consolidated financial statements secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 by the respective companies. In respect of such loans:
- (a) The receipts of principal amounts and interest (where contractually receivable) have been regular as per stipulations during the year except in the case of loans given by the Holding Company to two jointly controlled companies and two associate companies incorporated in India where there were delays in receipt of interest.
 - (b) In respect of overdue amounts of over Rs.1 lakh remaining outstanding as at the March 31, 2015, as explained to us and the other auditors, the Management of the respective companies have taken reasonable steps for recovery of the principal amounts and interest.
18. In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, there is an adequate internal control system in the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India, commensurate with the size of the respective companies and the nature of their business for the purchase of fixed assets and for the sale of services and during the course of our and the other auditors audit, no major weakness in such internal control system has been observed.
19. According to the information and explanations given to us, the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India have not accepted any deposit during the year as provided under Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.
20. According to the information and explanations given to us and the other auditors, in our opinion and the opinion of the other auditors, the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India, wherever applicable, have, *prima facie*, made and maintained the prescribed cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under subsection (1) of Section 148 of the Companies Act, 2013. Neither we nor the other auditors have, however, made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
21. According to the information and explanations given to us, and the other auditors, in respect of statutory dues of the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India:
- (a) Twelve subsidiary companies, one associate company and two jointly controlled companies have been regular and the Holding Company, fourteen subsidiary companies, three associate companies and one jointly controlled company have generally been regular, in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, wealth tax, service tax, customs duty, excise duty, sales tax, value added tax, cess and other material statutory dues applicable to the respective companies with the appropriate authorities except in case of one subsidiary company, wherein the Passenger Tax and Nutrition Tax has not been paid throughout the year.
 - (b) There were no undisputed amounts payable by the respective companies in respect of provident fund, employees' state insurance, income tax, wealth tax, service tax, customs duty, excise duty, sales tax, value added tax, cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable except in the case of dues in respect of Passenger Tax, Nutrition Tax and Professional tax aggregating Rs.97.41 Mn, Rs.49.43 Mn and Rs.0.04 Mn respectively in respect of two subsidiary Companies.
 - (c) Details of dues of income-tax which have not been deposited as on March 31, 2015 on account of disputes by five subsidiary companies, two associate companies and one jointly controlled company as given below:

Name of the Statute	Nature of the dues	Amount (Rs. in Mn)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	1,098.78	AY 07-08	CIT(A)
Income Tax Act, 1961	Income Tax	1,345.88	AY 08-09	CIT(A)
Income Tax Act, 1961	Income Tax	0.30	AY 08-09	Assistant Commissioner of Income Tax
Income Tax Act, 1961	Demand u/s 156	12.24	AY 10-11	CIT(A)
Income Tax Act, 1961	Income Tax	17.28	AY 11-12	Deputy Commissioner of Income Tax
Income Tax Act, 1961	Demand u/s 156	14.59	AY 11-12	The Company is in the process of filing appeals before CIT(A) against the order
Income Tax Act, 1961	Income Tax	0.18	AY 11-12	Income Tax Officer
Income Tax Act, 1961	Income Tax	66.47	AY 11-12	CIT(A)
Income Tax Act, 1961	Income Tax demand	11.81	AY 11-12	Commissioner (Appeals)
Income Tax Act, 1961	Income Tax	1,845.47	AY 12-13	CIT(A)
Income Tax Act, 1961	Income Tax	0.03	AY 12-13	Deputy Commissioner of Income Tax
Income Tax Act, 1961	Income Tax	4.08	AY 12-13	The company is in process to file an appeal with CIT(A)
Income Tax Act, 1961	Income Tax	47.47	AY 14-15	The Company is in the process of filing rectification application

(d) There are no amounts that are due to be transferred by the aforesaid companies to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.

22. The Group, its associate companies and jointly controlled companies does not have consolidated accumulated losses at the end of the financial year and the Group, its associate companies and jointly controlled companies have not incurred cash losses on a consolidated basis during the financial year covered by our audit and in the immediately preceding financial year.
23. In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India have not defaulted in the repayment of dues to financial institutions,

banks and debenture holders except in case of one jointly controlled company who had made some defaults during the year towards payment of principal and interest to banks and financial institutions. The default existing as at March 31, 2015 in case of the aforesaid jointly controlled company are as follows:

Particulars	Amount (Rs. in Mn)	Period of delay
Principal Repayment	68.10	1 day
Interest on term loan	122.90	1 day to 60 days

24. According to the information and explanations given to us, the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India have not given guarantees for loans taken by others from banks and financial institutions.
25. In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the term loans have been applied by the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India during the year for the purposes for which they were obtained except in case of one jointly controlled company, to the extent of loan given amounting Rs.843.40 Mn, as reported by the auditor.
26. To the best of our knowledge and according to the information and explanations given to us and other auditors, no fraud by the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India and no material fraud on the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

Kalpesh J. Mehta
Partner
(Membership No. 48791)

Mumbai, May 15, 2015
KJM/NDU

IL&FS TRANSPORTATION NETWORKS LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2015
₹ in million

	Particulars	Note	As at		As at	
			March 31, 2015		March 31, 2014	
I	<u>EQUITY AND LIABILITIES</u>					
1	SHAREHOLDERS' FUNDS					
	(a) Share capital	2	6,231.70		5,707.18	
	(b) Reserves and surplus	3	50,959.97	57,191.67	44,331.07	50,038.25
2	MINORITY INTEREST	5		2,911.39		4,237.50
3	PREFERENCE SHARES ISSUED BY SUBSIDIARY COMPANY	4		-		350.00
4	NON-CURRENT LIABILITIES					
	(a) Long-term borrowings	6	185,917.12		162,667.59	
	(b) Deferred tax liabilities (net)	8	1,245.62		1,990.36	
	(c) Other long term liabilities	9	4,538.16		5,023.24	
	(d) Long-term provisions	11	629.79	192,330.69	526.58	170,207.77
5	CURRENT LIABILITIES					
	(a) Current maturities of long-term debt	6A	26,488.63		15,235.79	
	(b) Short-term borrowings	7	22,729.01		10,261.91	
	(c) Trade payables		10,899.92		15,273.95	
	(d) Other current liabilities	10	3,847.56		3,276.23	
	(e) Short-term provisions	12	2,839.44	66,804.56	2,446.23	46,494.11
	TOTAL			319,238.31		271,327.63
II	<u>ASSETS</u>					
1	NON-CURRENT ASSETS					
	(a) Fixed assets	13				
	(i) Tangible assets (net)		1,744.53		1,553.32	
	(ii) Intangible assets (net)		70,655.64		48,453.87	
	(iii) Capital work-in-progress		186.17		496.53	
	(iv) Intangible assets under development		93,256.52		84,861.90	
	(b) Goodwill on consolidation (net)		5,820.03		5,753.15	
	(c) Non-current investments (net)	14	6,424.61		4,675.66	
	(d) Deferred tax assets	8	161.20		179.99	
	(e) Long-term loans and advances (net)	16	13,865.79		10,998.90	
	(f) Other non-current assets	18	86,542.60	278,657.09	80,875.75	237,849.07
2	CURRENT ASSETS					
	(a) Current investments	15	200.48		15.28	
	(b) Inventories	20	140.79		171.54	
	(c) Trade receivables (net)	21	10,456.24		9,875.38	
	(d) Cash and cash equivalents	22	7,770.64		6,712.84	
	(e) Short-term loans and advances	17	11,923.29		9,735.48	
	(f) Other current assets	19	10,089.78	40,581.22	6,968.04	33,478.56
	TOTAL			319,238.31		271,327.63

Note 1 to 44 forms part of the consolidated financial statements.

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants

Kalpesh J. Mehta
Partner

Mumbai , May 15, 2015

For and on behalf of the Board

Managing
Director Director

Chief Financial Company
Officer Secretary

Mumbai , May 15, 2015

IL&FS TRANSPORTATION NETWORKS LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015
₹ in million

	Particulars	Note	Year ended March 31, 2015	Year ended March 31, 2014
I	Revenue from operations	24	65,008.74	65,869.90
II	Other income	25	3,273.50	2,154.92
III	Total revenue (I + II)		68,282.24	68,024.82
IV	Expenses			
	Cost of materials consumed	26	2,415.82	2,272.70
	Operating expenses	27	31,345.43	36,337.25
	Employee benefits expense	28	4,591.26	4,141.45
	Finance costs (net)	29	18,331.19	14,709.63
	Depreciation and amortisation expense	13	1,521.22	1,510.18
	Administrative and general expenses	30	5,271.86	4,222.19
	Total expenses (IV)		63,476.78	63,193.40
V	Profit before tax (III-IV)		4,805.46	4,831.42
VI	Tax expense:			
	(a) Current tax		1,351.08	1,440.75
	(b) Less: MAT credit entitlement		(341.64)	(181.02)
	(c) Tax relating to earlier years written back		(1.12)	(495.07)
	(d) Net Current tax		1,008.32	764.66
	(e) Deferred tax (net)		(203.97)	(499.17)
	Total tax expense (VI)		804.35	265.49
VII	Profit before share of associates & share of minority interest (V-VI)		4,001.11	4,565.93
VIII	Share of profit of associates (net)		146.43	50.66
IX	Share of loss transferred to minority interest (net)		288.47	13.89
	Profit for year (VII+VIII+IX)		4,436.01	4,630.48
	Earnings per equity share (Face value per share ` 10/-)	31		
	(1) Basic		14.32	20.49
	(2) Diluted		14.32	20.49

Note 1 to 44 forms part of the consolidated financial statements.

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants

Kalpesh J. Mehta
Partner

Mumbai , May 15, 2015

For and on behalf of the Board

Managing Director

Director

Chief Financial Officer

Company Secretary

Mumbai , May 15, 2015

IL&FS TRANSPORTATION NETWORKS LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015
₹ in million

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Cash Flow from Operating Activities		
Profit Before Taxes, Minority Interest and Share of Associates	4,805.46	4,831.42
Adjustments for :-		
Interest income	(2,551.12)	(1,091.36)
Profit on sale of investments (net)	(1,984.35)	(12.72)
Dividend Income	(24.00)	(6.00)
Finance costs	18,331.19	14,709.63
(Profit) / Loss on sale of fixed assets (net)	(20.67)	31.59
Provision for employee benefits (net)	(33.50)	(59.18)
Depreciation and amortization expense	1,521.22	1,510.18
Provision for bad and doubtful debts	52.45	177.21
Provision for overlay expenses	181.87	140.17
Reversal of excess overlay provision	-	(380.83)
Reversal of provision for diminution in value of investments	(342.28)	-
Amortisation of goodwill	82.67	69.83
Amortisation of toll receivable account	11.77	31.41
Foreign currency fluctuation (gain) / loss and other adjustment	(28.74)	12.20
Excess provision written back	-	(0.98)
Operating profit before Working Capital Changes	20,001.97	19,962.57
Adjustments / changes in working capital:		
Increase in trade receivables	(2,490.98)	(876.59)
Increase in other non-current & current assets and long-term & short-term loans and advances	(2,107.65)	(2,803.39)
(Decrease) / increase in trade payables, other non current and current liabilities	(2,943.95)	4,194.75
Cash Generated from Operations	12,459.39	20,477.34
Direct Taxes paid (Net)	(1,776.01)	(2,505.43)
Net Cash generated from Operating Activities (A)	10,683.38	17,971.91
Cash flow from Investing Activities		
Additions to fixed assets	(28,525.60)	(31,978.90)
Proceeds from sale of fixed assets	48.35	20.13
Increase in receivable under service concession arrangements (net)	(7,665.69)	(8,885.10)
Interest received	2,070.97	665.90
Proceeds from sale of investments in subsidiaries	2,654.30	-
Purchase of / advance towards investments (net)	(428.08)	96.81
Investment in covered warrant	(250.00)	-
Proceeds from (purchase) / redemption of mutual funds & other units (net)	(167.94)	369.56
Movement in other bank balances	(1,225.14)	(1,139.06)
Long term loans (given) / repaid (net)	(375.87)	77.33

Short term loans repaid / (given) (net)	(2,075.21)	(426.13)
Inter-corporate deposits (placed) (net)	(216.91)	(32.68)
Dividend received	24.00	6.00
Payment towards acquisition of subsidiary	-	(6.36)
Net Cash used in Investing Activities (B)	(36,132.82)	(41,232.50)
Cash flow from Financing Activities		
Proceeds from issue of Rights Equity Shares	524.52	-
Securities premium on issue of Rights Equity Shares	4,720.71	-
Proceeds from issue CRPS (including securities premium)	-	7,529.00
Preference issue expenses adjusted against securities premium	(55.93)	(67.23)
Proceeds from borrowings	110,274.27	77,356.19
Repayment of borrowings	(62,976.18)	(41,802.46)
Finance costs paid	(26,230.28)	(20,460.33)
Dividend paid	(990.11)	(780.93)
Tax on dividend paid	(253.20)	(162.21)
Capital grant received	1,727.77	2,591.46
Proceeds from minority interest	-	1,035.30
Restructuring charges paid by a subsidiary	-	(869.37)
Preference dividend paid	(305.11)	-
Tax on Preference dividend paid	(51.85)	-
Net Cash generated from Financing Activities (C)	26,384.61	24,369.42
Net Increase in Cash and Cash Equivalents (A+B+C)	935.17	1,108.83
Cash and Cash Equivalent at the beginning of the year	6,111.54	3,577.60
Impact of Foreign Currency Translation	(93.68)	104.24
Impact of acquisition of subsidiary	-	(1,320.87)
Impact of conversion of subsidiary to associates	(60.68)	-
Cash and Cash Equivalent at the end of the year	6,892.35	6,111.54
Net Increase in Cash and Cash Equivalents	935.17	1,108.83
		₹ in million
Components of Cash and Cash Equivalents		
Cash on hand	36.70	35.91
Balances with Banks in current accounts	4,713.88	5,147.55
Balances with Banks in deposit accounts	2,141.77	928.08
Cash and Cash Equivalents as per AS-3	6,892.35	6,111.54
Other Bank Balances		
Unpaid dividend accounts	4.83	4.20
Balances held as margin money or as security against borrowings	873.46	597.10
Cash and Cash Equivalents as per Note 22	7,770.64	6,712.84

Footnote: During the year the Holding Company has purchased additional shares of a subsidiary company for a value of ₹ 393.24 Mn of which a sum of ₹ 387.73 Mn has been adjusted against the loan outstanding from the seller, the impact of this has not been given in the cash flow statement above.

Note 1 to 44 forms part of the consolidated financial statements.

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board

Kalpesh J. Mehta
Partner

Mumbai , May 15, 2015

Managing Director

Director

Chief Financial Officer

Company
Secretary

Mumbai , May 15, 2015

IL&FS TRANSPORTATION NETWORKS LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015

NOTE - 1: PRINCIPLES OF CONSOLIDATION, SIGNIFICANT ACCOUNTING POLICIES

I Basis of Consolidation:

The Consolidated Financial Statements ("CFS") relates to IL&FS Transportation Networks Limited (the "Company"), its subsidiaries, jointly controlled entities, jointly controlled operations and associates. The Company and its subsidiaries constitute "the Group".

The CFS are prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards (AS) specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable and Exposure Draft on the Guidance Note on Accounting for Service Concession Agreement (SCA) for Public-to-Private SCA, issued by the Institute of Chartered Accountants of India in financial year 2008, to the extent it does not conflict with current Accounting Standards. The accounting policies adopted in the preparation of the CFS are consistent with those followed in the previous year except for change in the accounting policy for depreciation as more fully described in Note 1(K) below.

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the consolidated financial statements, the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of its consolidated financial statements are prudent and reasonable. Actual results could differ from these estimates. In case the actual results are different are those from estimates, the effect thereof is given in the consolidated financial statements of the period in which the events materialise.

4 Principles of Consolidation:

The CFS have been prepared by the Company in accordance with Accounting Standards (AS) 21 on

"Consolidated Financial Statements", AS 27 on "Financial Reporting of Interests in Joint Ventures" and AS 23 on "Accounting for Investments in Associates in Consolidated Financial Statements"

The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.

As the financial assets and intangible assets recognized under service concession arrangement are acquired in exchange for infrastructure construction / upgrading services, gains / losses on intra group transactions are treated as realized and not eliminated on consolidation.

In case of foreign subsidiaries, revenue items are consolidated by applying the average rate prevailing during the period to the foreign currency amounts. All assets and liabilities are consolidated by applying the rates prevailing at the period end to the foreign currency amounts. Shareholder's funds are consolidated by applying the transaction date rates to the foreign currency amounts.

The CFS include the share of profit / loss of the associate companies which have been accounted for using equity method as per AS 23 Accounting for Investments in Associates in Consolidated Financial Statements. Accordingly, the share of profit/ loss of each of the associate companies (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments.

The accounting policies of subsidiaries have been adjusted, as necessary and to the extent practicable, so as to ensure consistent accounting within the Group.

IL&FS TRANSPORTATION NETWORKS LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015

The excess of cost to investments in the subsidiary companies / jointly controlled entities over its share of equity of the subsidiary companies / jointly controlled entities, at the dates on which the investments in the subsidiary companies / jointly controlled entities were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. On the other hand, where the share of equity in the subsidiary companies / jointly controlled entities as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves & Surplus', in the consolidated financial statements. The 'Goodwill' / 'Capital Reserve' is determined separately for each subsidiary company / jointly controlled entity and such amounts are not set off between different entities. Any change in the cost of the investment in subsidiary or jointly controlled entity post the acquisition thereof is effected by way of change in the goodwill on consolidation or capital reserve on consolidation, as the case may be.

Minority Interest in the net assets of the consolidated subsidiary companies consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.

The financial statements of the subsidiaries, associates and jointly controlled entities used in the consolidation are drawn up to the same reporting date as that of the Company i.e. March 31, 2015 except for one overseas subsidiary viz. Elsamex S.A. whose audited consolidated financial statements (incorporating the financial statements of its subsidiaries, jointly controlled entities/ operations and its associates) have been drawn for a period of twelve months up to December 31, 2014 and adjusted for effects of significant transactions and other events that have occurred between January 01, 2015 and March 31, 2015.

- 3 The list of subsidiary companies, which are included in the CFS with their respective country of incorporation and the Group's holding therein are given below:

Name of the Subsidiary	Country of Incorporation	Proportion of Group's Interest (%)		Date of Acquisition of Control
		As at March 15	As at March 14	
1. Held directly:				
Gujarat Road and Infrastructure Company Limited ("GRICL") (upto August 7, 2014)	India	-	83.61	January 11, 2007
	India	100.00	100.00	March 13, 2007
Scheme of ITNL Road Investment Trust ("IRIT")				
East Hyderabad Expressway Limited ("EHCL")	India	74.00	74.00	September 5, 2007
ITNL Road Infrastructure Development Company Limited ("IRIDCL")	India	100.00	100.00	January 17, 2008

IL&FS Rail Limited (“IRL”)	India	73.56	71.37	February 4, 2008
	Spain	100.00	100.00	March 18, 2008
Elsamex SA (includes 22.61 %				
shares held through IIPL,				
previous year 22.61%) (“Elsamex”)				
ITNL International Pte. Ltd. (“IIPL”)	Singapore	100.00	100.00	September 19, 2008

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Name of the Subsidiary			Country of Incorporation	Proportion of Group's Interest (%)		Date of Acquisition of Control
				As at March 15	As at March 14	
Vansh Nimay Infraprojects Limited ("VNIL")			India	90.00	90.00	March 25, 2009
West Gujarat Expressway Limited ("WGEL")			India	74.00	74.00	June 10, 2009
Hazaribagh Ranchi Expressway Limited ("HREL")			India	99.99	74.00	August 1, 2009
Pune Sholapur Road Development Company Limited ("PSRDCL")			India	90.91	90.91	September 25, 2009
Moradabad Bareilly Expressway Limited ("MBEL")			India	100.00	100.00	February 4, 2010
Jharkhand Road Projects Implementation Company Limited ("JRPICL")			India	93.43	93.43	February 27, 2010
Chenani Nashri Tunnelway Limited ("CNTL")			India	100.00	100.00	June 2, 2010
MP	Border	Checkpost	India	74.00	51.00	October 28, 2010
Badarpur Tollway Operations Management Limited ("BTOML")			India	100.00	100.00	December 9, 2010
Futureage Infrastructure India Limited ("FIIL")			India	58.48	58.48	July 14, 2011
Charminar RoboPark Limited			India	89.20##	89.20##	July 27, 2011

("CRL")						
ITNL Offshore Pte. Ltd. ("IOPL")		Singapore	100.00	100.00	December 5, 2011	
Karyavattom Sports Facility		India	100.00	100.00	February 8, 2012	
Limited ("KSFL")						
Kiratpur Ner Chowk Expressway		India	100.00	100.00	February 12, 2012	
Limited ("KNCEL")						
Baleshwar Kharagpur		India	100.00	100.00	April 4, 2012	
Expressway Limited ("BKEL")						
Sikar Bikaner Highway Limited		India	100.00	100.00	May 9, 2012	
("SBHL")						
Khed Sinnar Expressway Limited		India	100.00	100.00	June 12, 2013	
("KSEL")						
Barwa Adda Expressway Limited		India	100.00	100.00	June 27, 2013	
("BAEL")						

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Name of the Subsidiary	Country of Incorporation	Proportion of Group's Interest (%)			Date of Acquisition of Control
		As at March 15		As at March 14	
GIFT Parking Facilities Limited ("GPFL")	India	100.00		100.00	January 9, 2014
ITNL Offshore Two Pte. Ltd. ("IOPL2")	Singapore	100.00		-	February 9, 2015
ITNL Offshore Three Pte. Ltd. ("IOPL3")	Singapore	100.00		-	March 10, 2015
2. Held through subsidiaries:					
North Karnataka Expressway Limited ("NKEL")	India	93.50@		93.50@	March 21, 2007
Atenea Seguridad Y Medio Ambiente S.A.U.	Spain	100.00	\$	100.00	* March 18, 2008
Senalizacion Viales e Imagen S.A.U.	Spain	100.00	\$	100.00	* March 18, 2008
Elsamex Internacional S.L.	Spain	100.00	\$	100.00	* March 18, 2008
Grusamar Ingenieria Y Consulting, S.L.	Spain	100.00	\$	100.00	* March 18, 2008
Elsamex Portugal S.A.	Portugal	70.00	\$	70.00	* March 18, 2008
Inteval Gestao Integral Rodoviaria S.A.	Portugal	100.00	\$	100.00	* March 18, 2008
Elsamex India Private Limited	India	99.15	\$	99.15	* March 18, 2008
Yala Construction Co Private Limited	India	96.03	\$	96.03	* March 18, 2008
Mantenimiento Y Conservacion De Vialidades S.A. DE C.V.	Mexico	64.00	\$	64.00	* March 18, 2008
ESM Mantenimiento Integral,	Mexico	100.00	\$	100.00	* March 18, 2008

SA DE CV						
	Spain					March 18, 2008
CISEM-INTEVIA, S.A.		100.00	\$	100.00	*	
	Spain					March 18, 2008
Control 7, S.A.		100.00	\$	100.00	*	
	Albania					March 18, 2008
Grusamar Albania SHPK		51.00	\$	51.00	*	
	Brazil					March 18, 2008
Elsamex Brazil LTDA		44.10	\$^^	44.10	*^^	
	India					July 30, 2009
Rapid MetroRail Gurgaon		82.81#		81.39#		
Limited ("RMGL")						
	Spain					May 31, 2010
Area De Servicio Coiros S.L.U.		100.00	\$	100.00	*	
	Mexico					September 1,
Conservacion De Infraestructuras		96.40	\$	96.40	*	
						2010
De Mexico S.A. DE C.V.						
	Spain					December 17,
Alcantarilla Fotovoltaica, S.L.U.		100.00	\$	100.00	*	

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Name of the Subsidiary			Country of Incorporation	Proportion of Group's Interest (%)		Date of Acquisition of Control
				As at March 15	As at March 14	
Area De Servicio Punta Umbria, S.L.U.			Spain	100.00	\$ 100.00 *	December 17, 2010
ITNL International DMCC ("IIDMCC") [formerly known as ITNL International JLT]			UAE	100.00	100.00	May 17, 2012
Beasolarta S.A.U.			Spain	100.00	\$ 100.00 *	November 29, 2012
Rapid MetroRail Gurgaon South Limited ("RMGSL")			India	82.81@@	81.39@@	December 6, 2012
ITNL Africa Projects Ltd. ("IAPL")			Nigeria	100.00^	100.00^	February 28, 2013
Grusamar India Limited			India	100.00	\$ 100.00*	March 21, 2013
Elsamex Construc�o E Manutencao LTDA			Brazil	99.99	\$ 99.99*	June 26, 2013
Sharjah General Services Company LLC ("SGSC")			UAE	49.00**	49.00**	October 9, 2013
IIPL USA LLC			USA	100.00	100.00	November 20, 2013
Andhra Pradesh Expressway Limited			India	86.74\$\$	86.74\$\$	March 27, 2014
Elsamex Maintenance Services limited			India	99.88 \$	99.88*	September 12, 2013
Elsamex LLC			USA	100.00	\$ 100.00*	September 26, 2013
Grusamar Engenharia y Consultor�a			Brazil	99.99	\$ 99.99*	August 29, 2013

Brasil LTDA						
		India			83.61	Incorporated on
GRICL Rail Bridge Development				-		
Company Limited ("GRBDCL") (upto August 7, 2014)						February 24, 2014

\$ Proportion of Group's Interest as at December 31, 2014

* Proportion of Group's Interest as at December 31, 2013

Out of the above 74.00% is directly held by the Company and balance 15.20% through FIIL (Previous year 74.00% held by Company and balance 15.20% held through FIIL)

@ Out of the above 13.00% is held directly by the Company and balance 80.50% through the scheme of IRIT (Previous year 13.00% held by the Company and balance 80.50% through the scheme of IRIT).

^^ Elsamex Portugal S.A directly holds 63% in Elsamex Brazil LTDA and Elsamex S.A. directly holds 70% in Elsamex Portugal S.A. Accordingly, Groups proportionate holding comes to 44.10%. (Previous year - Elsamex Portugal S.A directly holds 63% in Elsamex Brazil LTDA and Elsamex S.A. directly holds 70% in Elsamex Portugal S.A. Accordingly, Groups proportionate share comes to 44.10%)

Out of the above 35.00% is directly held by the Company and balance 47.81% through IRL (Previous year 35.00% held by Company and balance 46.39% held through IRL).

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Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015

@@ Out of the above 35% is held directly by the Company and balance 47.81% through the IRL.
(Previous year 35.00% held by Company and balance 46.39% held through IRL).

^ Out of the above 0.50 % is directly held by the Company and balance 99.50% through IIPL (Previous year 0.50 % held by Company and balance 99.50% through IIPL)

c. As per Memorandum of Association between IIPL and other shareholder, Profits and Statutory Reserve, the net profits of SGSC and losses shall be distributed among IIPL 70% and other shareholders 30%. IIPL controls the SGSC though composition of Board of Directors and accordingly is a subsidiary of IIPL.

\$\$ Out of the above 12.74 % is directly held by the Company and balance 74% through IRIT (Previous year 12.74 % is directly held by the Company and balance 74% through IRIT)

3. (a) The financial position and results (after eliminations) of IOPL2 and IOPL3 which became subsidiaries during the year ended March 31, 2015 are given below:

		₹in million	
		IOPL2	IOPL3
Equity and Liability as at March 31, 2015			
Shareholder's Funds	(Including share application money)	-	-
Current liabilities		34.71	-
		34.71	-
Assets as at March 31, 2015			
Non-current assets		35.95	-
		35.95	-

Income for the period (from the date of incorporation / acquisition to March 31, 2015)

Total Income	-	
Expenses for the period (from the date of incorporation / acquisition to March 31, 2015)		
Total Expenses	-	
Profit / (Loss) for the period after tax	-	

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The financial position and results (after eliminations) of BAEL, KSEL, SGSC, IIPLUS, APEL, GRBDCL, Grusamar India Limited, Elsamex Construção E Manutenção LTDA, Elsamex Maintenance Services limited, Elsamex LLC, Grusamar Engenharia Y Consultoria Brasil LTDA and GPFL which became subsidiaries during the year ended March 31, 2014 are given below:

	₹ in million				
	BAEL	KSEL	SGSC	IIPLUS	APEL
Equity and Liability as at March 31, 2014					
Shareholder's Funds (Including share application money)	(4.56)	(6.37)	(12.13)	(3.89)	(169.59)
Non-current liabilities	-	147.76	-	-	5,825.71
Current liabilities	185.51	43.87	0.08	-	764.72
	180.95	185.26	(12.05)	(3.89)	6,420.84
Assets as at March 31, 2014					
Fixed Assets (Net Block)	2,339.73	4,016.01	1.53	-	1.99
Non-current assets	-	9.72	0.08	-	7,408.96
Current assets	7.26	107.67	3.34	58.67	1,393.30
	2,346.99	4,133.40	4.96	58.67	2,534.50
Income for the period (from the date of incorporation / acquisition to March 31, 2014)					
Operating income	2,099.56	3,774.77	-	-	9.35
Other income	-	-	-	-	2.77
Total Income	2,099.56	3,774.77	-	-	12.13
Expenses for the period (from the date of incorporation / acquisition to March 31, 2014)					
Operating expenses	238.13	199.24	0.07	1.44	1.01
Depreciation	-	-	0.14	-	0.01
Interest cost	-	-	-	-	9.08
Other administrative expenses	4.56	8.39	4.56	-	0.23
Total Expenses	242.69	207.63	4.77	1.44	10.32
Profit / (Loss) for the period before tax	1,856.86	3,567.14	(4.77)	(1.44)	1.80
Taxes	-	-	-	-	-
Profit / (Loss) for the period after tax	1,856.86	3,567.14	(4.77)	(1.44)	1.80

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₹ in million

	GRBDCL	Grusamer India Ltd.	Elsamex Construcao E Manutencao LTDA	Elsamex Maintenance Services Ltd.
Equity and Liability as at March 31, 2014				
Shareholder's Funds (Including share application money)	(0.02)	5.78	(1.10)	0.44
Non-current liabilities	-	-	-	-
Current liabilities	-	11.57	2.19	
	(0.02)	17.35	1.09	0.44
Assets as at March 31, 2014				
Fixed Assets (Net Block)	-	-	0.20	-
Non-current assets	-	-	-	0.02
Current assets	-	17.35	0.89	0.42
	-	17.35	1.09	0.44
Income for the period (from the date of incorporation / acquisition to March 31, 2014)				
Operating income	-	24.53	-	-
Other income	-	0.07	-	-
Total Income	-	24.59	-	-
Expenses for the period (from the date of incorporation / acquisition to March 31, 2014)				
Operating expenses	-	16.70	-	-
Depreciation	-	-	-	-
Interest cost	-	-	0.02	-
Other administrative expenses	0.02	0.12	0.30	0.04
Total Expenses	0.02	16.83	0.32	0.04
Profit / (Loss) for the period before tax	(0.02)	7.77	(0.32)	(0.04)
Taxes	-	2.41	-	-
Profit / (Loss) for the period after tax	(0.02)	5.35	(0.32)	(0.04)

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Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015

(b) The financial position and results of GRICL and GRBDCL which ceased to be subsidiary during year ended March 31, 2015 is given below:

	₹ in million	
	GRICL	GRBDCL
Equity and Liability as at June 30, 2014		
Shareholder's Funds (Including share application money)	1,863.56	(0.04)
Non-current liabilities	2,361.73	-
Current liabilities	301.05	-
	4,526.34	(0.04)
Assets as at June 30, 2014		
Fixed Assets (Net Block)	4,833.95	-
Non-current assets	1,985.44	-
Current assets	180.55	-
	6,999.94	-
Income for the period (from the period April 1, 2014 till August 7, 2014)		
Operating income	411.25	-
Other income	6.16	-
Total Income	417.41	-
Expenses for the period (from the period April 1, 2014 till August 7, 2014)		
Employee expenses	4.51	-
Operating expenses	9.00	-

Depreciation	35.58	-
Interest cost	85.18	-
Other administrative expenses	25.45	0.02
Total Expenses	159.72	0.02
Profit / (Loss) for the period before tax	257.69	(0.02)
Taxes	66.52	-
Profit / (Loss) for the period after tax	191.16	(0.02)

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E. Interest in Jointly Controlled Entities:

- (a) The financial statements (consolidated financial statements where applicable) of jointly controlled entities have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses as required by AS 27 using the proportionate consolidation method.
- (b) The accounting policies in the jointly controlled entities have been adjusted as necessary and to the extent practicable, so as to ensure consistent accounting with the policies stipulated by the Company.
- (c) The Group's interest in jointly controlled entities are:

Name of the Company	Country of	Date of	Proportion of Group's	
	Incorporation	Acquisition of	Interest (%)	
		Joint Control	As at	As at
			March 15	March 14
Held Directly :				
Noida Toll Bridge Company Limited (NTBCL)	India	Various dates	25.35	25.35
N.A.M. Expressway Limited (NAMEL)	India	June 15, 2010	50.00	50.00
Jorabat Shillong Expressway Limited (JSEL)	India	June 18, 2010	50.00	50.00
Held through Subsidiaries :				
Consorcio De Obras Civiles S.R.L	R.Dominicana	December 11, 2009	34.00	\$ 34.00 *
Geotecnia y Control De Qualitat, S.A.	Spain	July 15, 2010	50.00	\$ 50.00 *
Vias Y Construcciones S. R. L.	R.Dominicana	August 12, 2010	50.00	\$ 50.00 *
Chongqing Yuhe Expressway Co. Ltd.	China	December 27, 2011	49.00	49.00

Footnote: NTBCL includes ITNL Toll Management Services Limited, a subsidiary of NTBCL, which is also an associate of the Company.

- \$ Proportion of Group's Interest as at December 31, 2014
 * Proportion of Group's Interest as at December 31, 2013

F. Interest in Joint Controlled Operations :

- (a) The financial statements (including consolidated financial statements where applicable) of the jointly controlled operations have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses as required by AS 27 using the proportionate consolidation method. The financial statements of the jointly controlled operations are prepared by the respective operators in accordance with the requirements prescribed by the joint operating agreements of the jointly controlled operations.

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- (b) The accounting policies of jointly controlled operations have been adjusted as necessary and to the extent practicable, so as to ensure consistent accounting with the policies stipulated by the Company.
- (c) The Group's interest in jointly controlled operations are :

Name of the Jointly Controlled Operations	Proportion of Group's Interest (%)	
	As at	As at
	March 15	March 14
Api Conservacion-Elsamex UTE Teruel II	50% \$	50% *
Asfaltos Uribe-Norte Industrial-Construcciones Eder-Elsamex	28% \$	28% *
UTE Durango Bi		
Atenea – Basoinsa UTE Atda Bergara Zizurkil	50% \$	50% *
Atenea – Consulnima UTE Consultea	50% \$	50% *
Atenea – Iz Ingenieros UTE Atda Embalse De Flix	50% \$	50% *
Betancourt – Grusamar UTE Linares	50% \$	50% *
Betancourt –Grusamar UTE Rio Alhama	50% \$	50% *
Con Interaniño	50% \$	50% *
Cons.Carreteras del Sur	60% \$	60% *
Cons.Jose Saldis	34% \$	34% *
Corsan Corviam-Elsamex UTE Corelsa	50% \$	50% *
Dair –Intevia	50% \$	50% *
Elsamex- Martín Casillas UTE Conservación Cádiz	50% \$	50% *
Elsamex-Arias UTE Conservación Coruña II	-	60% *
Elsamex-Asfaltos Uribe Este Señal UTE Durango II	45% \$	45% *
Elsamex-Asfaltos Urretxu UTE Itziar	50% \$	50% *
Elsamex-Cauchil UTE Elsamex- Cauchill Jaen	80% \$	80% *
Elsamex-Iberseñal UTE Señalización Madrid	60% \$	60% *
Elsamex-Oca UTE Conservación Orense III	50% \$	50% *
Elsamex-Oca UTE Coruña III	70% \$	70% *
Elsamex-Rubau UTE Argenton	50% \$	50% *
Elsamex-Sando UTE II Conservación A-395	50% \$	50% *
Elsamex-Torrescamara UTE Presas	50% \$	50% *
Elsamex-Velasco UTE Polideportivos Latina	50% \$	50% *

Elsan Pacsa-Elsamex UTE Navalvillar De Pela II	50% \$	50% *
Epsilon	35% \$	35% *
Geoteyco-Cgs-Ciesm-Enmacosa 2/2008	24% \$	24% *
Grusamar – Progescan UTE Areas De Servicio	100% \$	100% *
Grusamar- Elsamex – Atenea	30% \$	30% *
Grusamar Elsamex Atenea UTE Seguridad Vial Murcia	50% \$	50% *
Grusamar- Ineco- Inastecan UTE Arucas	40% \$	40% *
Grusamar-Elsamex-Atenea UTE Seguridad Vial Murcia	20% \$	20% *
Intevia-Grusamar UTE Seguridad Vial Norte	-	30% *
Intevia-Grusamar UTE Seguridad Vial Norte	-	70% *
Intevia-Grusamar-Dair UTE Seguridad Vial Bizkaia	10% \$	10% *
Intevia-Grusamar-Dair UTE Seguridad Vial Bizkaia	60% \$	60% *
Serop-Elsamex UTE Mantenimiento Serop-Elsamex	-	50% *

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Name of the Jointly Controlled Operations	Proportion of Group's Interest (%)	
	As at	As at
	March 15	March 14
UTE Abedul Cáceres	25% \$	25% *
UTE Abedul Orihuela	25% \$	25% *
UTE Abedul Ponferrada	25% \$	25% *
UTE Abedul Villavidel	25% \$	25% *
UTE Abedul Zamora	25% \$	25% *
UTE Almanzora	65% \$	65% *
UTE AP-7 Ondara	60% \$	60% *
UTE Arona	60% \$	60% *
UTE Asistencia Molinar	52% \$	52% *
UTE Atenea-Paymacotas	40% \$	40% *
UTE Atenea-Prevecons	55% \$	55% *
UTE Autovia de Santiago	50% \$	50% *
UTE Bizcaya Bi	37.5% \$	37.5% *
UTE CAP 1	50% \$	50% *
UTE CEIP 1	-	50% *
UTE Cican Ciesm	50% \$	50% *
Ute Conservacion Almeria	70% \$	70% *
Ute Conservacion Asturias	50% \$	50% *
UTE Conservacion Caceres	50% \$	50% *
UTE Cordoba	50% \$	50% *
UTE Dallas	50% \$	50% *
UTE Elsamex Arias Oca Conservación Orense	50% \$	50% *
UTE Elsamex-Lujan Alicante	50% \$	50% *
UTE Grusamar – OHS Ingeniería Y Urbanismo UTE Travesía	50% \$	50% *

De Hermigua		
UTE Grusamar-Eyser	50% \$	50% *
Ute Grusamar-Ingelan	-	60% *
Ute Grusamar-Intecsa-Inarsa-Atenea	30% \$	30% *
Ute Grusamar-Intecsa-Inarsa-Atenea	30% \$	30% *
UTE Grusumar – Inserco Rambla Retamar	50% \$	50% *
UTE Mantenimient De Cuenca	50% \$	50% *
UTE Parking Estacion Intermodal	50% \$	50% *
UTE SG-2/2011	24% \$	24% *
UTE Sur Sevilla	50% \$	50% *
UTE Tren Mallorca	80% \$	80% *
UTE Urbanizacion Centro	30% \$	30% *
UTE Viales el Jable	50% \$	50% *
UTE Vizcaya II	-	45% *
Consortio Elsamex-Grusamar Ecuador	100% \$	100% *
JV Elsamex – Ascon	50% \$	50% *
UTE Control 7 Geoplaning	50% \$	50% *
UTE Elsamex-Pulido	50% \$	-
UTE AP-7 Ondara 2	60% \$	-
UTE Prointec-Intevia-Gestinsa	33% \$	-
UTE Ciesm-Intevia-Conurma	40% \$	-

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Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015

Name of the Jointly Controlled Operations	Proportion of Group's	
	Interest (%)	
	As at	As at
	March 15	March 14
UTE Intevia-Getinsa-Ciesa	34% \$	-
UTE Etiopia 35	100%	-
UTE Sistema tarifario	50%	-
UTE Elsamex-Rebogar	60%	-
UTE Antequera	30%	-
UTE Burgos Sur	86%	-
UTE Alumbrado Tegueste	50%	-
UTE Avda. de Daganzo	50%	-
UTE Servicios Energeticos las Palmas	50%	-
UTE Jaen Sur	70%	-
UTE Ciesm- Intevia-Dair-Itsak	42.5%	-
Elsamex – ITNL JVCA	100%	100%
\$ Proportion of Group's Interest as at December 31, 2014		

* Proportion of Group's Interest as at December 31, 2013

G. Investments in Associates:

- (a) An associate is an entity over which the Group is in a position to exercise significant influence, but not control or joint control, through participation in the financial and / or operating policy decisions of such enterprises. In accordance with AS 23 the investments are carried in the Consolidated

Balance Sheet at cost as adjusted by post acquisition changes in the Group's share in the Reserves and Surplus of Associates.

(b) The accounting policies of associates have been adjusted as necessary and to the extent practicable, so as to ensure consistent accounting with the policies stipulated by the Company.

(c) Details of associates and ownership interest are as follows:

Name of the Company	Country of Incorporation	Proportion of Group's Interest (%)	
		As at March 15	As at March 14
1.Held directly :			
Thiruvananthapuram Road Development Company Limited ("TRDCL")	India	50.00	50.00
ITNL Toll Management Services Limited ("ITMSL") (see footnote below)	India	49.00	49.00
Warora Chandrapur Ballarpur Toll Road Limited ("WCBTRL")	India	35.00	35.00
Srinagar Sonamarg Tunnelway Limited ("SSTL")	India	49.00	-
Gujarat Road and Infrastructure Company Limited ("GRICL") (from August 8, 2014)	India	41.81	-

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2.Held through Subsidiaries :				
CGI 8 S.A.	Spain	49.00	\$	49.00 *
Elsamex Road Technology Company Limited	China	23.44	\$	23.44 *
Sociedad Concesionaria Autovía A-4 Madrid S.A	Spain	48.75	\$	48.75 *
VCS Enterprises Limited	India	30.00	\$	30.00 *
Ramky Elsamex Hyderabad Ring Road Limited	India	26.00	\$	26.00 *
Empresas Pame sa De CV (upto May 14, 2014)	Mexico	-		34.10 *
Zhejiang Elsamex Road Technology Co Ltd	China	23.44	\$	23.44 *

Zhejiang Elsamex Road Construction Equipment Co	China	23.44	\$	23.44 *
Ltd				

Note: ITMSL is a subsidiary of NTBCL which is consolidated as a Jointly Controlled Entity. \$ Proportion of Group's Interest as at December 31, 2014

* Proportion of Group's Interest as at December 31, 2013

H. Goodwill on consolidation:

- (a) Goodwill comprises the portion of the purchase price for an acquisition that exceeds the Group's share in the identifiable assets, with deductions for liabilities, calculated on the date of acquisition.
- (b) Goodwill arising from the acquisition of associates is included in the value of the holdings in the associate.
- (c) Goodwill is deemed to have an indefinite useful life and is reported at acquisition value with deduction for accumulated impairments. An impairment test of goodwill is conducted once every year or more often if there is an indication of a decrease in value. The impairment loss on goodwill is reported in the Consolidated Statement of Profit and Loss.
- (d) Goodwill on consolidation pertaining to subsidiaries/jointly controlled entities (special purpose vehicles) having a definite concession period is amortize, over the balance concession period on a systematic basis.
- (e) Goodwill on acquisition of the foreign subsidiary is restated at the rate prevailing at the end of the period.

I. Debenture issue expenditure

Incremental costs directly attributable to the issue of debentures are being charged to the Consolidated Statement of Profit and Loss over the period of redemption of debentures.

J. Accounting for Rights under Service Concession Arrangements

K. Recognition and measurement

The Group builds infrastructure assets under public-to-private Service Concession Arrangements (SCAs) which it operates and maintains for periods specified in the SCAs.

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Under the SCAs, where the Group has received the right to charge users of the public service, such rights are recognised and classified as "Intangible Assets". Such right is not an unconditional right to receive consideration because the amounts are contingent to the extent that the public uses the service and thus are recognised and classified as intangible assets. Such an intangible asset is recognised by the Group at cost (which is the fair value of the consideration received or receivable for the construction services delivered) and is capitalized when the project is complete in all respects and when the Company receives the final completion certificate from the authority as specified in the Concession Agreement and not on completion of component basis as the intended purpose of the project is to have the complete length of the road available for use. The economics of the project is for the entire length of the road as per the bidding submitted by the Company. The component based certification which is received is an intermediate mechanism provided in the Concession Agreement to provide a right to collect a discounted toll to compensate the company for cost recovery during construction period and for any delays beyond the control of the Company. However, where there is other than temporary delay due to reasons beyond the control of the Company, the management may treat constructed

portion of the road as a completed project,

Under the SCAs, where the Group has acquired contractual rights to receive specified determinable amounts, such rights are recognised and classified as “Financial Assets”, even though payments are contingent on the Group ensuring that the infrastructure meets the specified quality or efficiency requirements. Such financial assets are classified as “Receivables against Service Concession

Arrangements”.

Consideration for various services (i.e. construction or upgrade services, operation and maintenance services, overlay services) under the SCA is allocated on the basis of costs actually incurred or the estimates of cost of services to be delivered.

ii. Contractual obligation to restore the infrastructure to a specified level of serviceability

The Group has contractual obligations to maintain the infrastructure to a specified level of serviceability or restore the infrastructure to a specified condition before it is handed over to the grantor of the SCA. Such obligations are measured at the best estimate of the expenditure that would be required to settle the obligation at the balance sheet date. In case of intangible assets, the timing and amount of such cost are estimated and recognised on an undiscounted basis by charging costs to revenue on the units of usage method i.e. on the number of vehicles expected to use the project facility, over the period at the end of which the overlay is estimated to be carried out based on technical evaluation by independent experts. In case of financial assets, such costs are recognised in the year in which such costs are actually incurred.

iii. Revenue recognition

Revenue from financial asset is recognised in the Consolidated Statement of Profit and Loss as interest, finance income calculated using the effective interest method from the year in which construction activities are started.

Revenue from operating and maintenance services and from overlay services is recognised in the period in which such services are rendered.

Discounted Revenue collected on receipt of the component based certification is reduced from the cost of the Intangible asset as the construction work on remaining portion is still in progress and the entire asset is not ready for its intended purpose.

Revenue from intangible assets is recognised in the period of collection which generally coincides with the usage of the public service or where from such rights have been auctioned, in the period to which auctioned amount relates.

Revenue from construction contracts

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the percentage of completion of the contract activity at the reporting date. The percentage of completion of a contract is determined considering the proportion that contract costs incurred for work performed upto the reporting date bear to the estimated total contract costs.

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For the purposes of recognising revenue, contract revenue comprises the initial amount of revenue agreed in the contract, the variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured

The percentage of completion method is applied on a cumulative basis in each accounting period to the current estimates of contract revenue and contract costs. The effect of a change in the estimate of contract revenue or contract costs, or the effect of a change in the estimate of the outcome of a contract, is accounted for as a change in accounting estimate and the effect of which are recognised in the Statement of Profit and Loss in the period in

which the change is made and in subsequent periods.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred of which recovery is probable and the related contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense in the Statement of Profit and Loss in the period in which such probability occurs.

iv. Borrowing cost

In respect of a financial asset, borrowing costs attributable to construction of the road are charged to Consolidated Statement of Profit and Loss in the period in which such costs are incurred.

In respect of an intangible asset, borrowing costs attributable to the construction of roads are capitalised up to the date of the final completion certificate of the asset / facility received from the authority for its intended usespecified in the Concession Agreement. All borrowing costs subsequent to the final completion certificate of the asset / facility as specified in Concession Agreement are charged to the Statement of Profit and Loss in the period in which such costs are incurred.

v. Amortisation of Intangible Asset

The intangible rights which are recognised in the form of right to charge users of the infrastructure asset are amortized by taking proportionate of actual revenue earned for the half year / period over Total Projected Revenue from project to Cost of Intangible assets i.e. proportionate of actual revenue earned for the half year / period over Total Projected Revenue from the Intangible assets expected to be earned over the balance concession period as estimated by the management.

Total Projected Revenue shall be reviewed at the end of the each financial year and the total projected revenue shall be adjusted to reflect any changes in the estimates which lead to the actual collection at the end of the concession period.

vi. Amortisation of Toll Receivable Account

Toll receivable account amortised over the balance estimated period of concession. Amortisation is been done on the basis of revenue for the year to the total estimated revenue over the balance estimated period of concession.

K. Fixed Assets and Depreciation/Amortisation:

(a) Tangible fixed assets and depreciation

Tangible fixed assets acquired by the Group are reported at acquisition cost, with deductions for accumulated depreciation and impairment losses, if any.

The acquisition cost includes the purchase price (excluding refundable taxes) and expenses, such as delivery and handling costs, installation, legal services and consultancy services, directly attributable to bringing the asset to the site and in working condition for its intended use.

Where the construction or development of any asset requiring a substantial period of time to set up for its intended use is funded by borrowings, the corresponding borrowing costs are capitalised up to the date when the asset is ready for its intended use.

Depreciation on tangible fixed assets is computed as under:

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Pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the

Company has changed its method of depreciation from WDV method to SLM. Consequent to this change, all assets are now being depreciated under SLM. The Company has also revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II based on internal technical advice, taking into account the nature of the asset, the estimate usage of the asset, operating conditions of the asset, past history of replacement, anticipated technological changes etc.

The details of previously applied depreciation method, rates / useful life and revised method and lives are given below:

Asset	Previous depreciation method	Previous depreciation rate/useful life	Revised useful life based on SLM
Premises Computers and Data	SLM	1.63% / 61 Years	60 Years
Processing Equipment (other than Server & Networking)	SLM	25% / 4 Years	3 Years
Office Equipments	WDV	13.91% / 20 Years	5 Years
Furniture and Fixtures	WDV	18.10% / 15 Years	10 Years
Plant & Machinery	WDV	13.91% / 20 Years	15 Years
Electrical Installation	WDV	13.91% / 20 Years	10 Years
Data Processing Equipment (Server & Networking)		4	4
	SLM		
Mobile Phones and I pad / Tablets	SLM	Fully depreciated in the year of purchase	Fully depreciated in the year of purchase
Specialised office equipment's	SLM	3	3
Vehicles	SLM	5	5
Assets provided to employees	SLM	3	3
Leasehold improvement costs	SLM	Amortised over Primary period of Lease	Amortised over Primary period of Lease
All categories of assets costing less than ₹5,000/- each	SLM	Fully depreciated in the year of purchase	Fully depreciated in the year of purchase
The residual value of all the assets is retained at ₹ 1/- each			

The impact of the change in depreciation policy and useful lives are as stated below:

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets (determined after considering the change in the method of depreciation from WDV to SLM), net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014

- Adjusted an amount of ₹18.50 million against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus
- The depreciation expense in the Statement of Profit and Loss for the year is lower by ₹2.77 million consequent to the above change in the method of depreciation
- The depreciation expense in the Statement of Profit and Loss for the year is lower by ₹140.71 million consequent to the change in the useful life of the assets

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(b) Leased assets

Type of Lease		Capitalisation	Depreciation Policy
Operating Lease		At Cost including incidental expenses to bring the asset to its working condition for its intended use	Straight Line Method at the rates provided under Schedule II to the Companies Act, 2013
Capital renovation / Lease-hold Premises	Expenditure / Improvements	on At Cost to	Amortised over the period of the Lease
			primary

(c) Intangible assets and amortisation

Intangible assets, other than those covered by SCAs, comprise of software and amounts paid for acquisition of commercial rights under an “Operation and Maintenance” agreement for a toll road project and are depreciated as follow:

Asset Type	Useful Life
Licensed Software	Over the licence period
Intellectual Property Rights	5 - 7 years
Commercial Rights acquired under Operations and Maintenance Agreement	The minimum balance period of the concession agreement relating to the corresponding toll road project

Intangible assets are reported at acquisition cost with deductions for accumulated amortisation and impairment losses, if any.

Acquired intangible assets are reported separately from goodwill if they fulfill the criteria for qualifying as an asset, implying they can be separated or they are based on contractual or other legal rights and that their market value can be established in a reliable manner.

An impairment test of such intangible assets is conducted annually or more often if there is an indication of a decrease in value. The impairment loss, if any, is reported in the Consolidated Statement of Profit and Loss.

Intangible assets, other than those covered by SCAs, are amortised on a “straight line” basis over their estimated useful lives. The estimated useful life of software is four years. The amount paid for acquisition of the rights under the “Operations and Maintenance” agreement is amortised over the minimum balance period (as at the time of acquisition) of the concession agreement relating to the corresponding toll road project.

L. Impairment of Assets:

The carrying values of assets of the Group’s cash-generating units are reviewed for impairment annually or more often if there is an indication of decline in value. If any indication of such impairment exists, the recoverable amounts of those assets are estimated and impairment loss is recognised, if the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the estimated future cash flows to their present value based on appropriate discount factor.

M. Government Grants:

- (a) Government grants are recognised only when it is reasonably certain that the related entity will comply with the attached conditions and the ultimate collection is not in doubt.

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Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015

- (a) Grants received as compensation for expenses or losses are taken to the Consolidated Statement of Profit and Loss is accounted in the period to which it relates. Grants in the nature of promoter's contribution are treated as Capital Reserve.
- (b) Grants related to specific fixed assets are treated as deferred income, which is recognised in the Consolidated Statement of Profit and Loss in proportion to the depreciation charge over the useful life of the asset.

N. Investments:

- (a) Investments are capitalised at actual cost including costs incidental to acquisition, net of dividend received (net of tax) attributable to the period prior to acquisition of investment.
- (b) Investments are classified as long term or current at the time of making such investments.
- (c) Long term investments are individually valued at cost, less provision for diminution, which is other than temporary.
- (d) Current investments are valued at the lower of cost and market value.
- (e) Cost of investment property acquired in exchange for an asset is determined by reference to the fair value of the asset given up.

O. Inventories:

- (a) Inventories are valued at the lower of cost and net realisable value. Net realisable value is estimated at the expected selling price less estimated selling costs.
- (b) Costs for trading goods are determined using the annual weighted average principle and includes purchase price and non-refundable taxes.
- (c) Cost of raw material includes purchase price and non-refundable taxes.
- (d) Cost of manufactured goods include direct and indirect cost
- (e) Inventories of electronic cards (prepaid cards) and on-board units are valued at the lower of cost and net realisable value. Cost is determined on first-in-first-out basis.

P. Recognition of Revenue other than from Service Concession Arrangements:

- (a) Revenue is recognised when it is realised or realisable and earned. Revenue is considered as realised or realisable and earned when it has persuasive evidence of an arrangement, delivery has occurred, the sales price is fixed or determinable and collectability is reasonably assured.
- (b) Revenue in respect of arrangements made for rendering services is recognised over the contractual term of the arrangement. In respect of arrangements which provide for an upfront payment followed by additional payments as certain conditions are met (milestone payments), the amount of revenue recognised is based on the services delivered in the period as stated in the contract. In respect of arrangements where fees for services rendered are success based (contingent fees), revenue is recognised only when the factor(s) on which the contingent fees is based actually occur. In respect of the Group's trading activities, revenue is recognised on dispatch of goods, which coincides with the significant transfer of risks and rewards.

- (c) Revenue realised from grant of advertisement rights is recognised as follows:
 - (i) Development fees are recognised as income during the half year in which the advertisement rights are granted.
 - (ii) License fees are recognised as income on a “Straight-Line” basis over the duration of the license.
- (d) Revenue from development projects under fixed - price contracts, where there is no uncertainty as to measurement or collectability of consideration is recognised based on the milestones reached under the contracts. Pending completion of any milestone, revenue recognition is restricted to the relevant cost which is carried forward as part of Unbilled Revenue.

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Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015

- (e) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable provided it is not unreasonable to expect ultimate collection.

Q. Foreign Currency Transactions:

- (a) Transactions in foreign currencies are translated to the reporting currency based on the exchange rate on the date of the transaction. Exchange difference arising on settlement thereof during the year is recognised as income or expenses in the Consolidated Statement of Profit and Loss.
- (b) Cash and bank balances, receivables, (other than those that are in substance the Group’s net investment in a non integral foreign operation), and liabilities (monetary items) denominated in foreign currency outstanding as at the period-end are valued at closing date rates, and unrealised translation differences are included in the Consolidated Statement of Profit and Loss.
- (c) Non monetary items (such as equity investments) denominated in foreign currencies are reported using exchange rate as at the date of the transaction. Where such items are carried at fair value, these are reported using exchange rates that existed on dates when the fair values were determined.
- (d) Inter-company receivables or payables for which settlement is neither planned nor likely to occur in the foreseeable future and are in substance an extension to or a deduction from the Group’s net investments in a foreign entity are translated at closing rates but the exchange differences arising are accumulated in a foreign currency translation reserve until disposal of the net investment, at which time they are recognised as income or expense in the Consolidated Statement of Profit and Loss. Any repayment of receivables or payables forming part of net investment in foreign operations is not considered as partial disposal of investments in foreign operations and amounts previously recognised in the foreign currency translation reserve are not adjusted until the disposal of the ownership interest occurs.
- (e) The Group’s forward exchange contracts are not held for trading or speculation. The premium or discount arising on entering into such contracts is amortised over the life of the contracts and exchange difference arising on such contracts is recognised in the Consolidated Statement of Profit and Loss.

R. Employee Benefits:

a. Short Term

Short term employee benefits are recognised as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Group.

b. Long Term

The Group has both defined-contribution and defined-benefit plans, of which some have assets in

special funds or securities. The plans are financed by the Group and in the case of some defined contribution plans by the Group along with its employees.

(i) Defined-contribution plans

These are plans in which the Group pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the employees' provident fund, family pension fund and superannuation fund. The Group's payments to the defined contribution plans are reported as expenses in the period in which the employees perform the services that the payment covers.

(ii) Defined-benefit plans

Expenses for defined-benefit gratuity plans are calculated as at the balance sheet date by independent actuaries in a manner that distributes expenses over the employee's working life. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a remaining term that is almost equivalent to the average balance working period of employees.

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Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015

The actuarial gains and losses are recognised immediately in the Consolidated Statement of Profit and Loss.

c. Other Employee Benefits

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the period end are reported as expenses during the period in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits after deducting amounts already paid. Where there are restrictions on availment or encashment of such accrued benefit or where the availment or encashment is otherwise not expected to wholly occur in the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.

S. Taxes on Income:

- (a) Taxes include taxes on income, adjustment attributable to earlier periods and changes in deferred taxes. Taxes are determined in accordance with enacted tax regulations and tax rates in force and in the case of deferred taxes at rates that have been substantively enacted.
- (b) The provision for tax has been taken for each consolidating entity on the basis of the standalone financial statements prepared under Indian GAAP by that entity and has been aggregated for the purpose of the CFS.
- (c) Deferred tax is calculated to correspond to the tax effect arising when final tax is determined. Deferred tax corresponds to the net effect of tax on all timing differences, which occur as a result of items being allowed for income tax purposes during a period different from when they are recognised in the financial statements.
- (d) Deferred tax assets are recognised with regard to all deductible timing differences to the extent that it is probable that taxable profit will be available against which deductible timing differences can be utilised. When the Group's entities carry forward unused tax losses and unabsorbed depreciation, deferred tax assets are recognised only to the extent there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realised.

- (e) The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced by the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or a part of the aggregate deferred tax asset to be utilised.
- (f) Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal tax in the future period. Accordingly, it is recognized as an asset in the Balance Sheet when it is probable that the future economic benefit associates with it will flow to the Company.

T. Provisions, Contingent Liabilities and Contingent Assets:

- (a) A provision is recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.
- (b) Provision for final dividend payable (including dividend tax thereon) is made in the financial statements of the period to which the dividend relates when the same is proposed by the Board of Directors after the Balance Sheet date but before the approval of financial statements of the period to which the dividend relates. Provision for interim dividend payable (including dividend tax thereon) is made in the financial statements of the period in which the same is declared by the Board of Directors..
- (c) Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on best estimates required to settle the obligation at the Balance Sheet date.

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Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015

- (d) These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.
- (e) Contingent liabilities are not recognised but are disclosed in the notes to the financial statement.
- (f) A contingent asset is neither recognised nor disclosed.

U. Segment Reporting:

- (a) Segment revenues, expenses, assets and liabilities have been identified to segments on the basis of their relationship to the operating activities of the Segment.
- (b) Revenue, expenses, assets and liabilities, which relate to the Group as a whole and are not allocable to segments on a reasonable basis, are included under “Unallocated Revenue / Expenses / Assets / Liabilities”.

V. Borrowing Costs:

Borrowing costs are recognised in the period to which they relate, regardless of how the funds have been utilised, except where it relates to the financing of construction of development of assets requiring a substantial period of time to prepare for their intended future use. Interest is capitalised up to the date when the asset is ready for its intended use. The amount of interest capitalised (gross of tax) for the period is determined by applying the interest rate applicable to appropriate borrowings outstanding during the period to the average amount of accumulated expenditure for the assets during the period.

W. Earnings Per Share:

- (a) Basic earnings per share is calculated by dividing the net profit after tax for the period attributable to equity shareholders of the Group by the weighted average number of equity shares in issue during the period.

- (b) Diluted earnings per share is calculated by dividing the net profit after tax for the period attributable to equity shareholders of the Group by the weighted average number of equity shares determined by assuming conversion on exercise of conversion rights for all potential dilutive securities.

X. Derivative Transactions:

- (a) Premium paid on acquisition of option contracts is treated as a current asset until maturity. If the premium paid exceeds the premium prevailing as at the date of the balance sheet, the difference is charged to the Consolidated Statement of Profit and Loss. If the prevailing premium as at the balance sheet date exceeds the premium paid for acquiring option contracts, the difference is not recognised.
- (b) Premium received on option contracts written is treated as a current liability until maturity. If the premium prevailing on the balance sheet date exceeds the premium received on such options, the difference is charged to the Consolidated Statement of Profit and Loss. If the prevailing premium as at the balance sheet date falls short of the premium received for writing option contracts, the difference is not recognised.
- (c) The Group uses foreign currency derivative contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Group designates such contracts in a cash flow hedging relationship by applying the hedge accounting principles set out in "Accounting Standard 30 Financial Instruments: Recognition and Measurement" issued by the ICAI. These contracts are stated at fair value at each reporting date. Changes in the fair value of these contracts that are designated and effective as hedges of future cash flows are recognised directly in "Cash flow hedge reserve" under Reserves and surplus, net of applicable deferred income taxes and the ineffective portion is recognised immediately in the Consolidated Statement of Profit and Loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

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Premium paid on option contracts acquired is treated as an asset until maturity. Premium received on option contracts written is treated as liability until maturity. In case of Forward exchange contracts which are not intended for trading or speculation purposes, the premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the Consolidated Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense for the period.

Y. Leases:

- (a) Finance leases, which effectively transfer to the Group substantial risks and benefits incidental to ownership of the leased item, are capitalised and disclosed as leased assets. Lease payments are apportioned between finance charges and reduction of lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.
- (b) Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the Consolidated Statement of Profit and Loss on a straight line basis over the lease term. Any compensation, according to agreement, that the lessee is obliged to pay to the lessor if the leasing contract is terminated prematurely is expensed during the period in which the contract is terminated.

Z. Cash and Cash Equivalents:

Cash comprises of Cash on Hand, Cheques on Hand and demand deposits with Banks. Cash Equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risks of changes in value.

AA. Consolidated Cash Flow Statement:

The Consolidated Cash Flow Statement is prepared in accordance with the “Indirect Method” as explained in the Accounting Standard (AS) 3 on “Cash Flow Statements”.

AB. Redemption Premium on Preference Shares:

Fixed premium on redemption of Preference Shares is recognised by the Company out of Securities Premium Account prior to the contractual date of redemption of the Preference Shares.

Premium on redemption which is contractually accruing annually to the preference shareholders is accrued by way of appropriation out of Securities Premium Account as is permissible within the Companies Act, 2013 as may be amended from time to time.

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Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015

Note 2: Share capital

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number of shares	₹ in million	Number of shares	₹ in million
Authorised				
Equity Shares of ₹ 10/- each	500,000,000	5,000.00	500,000,000	5,000.00
Preference Shares of ₹ 10/- each	1,000,000,000	10,000.00	1,000,000,000	10,000.00
Issued, Subscribed and Paid up (refer foot note no. i, ii, iii, iv and v)				
Equity Shares of ₹ 10/- each fully paid	246,720,020	2,467.20	194,267,732	1,942.68
Cumulative Non-Convertible Compulsorily Redeemable Preference Shares of ₹ 10/- each fully paid	376,450,000	3,764.50	376,450,000	3,764.50
Total	623,170,020	6,231.70	194,267,732	5,707.18

Foot Notes:

i. Of the above 171,450,000 (As at March 31, 2014 : 135,000,000) shares are held by the holding Company viz. Infrastructure Leasing & Financial Services Limited ("IL&FS") and 3,199,776 (As at March 31, 2014 : 2,440,534) equity shares are held by fellow subsidiary viz. IL&FS Financial Services Limited. 100,000,000 CRPS each are held by a fellow subsidiaries viz. IL&FS Maritime Infrastructure Company Limited ("IMICL") and IL&FS Financial Services Limited ("IFIN"), respectively.

ii Reconciliation of the number of equity shares and Cumulative Non-Convertible Compulsorily Redeemable Preference Shares ("CNCRPS") outstanding at the beginning and at the end of the reporting year :

Equity Shares	As at March 31, 2015		As at March 31, 2014	
	Number of Shares	₹ in million	Number of Shares	₹ in million
Shares outstanding at the beginning of the year	194,267,732	1,942.68	194,267,732	1,942.68
Shares issued during the year	52,452,288	524.52	-	-
Shares outstanding at the end of the year	246,720,020	2,467.20	194,267,732	1,942.68
Cumulative Non-Convertible Compulsorily Redeemable Preference Shares	As at March 31, 2015		As at March 31, 2014	
	Number of Shares	₹ in million	Number of Shares	₹ in million
Shares outstanding at the beginning of the year	376,450,000	3,764.50	-	-
Shares issued during the year	-	-	376,450,000	3,764.50
Shares outstanding at the end of the year	376,450,000	3,764.50	376,450,000	3,764.50

iii. Shareholders holding more than 5% of issued, subscribed and paid up equity share capital and Cumulative Non-Convertible Compulsorily Redeemable Preference Shares :

Equity Shareholder	As at March 31, 2015		As at March 31, 2014	
	Number of Shares held	% of total holding	Number of Shares held	% of total holding
IL&FS	171,450,000	69.49%	135,000,000	69.49%
Cumulative Non-Convertible Compulsorily Redeemable	As at March 31, 2015		As at March 31, 2014	
Preference Shares	Number of Shares	% of total holding	Number of Shares	% of total holding
IL&FS Maritime Infrastructure Company Limited	100,000,000	26.56%	100,000,000	26.56%
IL&FS Financial Services Limited	100,000,000	26.56%	100,000,000	26.56%
Azim Hasham Premji	25,000,000	6.64%	25,000,000	6.64%
L&T Infrastructure Finance Company Limited	25,000,000	6.64%	25,000,000	6.64%

iv. The Company has one class of equity shares with face value of ` 10 each fully paid-up. Each shareholder has a voting right in proportion to his holding in the paid-up equity share capital of the Company. Where final dividend is proposed by the Board of Directors, it is subject to the approval of the shareholders in the Annual General Meeting.

The Board of Directors have recommended dividend of ` 4.00 per equity share of ` 10 each (40%) for the year ended March 31, 2015 on the existing 246,720,020 fully paid-up equity shares of the Company.

v. During the year ended March 31, 2015 the Company issued 52,452,288 equity shares on rights basis in the ratio of 27:100. The Earnings per share has been accordingly adjusted for the effect of Rights Issue for the current year and previous year.

The details of utilisation of proceeds of above issue is given below :

Particulars	(₹ in million)
Amount received from the issue	5,245.23
Utilisation :	
For repayment of loans	5,100.00
For working capital payments (including issue expenses)	145.23
Total utilisation	5,245.23
Balance amount unutilised as on March 31, 2015	Nil

During the previous year, the Company issued following series of Cumulative Non-Convertible Compulsorily Redeemable Preference Shares :

Series Name	Number of shares	Face value per share (Amount in ₹)	Premium received per share (Amount in ₹)	Maturity date	Dividend payout	Redemption terms
20.50% CRPS	200,000,000	10	10	Refer foot note v(a)	20.50% per	Refer foot note

					below	annum	v(a)below
10.40%	ITNL CNCRPS 2017	107,250,000	10	10	June 23, 2017	21.06% per annum	Redemption at face value plus premium of ` 10 per share
10.50%	ITNL CNCRPS 2018	19,200,000	10	10	December 23, 2018	21.44% per annum	
11%	ITNL CNCRPS 2021	50,000,000	10	10	January 17, 2021	21.32% per annum	

Foot note v(a): The 20.50% CRPS will be redeemed starting from May 31, 2017 to May 31, 2025 at a premium of ₹ 10 per share and an additional redemption premium of 2.50% p.a. on the face value from the date of issue. See below table for details:

The terms of redemption of 20.50% CRPS are as follows :

Date of redemption	No of shares to be redeemed (in Million)	Redemption Amount ₹ in Million
31-May-17	20.00	418.40
31-May-18	20.00	423.40
31-May-19	30.00	642.60
31-May-20	30.00	650.12
31-May-21	30.00	657.62
31-May-22	30.00	665.12
31-May-23	30.00	672.62
31-May-24	5.00	113.36
31-May-25	5.00	114.78
Total	200.00	4,358.02

Rights of above mentioned preference shareholders are as follows:

The holder(s) CNCRPS shall have no voting rights other than in respect of matters directly affecting the rights attached to the CNCRPS. In the event of any due and payable dividends on the CNCRPS remaining unpaid for a period of two years prior to the start of any General Meeting of the Equity Shareholders, the holder(s) of CNCRPS shall gain voting rights in respect of all matters placed by the Company at a General Meeting of its Equity Shareholders in accordance with the provisions of the Companies Act and the Articles of Association of the Company. In the event of winding up or repayment of capital, the holder(s) of the CNCRPS shall carry a preferential right vis-à-vis equity shareholders to be repaid the amount of paid up capital, unpaid dividends and fixed premium, in accordance with the provisions of the Companies Act and the Articles of Association of the Company. The claims of holder(s) of CNCRPS shall be subordinated to the claims of all secured and unsecured creditors of the Company but senior to equity shareholders and pari passu amongst other preference shareholders.

IL&FS TRANSPORTATION NETWORKS LIMITED
Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015
Note 3: Reserves and surplus
₹ in million

Particulars	As at March 31, 2015			As at March 31, 2014	
(a) Securities Premium Account					
Opening balance	14,061.47			10,320.57	
On Equity shares issued by a subsidiary to Minority Interest	-			43.63	
Addition during the year from issue of Cumulative Non-Convertible	-			3,764.50	
Compulsorily Redeemable Preference Shares					
On issue of equity shares on a rights basis	4,720.71			-	
Premium utilised towards preference shares issue expenses and rights issue expenses	(55.93)			-	
Premium utilised towards discount on issue of Non-Convertible	(134.66)			-	
Debentures					
Redemption premium on 20.50% CRPS	(50.00)	18,541.59	(67.23)	14,061.47	
(b) General Reserve					
Opening balance	1,518.89			1,238.98	
Transfer from balance in Statement of Profit and Loss	318.66	1,837.55	279.91	1,518.89	
(c) Debenture Redemption Reserve (Refer Foot Note no. i)					
Opening balance	1,812.07			937.64	
Transfer from balance in Statement of Profit and Loss	1,196.87			874.43	
Adjustment during the year for cessation of a subsidiary	(315.00)	2,693.94	-	1,812.07	
(d) Capital Reserve					
Opening balance	10,306.55			7,524.53	
Capital Grants received during the year	1,270.09			3,039.25	
Adjustment during the year	-	11,576.64	(257.23)	10,306.55	
(e) Other Reserves (Refer Foot Note no. ii)					
Foreign currency translation reserve	(109.21)			1,021.39	
Foreign currency monetary item translation reserve	(51.73)			-	
Cash flow hedge reserve	(728.08)	(889.02)	(607.90)	413.49	
(f) Capital Reserve on Consolidation (net)					
Opening balance	601.83			1,328.74	
Adjustment during the year	(241.28)	360.55	(726.91)	601.83	
(g) Surplus in Consolidated Statement of Profit and Loss					
Opening balance	15,616.77			13,652.73	
Profit for the year	4,436.01			4,630.48	
Consolidation adjustments	511.00			71.10	
Transfer to general reserve	(318.66)			(279.91)	

Transfer to debenture redemption reserve	(1,196.87)		(874.43)
Provision for proposed dividend on equity shares	(997.71)		(990.74)
Provision for dividend distribution tax on proposed dividend on equity shares	(262.63)		(197.87)
Provision for proposed dividend on preference shares	(788.63)		(305.11)
Provision for dividend distribution tax on proposed dividend on preference shares	(160.55)		(51.85)
Redemption premium on CRPS	-		(25.62)
Redemption premium on preference shares of a subsidiary	-		(12.01)
		16,838.72	15,616.77
Total		50,959.97	44,331.07

Foot Note:

i. Debenture Redemption Reserve

In terms of Section 71(4) of the Companies Act, 2013 read with rule 18(7)(b)(iii) of the Companies (Share capital and Debentures) Rules 2014, the Company being an Infrastructure Company is required to create Debenture Redemption Reserve to the extent of 25% of the value of privately placed NCDs until such NCDs are redeemed, to which adequate amounts shall be credited from out of its profits every year.

For the year ended March 31, 2015, the transfer to Debenture Redemption Reserve has been made in accordance with above provisions amounting to ₹ 1,196.87 million. (March 31, 2014 ₹ 874.43 million)

ii(a). Foreign currency translation reserve

Particulars	₹ in million	
	As at March 31, 2015	As at March 31, 2014
Balance at the beginning of the year [net of deferred tax asset (net) of ₹ 25.12 million, (previous year ₹18.97 million)]	1,021.39	116.41
Movement for the year (net) [net of deferred tax asset of ₹ 20.45 million (Previous Year ₹ 6.15 million)]	(1,130.60)	904.98
Balance at the end of the year	(109.21)	1,021.39

ii(b). Cash flow hedge reserve

The movement in hedging reserve held by a subsidiary during the year ended March 31, 2015 for derivatives designated as Cash flow hedges is as follow:

Particulars	₹ in million	
	As at March 31, 2015	March 31, 2014
Balance at the beginning of the year	(607.90)	(664.15)
Movement for the year (net)	(120.18)	56.25
Balance at the end of the year	(728.08)	(607.90)

ii(c). Foreign currency monetary item translation reserve

₹ in million

Particulars	As at March 31, 2015	March 31, 2014
Balance at the beginning of the year	-	-
Movement for the year (net)	(51.73)	-
Balance at the end of the year	(51.73)	-

Note 4: Preference shares issued by subsidiary to minority shareholders:

One Subsidiary company viz. Gujarat Road Infrastructure Company Limited, had originally issued Cumulative Redeemable Convertible Preference Shares (CRCPS) carrying 1% dividend, which were to be redeemed at the end of the 13th year from the date of allotment at a premium of 60% on the par value. These shares also carried an option to convert the cumulative amount (including the redemption premium of 60%) into Deep Discount Bonds (DDBs) at the end of the 13th year at a value calculated based on the issue price of ₹ 17.38 each at the time of conversion and having a maturity value of ₹ 153.98 each redeemable over a period of 3 years commencing from the 5th year from the date of conversion into the DDBs. However, consequent to the restructuring of the Company's corporate debt, the subscribers to the CRCPS agreed to a revision in the terms thereof to the effect that the dividend becomes non-cumulative and the CRCPS will become Non-Cumulative Redeemable Convertible Preference Shares (NRCPS) with effect from April 1, 2004. As a result, the base price and the redemption price of each DDB stood modified; these prices will be determined at the end of the 13th Year.

As a part of the restructuring package approved by the Corporate Debt Restructuring Cell, the subsidiary is not permitted to declare any dividend on equity or preference shares without making good the sacrifices of the lenders.

During the year ended March 31, 2015 the Company has diluted its control over the Board on August 8, 2014, consequently the financials of the entity have been consolidated as an associate.

Note 5: Advance towards capital to subsidiary by minority shareholders (included under Minority Interest) :

₹ in million		
Particulars	As at March 31, 2015	As at March 31, 2014
Gujarat Road and Infrastructure Company Limited #	Nil	450.00
Total	-	450.00

As required under the restructuring package of a subsidiary viz. GRICL approved by the Corporate Debt Restructuring Cell on June 17, 2004, the promoters of GRICL had advanced an aggregate sum of ₹ 450.00 million as advance towards share capital. The subsidiary intends to convert these advances into subordinated debt. Pending completion of the approval process, the Group has classified the amount as an Advance towards Capital.

The aggregate amount of ₹ Nil million (as at March 31, 2014 : ₹ 450.00 million) as detailed above has been included as a part of Minority Interest.

During the year ended March 31, 2015 the Company has diluted its control over the Board from August 8, 2014, consequently the financials of the entity have been consolidated as an associate.

IL&FS TRANSPORTATION NETWORKS LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015

Note 6: Long-term borrowings

₹ in million					
Particulars	As at March 31, 2015		As at March 31, 2014		
(a) Bonds / Debentures					
(i) Secured					
Non convertible debentures	6,745.22		6,018.89		
Non convertible debentures - Related party	-		160.00		
Deep discount bonds - Related Party	-		141.09		
Deep discount bonds	-	6,745.22	226.65	6,546.63	
(ii) Unsecured					
Unsecured Redeemable Non-Convertible Debentures [NCDs]	25,541.43		10,000.00		
Unsecured Redeemable "ITNL, 11.50%, 2024 NCDs"	3,000.00		1,000.00		
Less : Unexpired Discount on issue	-		(44.65)		
Net	3,000.00		955.35		
Non convertible debentures - Related party	144.00		180.00		
Zero coupon bonds	-	28,685.43	6,142.20	17,277.55	
(b) Term Loans					
(i) Secured					
From banks	133,717.63		120,490.48		
From financial institutions	4,767.97		2,390.75		
From others - Related party	-	138,485.60	7.05	122,888.28	
(ii) Unsecured					
From banks	9,337.90		12,394.09		
From financial institutions	571.44		1,000.00		
From others	256.86		997.51		
From others - Related party	1,693.40	11,859.60	1,440.90	15,832.50	
(c) Finance lease obligations					
Secured	141.27	141.27	122.63	122.63	
Total		185,917.12		162,667.59	

Footnote:-

The Holding Company has entered into cross currency interest rate swap on December 31, 2014 for borrowing of ₹ 2,000 million taken by the Holding Company. The details of Swap are as under:

Swap Counter party	: Indusind Bank
Cross Currency interest rate SWAP	: 3 Month USD Libor + 250 bps p.a. on US \$ 31.72 Million against 10.80% p.a. on ₹ 2,000 Million
Interest payable	: Monthly
Maturity Date	: December 31, 2017

The changes in the fair value of these derivatives is designated and effective. Accordingly, the notional gain / loss on Mark to market are recognised in the shareholders funds under "Cash Flow hedge reserve"

Note 6A : Current Maturities of long-term debt

₹ in million

Particulars		As at March 31, 2015		As at March 31, 2014	
(a)	Bonds / Debentures				
	(i) Secured				
	Non convertible debentures	1,027.82		1,088.11	
	Non convertible debentures - Related party	-	1,027.82	40.00	1,128.11
	(ii) Unsecured				
	Non convertible debentures	7.07		-	
	Non convertible debentures - Related party	36.00		36.00	
	Zero coupon bonds	6,430.60	6,473.67	-	36.00
(b)	Term Loans				
	(i) Secured				
	From banks	6,363.00		3,946.45	
	From financial institutions	257.11		128.40	
	From others - Related party	7.05	6,627.16	19.72	4,094.57
	(ii) Unsecured				
	From banks	12,072.68		9,911.96	
	From financial institutions	228.57	12,301.25	-	9,911.96
(c)	Finance lease obligations				
	(i) Secured				
	From others	58.73	58.73	65.15	65.15
Total			26,488.63		15,235.79

Footnote:-

One of the subsidiary company has entered into cross currency interest rate swap on April 26th 2012 for the Bonds issued by the subsidiary company. The details of Swap are as under

Swap Counter party	: Deutsche Bank AG - Singapore Branch
Cross Currency interest rate SWAP 630 Million	: 4.80% on US \$ 100 Million against 5.75% on RMB
Interest payable	: Semi annually on 26th April and 26th October
Maturity Date	: April 26th 2015

The changes in the fair value of these derivatives is designated and effective. Accordingly, the notional gain / loss on Mark to market are recognised in the shareholders funds under "Cash Flow hedge reserve"

IL&FS TRANSPORTATION NETWORKS LIMITED

**Notes forming part of the Consolidated Financial Statements for the year ended
March 31, 2015 Note 7: Short-term borrowings**

₹ in million

	Particulars	As at March 31, 2015		As at March 31, 2014	
(a)	Loans repayable on demand				
	(i) Secured				
	From banks	-		24.04	24.04
	(ii) Unsecured				
	From banks	238.85	238.85	242.18	242.18
(b)	Short term loans				
	(i) Secured				
	From banks	1,122.73		372.73	
	From Related Parties	1,557.00	2,679.73	1,557.00	1,929.73
	(ii) Unsecured				
	From banks	4,712.84		4,167.01	
	From financial institutions	3,000.00		-	
	From others	2.29		-	
	From Related Parties	2,822.50	10,537.63	-	4,167.01
(c)	Commercial paper				
	Unsecured	9,500.00		4,000.00	
	Less : Unexpired discount	(227.20)	9,272.80	(101.05)	3,898.95
Total			22,729.01		10,261.91

IL&FS TRANSPORTATION NETWORKS LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015

Note 8: Deferred tax liabilities (net) and Deferred tax assets

The Group entities have net deferred tax liabilities aggregating ₹ 1,245.62 million (as at March 31, 2014 ₹ 1,990.36 million) and deferred tax assets aggregating ₹ 161.20 million (as at March 31, 2014 ₹ 179.99 million).

a) The components of deferred tax liabilities (net) are furnished below:

Particulars	₹ in million		
	As at March 31, 2014	Movement	As at March 31, 2015
Liabilities:			
Timing differences in respect of income	1,401.53	(792.28)	609.25
Timing differences in respect of depreciation	1,969.77	(1,676.53)	293.24
Timing differences in respect of unamortised borrowing costs	214.85	263.99	478.84
Assets:			
Timing differences in respect of depreciation	(0.16)	0.16	-
Timing differences in respect of employee benefits	(16.82)	0.58	(16.24)
Timing differences in respect of unabsorbed depreciation	(1,552.96)	1,552.80	(0.16)
Timing differences in respect of provision for doubtful debts	(1.19)	0.18	(1.01)
Timing differences in respect of provision for overlay	(24.66)	24.66	-
Timing differences in respect of provision for loan	-	(118.30)	(118.30)
Deferred tax liabilities (net)	1,990.36	(744.74)	1,245.62

b) The components of deferred tax assets is furnished below:

Particulars	₹ in million		
	As at March 31, 2014	Movement	As at March 31, 2015
Assets:			
Timing differences in respect of income	-	2.33	2.33
Timing differences in respect of depreciation	151.37	(36.62)	114.75
Timing differences in respect of employee benefits	3.98	0.32	4.30
Timing differences in respect of provision for overlay	24.64	15.18	39.82
Deferred tax assets	179.99	(18.79)	161.20

Footnote:

1 The Group has not recognised any deferred tax asset against provision for diminution in investments in the absence of virtual certainty of future taxable capital gains against which diminution could be offset.

2 The net amount credited to the Consolidated Statement of Profit and Loss is ₹ 203.97 million (for the year ended March 31, 2014 ₹ 499.17 million) and ₹ 3.72 million (for the year ended March 31, 2014 ₹ 1.21 million) on account of foreign exchange fluctuation and ₹ 497.81 million (for year ended March 31, 2014 ₹ Nil million) on account of conversion of subsidiary to associates .

Deferred tax credit (net) during the year includes deferred tax credit of ₹ 20.45 million (for the year ended March 31, 2014 ₹ 6.15 million) on account of deferred tax asset created during the period which has been directly adjusted against

Foreign Currency translation reserve recognised in respect of the foreign exchange translation differences on the Company's receivables which were regarded as an extension to the Company's net investments in a foreign entity and have not been included above.

IL&FS TRANSPORTATION NETWORKS LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015

Note 9: Other long term liabilities

₹ in million					
Particulars		As at March 31, 2015		As at March 31, 2014	
(a)	Trade Payables				
	From related parties	6.07		2.04	
	From others	111.84	117.91	91.68	93.72
(b)	Others				
	Redemption premium accrued but not due on borrowings	635.35		1,800.49	
	Mobilisation Advance Received	29.79		126.39	
	Security Deposit	31.13		34.76	
	Interest accrued but not due on borrowings	662.61		645.81	
	Retention Money Payable	2,473.11		2,051.87	
	Other Liabilities	588.26	4,420.25	270.20	4,929.52
Total			4,538.16		5,023.24

Note 10: Other current liabilities

₹ in million					
Particulars		As at March 31, 2015		As at March 31, 2014	
(a)	Interest accrued but not due on borrowings	1,297.84		599.98	
(b)	Interest accrued and due on borrowings	139.97		69.40	
(c)	Income received in advance	128.79		106.79	
(d)	Advance received	274.23		368.20	
(e)	Unearned revenue	291.66		43.00	
(f)	Statutory dues payable	379.38		663.36	
(g)	Unpaid Dividends	4.83		4.20	
(h)	Payable towards capital assets	683.78		524.89	
(i)	Mobilisation Advance Received	37.37		147.17	
(j)	Other liabilities	609.71		749.24	
			3,847.56		3,276.23
Total			3,847.56		3,276.23

Note 11: Long-term provisions

₹ in million

Particulars		As at March 31, 2015		As at March 31, 2014	
(a)	Provision for premium on preference shares of subsidiary	-		121.13	
(b)	Provision for employee benefits (net)	55.23		45.36	
(c)	Provision for overlay (Refer foot note (i) of note no. 12)	491.45		326.98	
(d)	Provision for contingency (Refer foot note no. i)	7.49		7.49	
(e)	Provision for redemption premium on Preference Shares	75.62	629.79	25.62	526.58
Total			629.79		526.58

Foot Note:

The provision for contingency includes ₹ 7.49 million provided in accordance with the terms of scheme of amalgamation of jointly controlled entity for prepayment of loans.

IL&FS TRANSPORTATION NETWORKS LIMITED**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015**

₹ in million

Particulars		As at March 31, 2015		As at March 31, 2014	
Opening balance			7.49		7.49
Add : Provision made during the year			-		-
Less : Provision utilised / reversed during the year			-		-
Closing balance			7.49		7.49

Note 1**2: Short-term provisions**

₹ in million

Particulars		As at March 31, 2015		As at March 31, 2014	
(a)	Provision for employee benefits (net)	306.44		362.84	
(b)	Provision for premium on preference shares of subsidiary	-		60.00	
(c)	Provision for tax (net of advance)	328.64		338.91	
(d)	Proposed dividend on Preference shares of subsidiary	-		5.15	
(e)	Provision for tax on proposed dividend on Preference shares of subsidiary	-		0.88	
(f)	Proposed dividend on Preference shares	788.63		305.11	
(g)	Provision for tax on proposed dividend on Preference shares	160.55		51.85	
(h)	Proposed dividend on equity shares	997.71		990.74	

(i)	Provision for tax on proposed dividend on equity shares	243.76		234.33	
(j)	Provision for overlay (refer foot note no. i)	13.71	2,839.44	96.42	2,446.23
Total			2,839.44		2,446.23

Foot Note:

- 1 Provision for overlay in respect of toll roads maintained by the Group under service concession arrangements and classified as intangible assets represents contractual obligations to restore an infrastructure facility to a specified level of serviceability in respect of such asset. Estimate of the provision is measured using a number of factors, such as contractual requirements, technology, expert opinions and expected price levels. Because actual cash flows can differ from estimates due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provision is reviewed at regular intervals and adjusted to take account of such changes.

Accordingly, financial and accounting measurements such as the revenue recognized on financial assets, allocation of annuity into recovery of financial asset, carrying values of financial assets and depreciation of intangible assets and provisions for overlay in respect of service concession agreements are based on such assumptions.

Movements in provision made for overlay are tabulated below:

Particulars	₹ in million			
	As at March 31, 2015		As at March 31, 2014	
	Long-term	Short-term	Long-term	Short-term
Opening balance	326.98	96.42	388.67	387.62
Adjustment for foreign exchange fluctuation during the year	(6.49)	-	22.36	-
Adjustment for reclassification during the year	-	-	(118.16)	118.16
Adjustment for conversion of subsidiary to associate		(61.50)	-	-
Utilised for the year	-	(32.12)	-	(134.59)
Provision reversed during the year	-	-	(92.96)	(287.87)
Provision made during the year	170.96	10.91	127.07	13.10
Closing balance	491.45	13.71	326.98	96.42

IL&FS TRANSPORTATION NETWORKS LIMITED
Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015
Note 13: Fixed assets - Current year
₹ in million

Particulars		Adjustments /	Gross Block (at cost)		Balance as at March	Balance as at April 1, 2014	Depreciation and Amortisation			Balance as at March	Net Block
	Balance as at		Additions	Deletions			Adjustments /	Charge for the year (refer foot	Deletions		Balance as at
	April 1, 2014	Reclassifications (Refer Foot Note iii)			31, 2015	April 1, 2014	Reclassifications (Refer Foot Note iii)	note i)		31, 2015	March 31, 2015
a) Tangible assets											
Land	24.34	(3.41)	3.06	-	23.99	-	-	-	-	-	23.99
Building and structures	377.01	(45.85)	45.06	0.10	376.12	62.57	(8.20)	16.35	-	70.72	305.40
Vehicles	1,413.19	(138.85)	109.37	24.86	1,358.85	1,188.99	(129.68)	50.93	19.33	1,090.91	267.94
Data processing equipments	178.84	(30.25)	23.59	1.40	170.78	139.17	(27.18)	26.18	0.70	137.47	33.31
Office premises	50.30	(6.76)	-	-	43.54	3.42	(2.11)	0.81	-	2.12	41.42
Office equipments	108.67	(6.69)	28.91	3.59	127.30	68.12	(3.67)	15.55	2.13	77.87	49.43
Leasehold improvements	21.72	-	-	-	21.72	15.37	-	2.03	-	17.40	4.32
Furniture and fixtures	355.28	(24.72)	9.05	3.12	336.49	278.00	(27.39)	22.13	0.78	271.96	64.53
Electrical installations	169.28	(31.52)	14.74	0.12	152.38	143.23	(25.92)	4.17	0.08	121.40	30.98
Plant and machinery	2,858.79	(471.25)	264.84	25.73	2,626.65	2,418.92	(435.71)	(0.95)	8.22	1,974.04	652.61
Advertisement structure	11.67	-	-	-	11.67	11.66	-	-	-	11.66	0.01
Assets taken on lease :											

	Plant and machinery	142.12	(31.86)	6.83	-	117.09	84.12	(16.51)	(9.78)	-	57.83	59.26
	Vehicles	40.55	(13.23)	4.02	-	31.34	17.59	(6.73)	0.04	-	10.90	20.44
	Furniture and fixtures	8.11	(1.48)	-	-	6.63	6.98	(1.25)	(0.07)	-	5.66	0.97
	Building and structures	207.47	(25.63)	-	-	181.84	27.08	(3.15)	9.85	-	33.78	148.06
	Land	51.20	(9.34)	-	-	41.86	-	-	-	-	-	41.86
	Total	6,018.54	(840.84)	509.47	58.92	5,628.25	4,465.22	-687.50	137.24	31.24	3,883.72	1,744.53
b)	Intangible assets											
	Software / Licences acquired	328.13	(38.64)	28.01	-	317.50	240.25	(35.09)	38.63	-	243.79	73.71
	Commercial rights acquired	206.54	-	1,000.00	-	1,206.54	105.48	-	64.85	-	170.33	1,036.21
	Rights under service concession arrangements (refer foot note no. ii)	50,915.99	22,056.38	34.47	-	73,006.84	2,906.68	(451.89)	1,220.38	-	3,675.17	69,331.67
	Trademarks and licences	2.29	(0.42)	-	-	1.87	2.29	(0.42)	-	-	1.87	-
	Others	488.42	21.51	-	-	509.93	232.80	(37.97)	101.05	-	295.88	214.05
	Total	51,941.37	22,038.83	1,062.48	-75,042.68	3,487.50	(525.37)	1,424.91	-	4,387.04	70,655.64	
	Grand total	57,959.91	21,197.99	1,571.95	58.92	80,670.93	7,952.72	(1,212.87)	1,562.15	31.24	8,270.76	72,400.17
c)	Capital work-in-progress	496.53	(417.00)	106.64	-	186.17	-	-	-	-	-	186.17
d)	Intangible assets under development (refer foot note no. ii and iv)	84,861.90	(26,522.04)	34,916.66	-93,256.52	-	-	-	-	-	-	93,256.52

	Grand Total	143,318 .34	(5,741.05)	36,595.25	58.92	174,113.6 2	7,952.72	(1,212.87)	1,562.1 5	31.24	8,270.76	165,842.86

IL&FS TRANSPORTATION NETWORKS LIMITED
Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015
Note 13: Fixed assets - Previous Year

₹ in million											
Particulars		Gross Block (at cost)			Balance as at		Depreciation and Amortisation			Balance as at	Net Block
	Balance as at	Adjustments /	Additions	Deletions	Balance as at	Balance as at	Adjustments /	Charge for the	Deletions	Balance as at	Balance as at
	April 1, 2013	Reclassifications			31, 2014	April 1, 2013	Reclassifications	year (refer foot		31, 2014	March 31, 2014
		(Refer Foot Note iii)					(Refer Foot Note iii)	note i)			
a) Tangible assets											
Land	20.63	2.72	0.99	-	24.34	-	-	-	-	-	24.34
Building and structures	303.53	47.18	26.30	-	377.01	43.23	8.17	11.17	-	62.57	314.44
Vehicles	1,251.54	119.48	66.86	24.69	1,413.19	1,001.41	109.79	92.14	14.35	1,188.99	224.20
Data processing equipments	142.07	10.88	30.17	4.28	178.84	111.50	13.11	18.37	3.81	139.17	39.67
Office premises	46.75	3.55	-	-	50.30	2.58	0.02	0.82	-	3.42	46.88
Office equipments	87.76	4.25	18.70	2.04	108.67	53.81	2.99	12.52	1.20	68.12	40.55
Leasehold improvements	19.29	-	2.43	-	21.72	13.11	-	2.26	-	15.37	6.35
Furniture and fixtures	302.67	41.92	10.93	0.24	355.28	202.78	30.63	44.78	0.19	278.00	77.28
Electrical installations	117.57	20.17	32.83	1.29	169.28	116.50	15.87	12.14	1.28	143.23	26.05
Plant and machinery	2,278.98	482.45	103.42	6.06	2,858.79	1,930.85	405.19	84.79	1.91	2,418.92	439.87
Advertisement structure	16.85	(5.18)	-	-	11.67	16.42	(5.43)	0.67	-	11.66	0.01
Assets taken on lease :											
Plant and machinery	152.72	(10.60)	-	-	142.12	69.01	(13.64)	28.75	-	84.12	58.00
Vehicles	57.49	(25.79)	8.85	-	40.55	30.58	(19.08)	6.09	-	17.59	23

	Furniture and fixtures	-	8.11	-	-	8.11	-	6.46	0.52	-	6.98	1.13
	Building and structures	186.95	20.52	-	-	207.47	20.76	2.40	3.92	-	27.08	180.39
	Land	43.23	7.97	-	-	51.20	-	-	-	-	-	51.20
	Total	5,028.03	727.63	301.48	38.60	6,018.54	3,612.54	556.48	318.94	22.74	4,465.22	1,553.32
b)	Intangible assets											
	Software / Licences acquired	223.23	30.24	74.66	-	328.13	173.54	28.80	37.91	-	240.25	87.88
	Commercial rights acquired	206.54	-	-	-	206.54	80.40	(2.00)	27.08	-	105.48	101.06
	Rights under service concession arrangements (refer foot note no. ii)	29,265.38	21,617.28	35.59	2.26	50,915.99	1,808.91	58.51	1,039.29	0.03	2,906.68	48,009.31
	Trademarks and licences	1.93	0.36	-	-	2.29	1.93	0.36	-	-	2.29	-
	Others	206.47	258.52	23.43	-	488.42	121.84	22.87	88.09	-	232.80	255.62
	Total	29,903.55	21,906.40	133.68	2.26	51,941.37	2,186.62	108.54	1,192.37	0.03	3,487.50	48,453.87
c)	Capital work-in-progress	475.99	(367.24)	421.41	33.63	496.53	-	-	-	-	-	496.53
d)	Intangible assets under development (refer foot note no. ii and iv)	66,969.81	(19,407.99)	37,300.08	-	84,861.90	-	-	-	-	-	84,861.90
	Grand Total	102,377.38	2,858.80	38,156.65	74.49	143,318.34	5,799.16	665.02	1,511.31	22.77	7,952.72	135,365.62

IL&FS TRANSPORTATION NETWORKS LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015

Foot Note:

- i Depreciation on assets used during the construction period ₹ 1.70 million (previous year ₹ 1.13 million) has been included in "Capital Work in Progress" and credit impact of change of depreciation policy of ₹ 39.23 million (previous year ₹ Nil million) has been included in depreciation charge to the statement of profit and loss. Therefore, the charge to the statement of profit and loss is lower by this amount.
- ii **Estimates under Service Concession Arrangement - Right under Service Concession Arrangements / Intangible assets under Developments**

Estimates under Service Concession Arrangements

Under Service Concession Arrangement (SCA), where a Special Purpose Vehicle (SPV) has received the right to charge users of a public service, such rights are recognized and classified as "Intangible Assets". Such a right is an unconditional right to receive consideration however the amounts are contingent to the extent that the public uses the service.

The book value of such an Intangible Asset is recognized by the SPV at the fair value of the constructed asset which comprises of the actual construction cost plus the margins as per the SCA.

The Intangible Asset is amortised on the basis of units of usage method over the lower of the remaining concession period or useful life of such intangible asset, in terms of each SCA.

Estimates of margins are based on internal evaluation by the management. Estimates of units of usage, toll rates, contractual liability for overlay expenditure and the timing of the same are based on technical evaluations and / or traffic study estimates by external agencies.

These factors are consistent with the assumptions made in the previous years. The key elements have been tabulated below:

₹in million		
Particulars	Upto / As at March 31, 2015	Upto / As at March 31, 2014
Cumulative Margin on construction in respect of Intangible Assets / Intangible Assets under development	13,398.75	10,166.07
	Year ended	
	March 31, 2015	March 31, 2014
Amortisation charge in respect of intangible assets	1,220.38	1,039.29

- iii Adjustments includes additions to Gross Block and Accumulated Depreciation towards foreign exchange fluctuation / acquisition of new subsidiaries / jointly controlled entities during the year and deductions to Gross Block and Accumulated Depreciation towards foreign exchange fluctuation / sale / cessation of subsidiaries / jointly controlled entities and regrouping of previous year figures.
- iv Intangibles assets under Service Concession Arrangement is capitalised when the project is complete in all respects and when the Company receives the final completion certificate from the authority as specified in the Concession Agreement and not on completion of component basis as the intended purpose of the project is to have the complete length of the road available for use. Accordingly intangible assets under development includes following items which have been capitalised post receipt of provisional completion certificate pending final completion of the project. :

₹ in million				
Particulars	Year ended March 31, 2015	Year ended March 31, 2014	Till March 31, 2015	Till March 31, 2014
<u>Revenue</u>				
Toll Revenue	1,748.85	450.62	2,199.47	450.62
Other revenue	0.09	-	0.09	-
<u>Expenses</u>				
Operating & maintenance and other general expenses	325.07	56.71	381.78	56.71
Interest & finance cost	2,408.84	690.62	3,099.46	690.62
Total expenses	2,733.91	747.33	3,481.24	747.33

IL&FS TRANSPORTATION NETWORKS LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015

Note 14: Non-current investments

₹ in million

Particulars	As at March 31, 2015	As at March 31, 2014
(a) i) Investments in Unquoted Equity Instruments - Associates		
Investments in associates	2,446.77	1,262.02
Less: Unrealised gain on transactions between the Company and its associates	(115.54)	(158.15)
Add: Post-acquisition share of profit of associates (net)	496.36	434.06
Add: Post-acquisition share of movement in the reserves of an associate (net)	512.03	452.48
Less: Cash flow hedge reserve	(519.77)	(491.52)
(b) Investments in Unquoted Equity Instruments (refer footnote ii)	188.74	189.75
(c) Investments in Covered Warrants (refer footnote no. i)	1,943.00	1,693.00
(d) Investment in Non Convertible Debentures	320.00	320.00
(e) Investment Property	1,153.02	1,153.02
Less: Provision for diminution in the value of Investments	-	(179.00)
Total	6,424.61	4,675.66

Foot Note:

- (i) The Company's "Investment in Covered Warrants" aggregating to ₹1,943.00 million (As at March 31, 2014 ₹ 1,693.00 million) issued by Infrastructure Leasing & Financial Services Limited ("IL&FS") the holding company, are variable interest debt instruments under which the holder is entitled to a proportionate share of the dividend, if any, declared by Road Infrastructure Development Company of Rajasthan Limited ("RIDCOR"), Jharkhand Accelerated Road Development Company Limited ("JARDCL"), Chhatisgarh Highways Development Company Limited ("CHDCL") and Jharkhand Road Projects Implementation Company Limited ("JRPICL") on the equity shares held by IL&FS as well as the interest granted by RIDCOR on the Fully Convertible Debentures ("FCDs") held by IL&FS. However, the Company is not entitled to rights and privileges, which IL&FS enjoys as a shareholder / debenture holder. The instruments are unsecured.
- (ii) **Investment in Airport Holding Australasia Pte Limited ("AHA"):** Investment in AHA has not been considered as Investments in Associates as in the view of the Management, no significant influence exist.
- (iii) During the year ended March 31, 2013, the Company had exercised an option available vide an Agreement entered into by it, by virtue of which it has become entitled to 49,555 sq. ft. area in a commercial development project in lieu of the outstanding balance of advance given of ₹1,118.46 million (including interest accrued of ₹127.68 million). The Company has received letter of allotment for the above mentioned area. Thus, the amount has been transferred from "Loans to others" and "Interest accrued but not due" to "Investment property" (including an advance of ₹14.19 million given during the year). The fair value of the amount of advances and the interest accrued thereon amounting to ₹1,118.46 million has been considered to be the cost of acquisition of the said investment property. Also, the Company had paid ₹ 34.56 million towards incidental expenses in relation to conversion which has been added to the carrying value of the investment property. The said property has been provided as security to one of the lenders. Subsequently the Company has been allotted designated commercial area of 49,555 sq.ft. in the said project vide letter dated May 22, 2015.

- (iv) During the year ended March 31, 2015, an associate Company (subsidiary upto August 7, 2014) received a formal communication from the Corporate Debt Restructuring (CDR) Empowered Group with respect to it having formally exited from the CDR system. The financial statements of the associate reflect, contribution by Government of Gujarat (“GOG”) amounting to ₹300 million as Advance towards Capital / Debt, liabilities towards Non-convertible Debentures (“NCDs”) aggregating ₹160 million and Deep Discount Bonds (“DDBs”) aggregating to ₹183.02 million. Consequent to the Company’s exit from the CDR on May 20, 2014, the below mentioned items are under discussion / pending:
- With respect to the Advances towards Capital / Debt, approval from Government of Gujarat (“GOG”) to continue the classification of the advances given by GOG of ₹300 million as Advance towards Preference Capital; until the repayment of DDBs and NCDs; and
 - Revised terms of the NCDs & DDBs.

In the view of the Management of the associate company, the amounts payable, if any, for the aforesaid item (a) is currently unascertainable and accordingly, no liability/charge has been created in its financial statements. With respect to item (b) above, the revised terms of the NCDs / DDBs are subject to approval from the trustees for DDBs, DDB holders and NCD holders are awaited, however the Group has accounted interest cost / premium on the basis of the revised terms as approved in the Board meeting dated April 23, 2015 of the said Associate.

Note 15: Current investments

Particulars	₹ in million	
	As at March 31, 2015	As at March 31, 2014
Investments in Units	200.48	15.28
Total	200.48	15.28

IL&FS TRANSPORTATION NETWORKS LIMITED
Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015
Note 16: Long-term loans and advances

₹ in million				
Particulars	As at March 31, 2015		As at March 31, 2014	
(a) Capital Advances				
Secured, considered good				
Others	0.90		-	
Unsecured, considered good				
Others	370.95	371.85	1,100.12	1,100.12
(b) Security Deposits				
Unsecured, considered good	120.67	120.67	132.37	132.37
(c) Loans and advances to related parties				
Unsecured, considered good				
- Prepaid expenses	75.20		-	
- Mobilisation & pre-construction advance recoverable	9.14		119.38	
- Advance towards share application money	750.15		-	
- Option premium (net of provision)	79.13		36.67	
- Long term loans	2,052.61	2,966.23	2,183.32	2,339.37
(d) Other loans and advances				
Unsecured, considered good				
- Advance receivable	1,375.96		629.14	
- Prepaid expenses	361.05		352.47	
- Pre-construction and mobilisation advance paid	4,348.66		2,498.03	
- Advance towards share application money	200.00		200.00	
- MAT credit entitlement	440.25		555.25	
- Advance payment of taxes (net of provision)	2,849.75		2,357.15	
- Loans to others	831.37	10,407.04	835.00	7,427.04
Total		13,865.79		10,998.90

Note 17: Short-term loans and advances

₹ in million				
Particulars	As at March 31, 2015		As at March 31, 2014	
(a) Loans and advances to related parties				
Unsecured, considered good				
- Mobilisation & other advance	40.00		-	
- Advance receivable	459.50		235.90	
- Inter-corporate deposits	248.21		31.30	
- Short term loans	1,688.15	2,435.86	681.50	948.70
(b) Other loans and advances				
Unsecured, considered good				
- Mobilisation & other advance	2,510.58		3,014.16	

	- Prepaid expenses	598.76		481.01	
	- Advance receivable	2,080.38		2,311.76	
	- Security deposits	414.30		165.00	
	- Inter-corporate deposits	40.04		40.04	
	- Loans to others	3,843.37	9,487.43	2,774.81	8,786.78
Total			11,923.29		9,735.48

IL&FS TRANSPORTATION NETWORKS LIMITED
Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015
Note 18: Other non-current assets
₹ in million

Particulars		As at March 31, 2015		As at March 31, 2014	
(a)	Receivables against Service Concession Arrangement (refer foot note (i) of note no. 19)	82,755.46		75,649.60	
(b)	Balances with Banks in deposit accounts (Restricted)	1,752.81		1,988.97	
(c)	Unamortised borrowing costs	1,082.06		826.21	
(d)	Receivable due to fair valuation of derivative contract	-		92.72	
(e)	Retention money receivable	196.45		127.93	
(f)	Interest accrued but not due	425.45		322.42	
(g)	Interest accrued and due	-		34.24	
(h)	Other non current assets	0.02		0.02	
			86,212.25		79,042.11
(i)	Toll Receivable account	1,833.64		1,865.05	
	Less: Amortisation during the year	(11.77)		(31.41)	
	Less: Adjustments during the year	(1,491.52)		-	
	Toll Receivable account (net)		330.35		1,833.64
Total			86,542.60		80,875.75

Note 19: Other current assets
₹ in million

Particulars		As at March 31, 2015		As at March 31, 2014	
(a)	Unbilled revenue	433.52		9.62	
(b)	Interest accrued	1,070.32		661.30	
(c)	Receivables against Service Concession Arrangement (refer foot note no. i)	5,576.87		5,017.04	
(d)	Balances with Banks in deposit accounts (Lien)	1,617.90		425.00	
(e)	Unamortised borrowing costs	488.45		188.89	
(f)	Receivable towards sale of investment	655.00		-	
(g)	Receivable due to fair valuation of derivative contract	80.32		-	
(h)	Grant receivable	118.42		637.50	
(i)	Other current assets	48.98		28.69	
			10,089.78		6,968.04
Total			10,089.78		6,968.04

Foot Note:**(i) Estimates under Service Concession Arrangement - Financial assets**

Under a Service Concession Arrangement (SCA), where a Special Purpose Vehicle (SPV) has acquired contractual rights to receive specified determinable amounts (Annuity) for use of an asset, such amounts are recognised as “Financial Assets” and are disclosed as “Receivable against

Service Concession Arrangements”

The value of a Financial Asset covered under a SCA includes the fair value estimate of the construction services which is estimated at the inception of the contract and is based on the fair value of the constructed asset and comprises of the actual construction cost, a margin as per the SCA, estimates of the future operating and maintenance costs, including overlay / renewal costs

The cash flows from a Financial Asset commences from the Provisional / Final Commercial Operation Date as certified by the granting authority for the SCA.

The cash flow from a Financial Asset is accounted using the effective interest rate method. The intrinsic interest element in each Annuity receipt is accounted as finance income and the balance amount is accounted towards recovery of dues from the “Receivable against Service Concession Arrangements”

These factors are consistent with the assumptions made in the previous years The key elements have been tabulated below:

Particulars	₹ in million	
	As at March 31,	As at March 31,
	2015	2014
Cumulative Margin on construction and operation & maintenance and renewal services recognised in respect of Financial Assets	6,638.23	6,103.86
Future Operation and maintenance and renewal services considered in respect of Financial Assets	25,592.03	26,176.72
Revenue recognised on Receivables against Service Concession Arrangement on the basis of effective interest method	28,005.18	20,545.29

IL&FS TRANSPORTATION NETWORKS LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015

Note 20: Inventories (lower of cost and net realisable value)

Particulars	₹ in million	
	As at March 31, 2015	As at March 31, 2014
Inventories (at cost)		
(i) Raw materials	26.41	58.62
(ii) Finished goods	106.59	103.18
(iii) Stores and spares	7.79	9.74
Total	140.79	171.54

Note 21: Trade receivables

Particulars	₹ in million			
	As at March 31, 2015		As at March 31, 2014	
(a) Trade receivables outstanding for a period less than six months from the date they are due for payment				
Secured, considered good	-		6.67	
Unsecured, considered good	5,846.62	5,846.62	7,144.00	7,150.67
(b) Trade receivables outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, considered good	4,609.62		2,724.71	
Other considered doubtful	187.67		667.37	
Less: Provision for doubtful debt	(187.67)	4,609.62	(667.37)	2,724.71
Total		10,456.24		9,875.38

Note 22: Cash and cash equivalents

Particulars	₹ in million			
	As at March 31, 2015		As at March 31, 2014	
(a) Cash and cash equivalents				
Cash on hand	36.70		35.91	
Balances with Banks in current accounts	4,713.88		5,147.55	
Balances with Banks in demand deposit accounts	2,141.77	6,892.35	928.08	6,111.54
(b) Other bank balances				
Unclaimed dividend accounts	4.83		4.20	
Balances held as margin money or as security against borrowings	873.46	878.29	597.10	601.30
Total		7,770.64		6,712.84

IL&FS TRANSPORTATION NETWORKS LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015

Note 23: Contingent liabilities and capital commitments

(A) Contingent liabilities (refer foot note)

		₹ in million	
Particulars		As at March 31, 2015	As at March 31, 2014
(i)	Claims against the Group not acknowledged as debt	4,188.52	906.35
(ii)	Other money for which the company is contingently liable		
	- Income tax demands contested by the Group	399.24	720.92
	- Other tax liability	83.92	83.92
	- Royalty to Nagpur Municipal Corporation	10.74	10.74
	- Guarantees/ counter guarantees issued in respect of other companies	220.71	329.06
(iii)	In case of Income Tax disputes decided in favour of the Group at the First Appellate Authority for amounts disallowed amounting to ₹ 820.08 million (March 31, 2014 ₹ 1,361.09 million), the Income Tax department has gone for further appeal in all the cases. If decided against the Group, it will result in reduction of unabsorbed depreciation as per the Income -Tax law		

Foot note: The Company does not expect any outflow of economic resources in respect of the above and therefore no provision is made in respect thereof.

(B) Capital commitments

		₹ in million	
Particulars		As at March 31, 2015	As at March 31, 2014
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances paid aggregate ₹ 5,022.11 million) (as at March 31, 2014 ₹ 4,644.40 million)	71,194.59	78,418.96
(ii)	Investment Commitments [net of advances of ₹ 200.00 million, (As at March 31, 2014 : ₹ 200.00 million)]	200.00	200.00

(C) Other commitments

		₹ in million	
Particulars		As at March 31, 2015	As at March 31, 2014
(i)	Negative grant to National Highways Authority of India ("NHAI") (upto	2,150.00	2,400.00

	2019-20)		
(ii)	Connectivity charges to Haryana Urban Development Authority	27,489.75	27,569.75
(iii)	During the year ended March 31, 2015, the Company had assigned loans aggregating to ` Nil (March 31, 2014 ₹ 4,507 million) at its book value, out of which in the case of loans aggregating ₹ Nil (March 31, 2014 ₹ 2,950 million), the lender has a put option on the Company on specified future dates till the maturity of the loans assigned and having a recourse to the Company in case of default by the borrower on the due dates.		
(iv)	Put option on sale of investment	Unascertainable	Not applicable

(D) Litigations against the Group :

- (i) A Public interest litigation has been filed in the Allahabad High Court to make one of the project of a Jointly Controlled Entity, a toll free facility for general public. Based on the legal opinion, the management believes that there is reasonable probability of success in the matter and has no impact on the financial position of the Group at this stage.
- (ii) During the year, Income Tax Department has initiated reassessment U/s 147 of the Income Tax Act, 1961 for Assessment Years 2007-08, 2008-09 and 2012-13 and raised a demand of ₹ 1,086.68 million (Group's share) primarily on account of arrears of designated returns to be recovered in future from toll and other recoveries as per the Concession Agreement of one of the Jointly Controlled Entity. The said Jointly Controlled Entity has filed an appeal with the first level Appellate Authority and based on legal opinion, the management believes that the outcome of the same will be in favour of the Jointly Controlled Entity and it has no impact on the financial position of the Group at this stage.

In few other matters, income tax demands of ₹ 16.48 million (Group's share) have also been raised for which necessary rectification applications U/s 154 of the Income Tax Act, 1961 have been filed by the Jointly Controlled Entity. The Group expects that the demands will be deleted post rectification by the department.

- (iii) Certain other matters i.e. encroachment onto land & installation of unipoles, size of advertisement structures, exemption from paying toll to armed forces personnel's, etc. are under litigation in one of the project of a Jointly Controlled Entity. Based on the legal opinion from the counsel of the Jointly Controlled Entity, the management of the Company believes that there is reasonable probability of success in the matters and have no impact on the financial position of the Group at this stage.
- (iv) For collecting MCD toll on behalf of SMS AAMW Tollways Private Limited, the Group is deducting service charges @ 13.5% of MCD toll as against 3% as directed by MCD. MCD has send a legal notice to take coercive action against withholding such amount. The Group has filed suit for injection from such notice. The court has passed an interim order restraining the defendants from taking any coercive action. On prudence basis, till settlement of dispute, service charges has been recognised as income @ 3% of MCD toll. Necessary adjustment, if any, will be recognised on finalisation of matter. The management does not expect any impact on financial position of the Group on this account at this stage.

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Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015
Note 24: Revenue from operations

₹ in million					
Particulars		Year ended March 31, 2015		Year ended March 31, 2014	
(a) Income from services					
	Advisory and project management fees	836.07		1,474.30	
	Lenders' engineer and supervision fees	73.90		240.68	
	Operation and maintenance income	12,279.19		11,169.73	
	Licence fee	4.10	13,193.26	10.51	12,895.22
(b) Toll revenue			3,779.38		4,178.80
(c) User fee income			1,234.54		830.58
(d) Finance income			7,459.89		6,139.70
(e) Construction income			37,176.78		41,666.55
(f) Sales (net of sales tax)			112.94		79.97
(g) Operation and maintenance Grant			79.08		79.08
(h) Other operating income (refer note no 43)					
	Profit on sale of investment		1,972.87		-
	Total		65,008.74		65,869.90

Note 25: Other income

₹ in million					
Particulars		Year ended March 31, 2015		Year ended March 31, 2014	
(a) Interest Income					
	Interest on loans granted	1,968.59		733.66	
	Interest on debentures	52.06		46.69	
	Interest on bank deposits	500.07		279.73	
	Interest on short term deposit	30.40	2,551.12	31.28	1,091.36
(b) Profit on sale of investment (net)			11.48		12.72
(c) Profit on sale of fixed assets (net)			24.71		0.46
(d) Dividend income			24.00		6.00
(e) Other non-operating income					
	Advertisement income	40.21		52.78	
	Excess provisions written back	46.35		0.98	
	Exchange rate fluctuation gain (net)	-		19.32	
	Insurance claim received	-		190.28	
	Recovery of expenses	-		183.59	
	Reversal of excess overlay provision	-		380.83	
	Reversal of Provision for diminution in value of	342.28		-	

	investments				
	Miscellaneous income	233.35	662.19	216.60	1,044.38
	Total		3,273.50		2,154.92

Note 26: Cost of materials consumed

₹ in million

Particulars		Year ended March 31, 2015		Year ended March 31, 2014	
(a)	Material consumption	2,296.00		2,192.20	
(b)	Purchase of traded products	93.64		68.10	
(c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade.	26.18		12.40	
			2,415.82		2,272.70
	Total		2,415.82		2,272.70

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Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015

Note 27: Operating expenses

₹ in million

Particulars		Year ended March 31, 2015		Year ended March 31, 2014	
(a)	Construction contract costs	25,990.06		29,836.36	
(b)	Fees for technical services / design and drawings	553.32		611.67	
(c)	Diesel and fuel expenses	304.59		299.37	
(d)	Operation and maintenance expenses	3,924.59		5,063.06	
(e)	Provision for overlay expenses	181.87		140.17	
(f)	Periodic maintenance expenses	40.34		37.94	
(g)	Toll plaza expenses	100.66		148.68	
(h)	Negative grant to authority	250.00	31,345.43	200.00	36,337.25
	Total		31,345.43		36,337.25

Note 28: Employee benefits expense

₹ in million

Particulars		Year ended March 31, 2015		Year ended March 31, 2014	
(a)	Salaries and wages	3,747.12		3,322.45	
(b)	Contribution to provident and other funds	718.87		681.92	
(c)	Staff welfare expenses	60.34		52.14	
(d)	Deputation cost	64.93	4,591.26	84.94	4,141.45

	Total		4,591.26	4,141.45

Footnote:

(i) Employee benefit obligations:

(A) Defined-contribution plans

(i) The Group offers its employees defined contribution benefits in the form of provident fund, family pension fund and superannuation fund. Provident fund, family pension fund and superannuation fund cover substantially all regular employees. Contributions are paid during the year into separate funds under certain statutory / fiduciary-type arrangements. While both the employees and the Group pay predetermined contributions into the provident fund and pension fund, contributions to superannuation fund are made only by the Group. The contributions are normally based on a certain proportion of the employee's salary.

(ii) A sum of ₹ 64.04 (previous year ₹ 53.58) million has been charged to the consolidated Statement of Profit and Loss in this respect.

(B) Defined-benefit plans:

The Group offers its employees defined-benefit plans in the form of gratuity (a lump sum amount). Amounts payable under defined benefit plans are typically based on years of service rendered and the employee's eligible compensation (immediately before retirement). The gratuity scheme covers substantially all regular employees. In the case of the gratuity scheme, the Group contributes funds to the Life Insurance Corporation of India which administers the scheme on behalf of the Group. Commitments are actuarially determined at year end. Actuarial valuation is based on "Projected Unit Credit" method. Gains and losses due to changes in actuarial assumptions are charged to the Consolidated Statement of Profit and Loss.

The net value of the defined-benefit commitment is detailed below:

Particulars	₹ in million	
	As At March 31, 2015	As At March 31, 2014
Present value of commitment	114.43	81.19
Fair value of plans	117.14	76.46
Unrecognised past service cost	-	-
(Prepaid) / Payable amount taken to the balance sheet	(2.71)	4.73
Defined benefit commitments:		
		₹ in million
Gratuity	As At March 31, 2015	As At March 31, 2014
Opening balance	84.59	57.39
Impact of conversion of subsidiary to associate	(0.54)	-
Excess provision written back	-	(0.31)
Interest cost	6.70	4.55
Current service cost	24.24	17.95
Benefits paid	(4.79)	(5.41)
Actuarial (gain) / loss	4.23	6.74
Transferred from / to other company	-	0.28
Closing balance	114.43	81.19

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Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015

Plan Assets:

₹ in million		
Gratuity	As At March 31, 2015	As At March 31, 2014
Opening balance	90.28	56.35
Impact of conversion of subsidiary to associate	(0.78)	-
Expected return on plan assets	8.22	5.24
Contributions by the Company / Group	20.28	19.35
Benefits paid	(4.48)	(5.20)
Transferred from / to other company	-	0.28
Actuarial gain / (loss)	3.62	0.44
Fair value of plan assets	117.14	76.46

Return on Plan Assets:

₹ in million		
Gratuity	Year ended March 31, 2015	Year ended March 31, 2014
Expected return on plan assets	8.22	3.16
Actuarial gain / (loss)	3.62	0.29
Actual return on plan assets	11.84	3.45

Expenses on defined benefit plan recognised in the Consolidated Statement of Profit and Loss:

₹ in million		
Gratuity	Year ended March 31, 2015	Year ended March 31, 2014
Current service cost	24.24	10.90
Interest expenses	6.70	3.58
Expected return on investments	(8.22)	(3.16)
Net actuarial (gain) / loss	0.61	(1.84)
Expenses charged to Consolidated Statement of Profit and Loss	23.33	9.48

- (i) The actuarial calculations of estimated defined benefit commitments and expenses are based on the following assumptions, which if changed would affect the defined benefit commitment's size, funding requirements and pension expense.

Particular	Year ended March 31, 2015		Year ended March 31, 2014	
	Group entities other than a jointly controlled entity	Jointly controlled entity	Group entities other than a jointly controlled entity	Jointly controlled entity
Rate for discounting liabilities	7.80%-8.00%	8.25%	8.00%-9.39%	8.25%
Expected salary increase rate	6.50%	6.50%	6.50%-7.00%	6.50%
Expected return on scheme assets	8.00%	6.50%	8.70%	6.50%
Attrition rate	2%	Not disclosed	2%	Not disclosed

Mortality table used	Indian Assured Lives	LIC (1994-96)	Indian Assured Lives	LIC (1994-96)
	Mortality (2006-08)	Ultimate table	Mortality (2006-08)	Ultimate table
	Ultimate		Ultimate	

- (ii) The estimates of future salary increases considered in the actuarial valuation take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
- (iii) The amounts of the present value of the obligation, fair value of the plan assets, surplus or deficit in the plan, experience adjustments arising on plan liabilities and plan assets for the current period and previous four annual periods is given below:

₹ in million					
Gratuity (Funded Plan)	As At March 31, 2015	As At March 31, 2014	As At March 31, 2013	As At March 31, 2012	As At March 31, 2011
Defined benefit commitments	114.43	84.58	81.19	57.39	41.65
Plan assets	117.14	90.28	76.46	56.35	56.35
Unfunded liability transferred from group companies	-	-	-	-	0.64
(Surplus) / Deficit	(2.71)	(5.70)	4.73	1.04	(14.06)
₹ in million					
Gratuity (Funded Plan)	Year ended March 31, 2015	Year ended March 31, 2014	As At March 31, 2013	As At March 31, 2012	As At March 31, 2011
Experience adjustments on plan commitments	(2.43)	(1.67)	(4.03)	(0.40)	4.32
Experience adjustments on plan assets	3.43	(0.12)	0.69	(0.35)	1.11

- (iv) The contribution expected to be made by some of the constituents of the Group during the financial year 2014-2015 ₹ 82.98 million (March 31, 2014 ₹ 63.03 million)
- (v) The above disclosure does not include details of its nine foreign subsidiaries and one foreign joint venture as the same is not applicable in their respective countries.

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Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015

Note 29: Finance costs

₹ in million					
Particulars	Year ended March 31, 2015		Year ended March 31, 2014		
(a) Interest expenses					
Interest on loans for fixed period	13,811.22		11,994.00		
Interest on debentures	2,571.54		1,869.05		
Discount on Commercial Paper	657.15		166.07		
Interest on deep discount bonds	369.22	17,409.13	176.65	14,205.77	
(b) Other finance charges					
Guarantee commission	133.66		172.07		
Finance charges	788.40	922.06	331.79	503.86	
Total		18,331.19		14,709.63	

Note 30: Administrative and general expenses

₹ in million					
Particulars	Year ended March 31, 2015		Year ended March 31, 2014		
Legal and consultation fees	866.02		607.47		
Travelling and conveyance	456.71		367.33		
Rent	810.21		653.86		
Rates and taxes	262.94		199.57		
Repairs and maintenance others	272.55		228.97		
Bank commission	250.46		105.16		
Registration expenses	20.55		55.54		
Communication expenses	103.49		90.35		
Insurance	333.96		258.50		
Exchange rate fluctuation loss (net)	27.67		-		
Printing and stationery	63.58		44.53		
Electricity charges	173.00		80.06		
Directors' fees	22.39		15.83		
Provision for doubtful debts	52.45		177.21		
Project management fees	33.85		31.01		
Loss on sale of fixed assets (net)	4.04		32.05		
Brand subscription fees	230.23		308.45		
Amortisation of goodwill	82.67		69.83		
Amortisation of toll receivable account	11.77		31.41		
Miscellaneous expenses	1,193.32	5,271.86	865.06	4,222.19	
Total		5,271.86		4,222.19	

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Note 31: Earnings per equity share

Particulars	Unit	Year ended March 31, 2015	Year ended March 31, 2014
Profit for the year	₹ in million	4,436.01	4,630.48
Depreciation charge to surplus / deficit in the Statement of Profit and Loss due to change in depreciation policy as per the Companies Act 2013.	₹ in million	(18.50)	-
Redemption premium on preference shares of the Company	₹ in million	-	(25.62)
Dividend on Cumulative preference shares of the Company	₹ in million	(788.63)	(305.11)
Tax on Dividend on cumulative preference shares of the Company	₹ in million	(160.55)	(51.85)
Premium on preference shares of a subsidiary	₹ in million	-	(12.01)
Dividend on Non- Cumulative preference shares of a subsidiary	₹ in million	-	(2.60)
Tax on dividend on Non-Cumulative preference shares of a subsidiary	₹ in million	-	(0.44)
Profit available for Equity Shareholders	₹ in million	3,468.32	4,232.85
Weighted average number of equity shares outstanding after effect of right shares	Number	242,215,075	206,615,020*
Weighted average number of equity shares outstanding as originally reported in previous year	Number	Not applicable	194,267,732
Nominal Value per equity share	₹	10.00	10.00
Basic / Diluted earnings per share after effect of right shares	₹	14.32	20.49
Basic / Diluted earnings per share as originally reported in previous year	₹	Not applicable	21.79

* As adjusted for rights issue in accordance with AS - 20 Earnings Per Share.

Note 32 : Disclosure of Leases :

(A) Operating Lease:

The Group holds certain properties under a non-cancellable operating lease. The Groups future lease rentals under the operating lease arrangements as at the year-end are as under:

(a) For jointly controlled entities - Nil

(b) For entities other than jointly controlled entities

₹ in million

Future Lease rentals	As at March 31, 2015	As at March 31, 2014
Within one year	635.12	538.76
Over one year but less than 5 years	70.99	212.64

More than 5 years	-	-

The lease terms do not contain any exceptional / restrictive covenants nor are there any options given to Group to renew the lease or purchase the properties. The agreements provide for changes in the rentals if the taxes leviable on such rentals change.

Particular	₹ in million	
	Year ended March 31, 2015	Year ended March 31, 2014
Amount charged to the Consolidated Statement of Profit and Loss for rent	659.69	531.58

(B) Finance Leases:

(a) Subsidiaries

Particular	As at March 31, 2015			As at March 31, 2014		
	Minimum Lease Payment	Present value of minimum lease payments	Lease Charges	Minimum Lease Payment	Present value of minimum lease payments	Lease Charges
Amount payable not later than one year	64.99	58.73	6.26	69.19	65.15	4.05
Amount payable >1 but < 5 years	128.16	116.20	11.95	90.50	84.01	6.49
Amount payable > 5 years	25.40	25.07	0.34	39.70	38.62	1.08
Total	218.55	200.00	18.55	199.39	187.78	11.62

(b) Jointly controlled entities - Nil

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⁽³³⁾ The Group's percentage holding in various jointly controlled entities are given below:

Name of the jointly controlled entity	As at March 31, 2015	As at March 31, 2014
	% holding	% holding
NTBCL	25.35	25.35
JSEL	50.00	50.00
NAMEL	50.00	50.00
YuHe	49.00	49.00
Geotecnia y Control De Qualitat, S.A.	50.00	50.00
Consorcio De Obras Civiles S.R.L	34.00	34.00
Vies Y Construcciones S. R. L.	50.00	50.00

The proportionate share in assets, liabilities, income and expenditures of above jointly controlled entities as included in these CFS is given below: (after elimination and consolidated adjustments)

₹ in million		
Particulars	As at March 31, 2015	As at March 31, 2014
Assets		
Fixed assets (net)	27,041.41	26,454.71
Deferred tax assets	42.42	24.72
Investment	200.48	15.28
Non-current assets	6,701.10	3,302.20
Current assets	1,167.36	2,302.36
	35,152.77	32,099.27
Equity and Liabilities		
Reserves and surplus	7,049.94	5,560.02
Non-current liabilities	17,077.23	16,325.24
Deferred Tax Liability	156.24	227.69
Current liabilities	1,309.40	1,091.56
	25,592.81	23,204.51

₹ in million		
Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Income		
Revenue from operations	5,580.21	4,823.16
Other Income	103.82	100.92
	5,684.03	4,924.08
Expenses		
Operating expenses	1,247.30	1,672.76
Administrative and general expenses	222.97	191.71
Depreciation and amortization expense	464.79	435.75
Finance costs	1,009.16	907.33
Taxes - Current tax & Deferred tax	37.00	174.89
	2,981.22	3,382.44

₹ in million		
Particulars	As at March 31, 2015	As at March 31, 2014
Contingent Liabilities	-	-
Capital Commitments	1,052.77	1,844.88

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(34) The year end foreign currency exposures that have not been hedged by derivative instrument or otherwise are given below:

Receivable	March 31, 2015		March 31, 2014	
Name of Currency	₹ in million	Foreign Currency in million	₹ in million	Foreign Currency in million
DOP	1,968.89	1,364.06	1,679.69	1,147.88
COP	188.54	7,002.94	319.27	9,983.25
SOL	8.90	0.41	-	-
USD	201.27	3.31	224.00	4.08
ALL	4.44	7.94	4.90	7.94
EUR	10,448.18	135.97	3,655.45	43.02
MXN	107.93	25.12	111.53	23.66
REALES	9.58	0.40	1.12	0.04
DIRHAMS	881.10	51.12	894.96	53.33
HNL	3.16	1.03	8.68	2.80
UAH	0.68	0.17	-	-
BWP	1,123.69	166.77	-	-

Payable	March 31, 2015		March 31, 2014	
Name of Currency	₹ in million	Foreign Currency in million	₹ in million	Foreign Currency in million
DOP	1,337.24	926.46	1,123.58	767.84
COP	248.21	9,219.46	345.32	10,797.65
SOL	8.62	0.40	-	-
USD	437.34	6.99	330.47	5.70
ALL	7.66	13.70	8.45	13.70
EUR	38.75	0.57	1,491.99	17.63
MXN	22.90	5.33	15.67	3.32
REALES	10.62	0.45	2.26	0.09

DIRHAMS	228.16	13.24	352.94	21.03
HNL	11.74	3.82	577.24	186.17
UAH	40.79	10.04	-	-
BWP	1,091.15	161.94	-	-

Note: USD = US Dollar, DOP = Dominican Pesos, COP = Colombian Pesos, MXN = Mexican Pesos, HNL = Honduran Lempira, ECS = Ecuador Sucro, ALL = Albanian Lek, EUR = Euro, SOL = Peruvian Sol, REALES = Brazilian Real, DIRHAMS = Abu Dhabi Dirham, UAH = Jvimia, BWP = Pula.

(35) The concession arrangements of the Group relate primarily to the construction, operation and maintenance of carriageways (roads) and gas stations by special purpose entities within the Group, which at the end of the concession period must be returned in the stipulated conditions to the grantors of the concessions. In consideration for having designed, constructed, operated and maintained such carriageways, the Group is entitled either to “Annuities” from grantors or is entitled charge “Toll” to the users of the carriageways or in the case of gas stations, to compensation from the oil companies besides other revenue from ancillary commercial activities.

(I) The following are toll based service concession arrangements of the Group which have been classified as “Intangible Assets” in the Note 13 to the financial statements:

- a) The Delhi Noida Bridge Project (“DNBP”) concession arrangement has been entered into between the New Okhla Industrial Development Authority (NOIDA) and Noida Toll Bridge Company Limited (“NTBCL”). The construction activity was completed on February 7, 2001. Maintenance activities cover routine maintenance, overlays and renewals. The concession, which has been granted for a period of 30 years from February 7, 2001, envisages that NTBCL will earn a designated return over the concession periods. In the event NTBCL is unable to earn the designated return, NTBCL would be entitled to an extension by two years at a time until the project cost and the returns thereon are recovered by it. The amount of toll recoverable from users is linked to the movements in the consumer price index. Premature termination before the said period of 30 years is not permitted except in the event of a force majeure. Premature termination without default on the part of NTBCL will entitle NTBCL to the cost of the project and returns thereon remaining to be recovered as on the date of transfer. At the end of the concession period, NTBCL is required to hand back the carriageway to the grantor at a nominal consideration.
- b) Elsamex SA, its subsidiaries and joint ventures, (the “Elsamex Group”) have entered into Service Concession Arrangements (“SCA”) for construction and operation and maintenance of five gas stations in Spain and for the construction and operation and maintenance of a road project in Spain with the Government authorities. The periods for which the SCAs have been granted are as under:

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Project	Year of SCA	Status	Operations and Maintenance period	Extension of period
Orihuela Gas Station	2001	Construction completed	29 years	At the discretion of granter
Villavidel Gas Station	2001	Construction completed	44 years	At the discretion of granter
Zamora Gas Station	2002	Construction completed	46 years	At the discretion of granter
Ponferrada Gas Station	2004	Construction	46 years	At the discretion of

		completed		granter
Coiros Gas Station	2004	Construction completed	39 years	At the discretion of granter
A4 Road	2007	Construction completed	19 years	At the discretion of granter
Area de servicio Punta Umbria	2010	Construction completed	30 years	At the discretion of granter
Alcantarilla Fotovoltaica, S.L.U.	2010	Construction completed	25 years	At the discretion of granter
Ramky Elsamex Hyderabad	2007	Construction completed	15 years	At the discretion of granter
Beasolatra	2013	Construction completed	25 years	At the discretion of granter

Maintenance activities for the gas stations and road project include routine operating and maintenance as well as periodic overhauling and refurbishment to maintain the stations to the defined standards. In consideration for performing its obligations under the SCA, Elsamex is entitled to compensation from the oil companies computed at a predefined proportion of the sale of products at the gas stations and in the form of a “shadow toll” based on the units of usage i.e. the number of vehicles using the road in respect of road project.

- c) The Beawar Gomti Road Project (“BGRP”) concession arrangement has been entered into between the President of India, represented by Special Secretary and Director General (Road Development), (“DORTH”) and ITNL Road Infrastructure Development Company Limited (“IRIDCL”). IRIDCL is required to design, build, finance and operate the BGRP for a period of 30 years commencing from the appointed date i.e. October 8, 2009. Initially, the company had opted for two laning. In the meeting with Ministry of Road Transport & Highways (MoRTH) of 17th February 2012, the MoRTH has agreed to do four laning of the project with the Company, the same is approved by Board of the Company in the current period. Maintenance activities cover routine maintenance, overlays and renewals. Premature termination is permitted only upon the happening of a force majeure event or upon the parties defaulting on their obligations. Premature termination without the default on the part of IRDCL will entitle IRIDCL to be eligible for the compensation as per the concession arrangement. At the end of the concession period, IRIDCL is required to hand back BGRP to the grantor without additional consideration.
- d) The Jetpur-Gondal-Rajkot Road Project (“JGRRP”) is a concession arrangement entered into between the National Highways Authority of India (“NHAI”) and West Gujarat Expressway Limited (“WGEL”). The concession has been granted to WGEL for a period of 20 years ending on September 17, 2025. The construction activity was completed on March 17, 2008. Maintenance activities cover routine maintenance, overlays and renewals. In consideration, WGEL will be entitled to collect toll/user charges from the users of JGRRP. The amount of toll recoverable from users is linked to the movements in the wholesale price index. Also on dates specified in the concession agreement, WGEL will be entitled to a “grant” by way of cash support from NHAI, but it also obligated to pay a “negative grant” by way of cash payment to NHAI. Premature termination before the said period of 20 years is not permitted except in the event of a force majeure. The concession does not provide for renewal options. At the end of the concession period, JGRRP is required to hand back the carriageway to the grantor without additional consideration.
- e) The Pune Sholapur Road Project (“PSRP”) concession arrangement has been entered into between NHAI and Pune Sholapur Road Development Company Limited (“PSRDCL”). PSRDCL is required to design, build, finance and operate the PSRP for a period of 19 years and 295 days commencing from the appointed date 29/9/11 including construction period of 910 days. Maintenance activities cover routine maintenance, overlays and renewals. The amount of toll recoverable from users is linked to the movements in the consumer price index. Premature termination is permitted only upon the happening of a force majeure event or upon the parties defaulting on their obligations. Premature termination without the default on the part of PSRDCL will entitle PSRDCL to be eligible for the compensation as per the concession arrangement. At the end of the concession period, PSRP is required to hand back the carriageway to the grantor without additional consideration.
- f) The Moradabad Bareilly Road Project (“MBRP”) is a concession arrangement entered into between

NHAI and Moradabad Bareilly Expressway Limited ("MBEL"). MBEL is required to design, build, finance, operate and transfer the MBRP for a period of 25 years commencing from the appointed date including construction period of 910 days. Maintenance activities cover routine maintenance, overlays and renewals. The amount of toll recoverable from users is linked to the movements in the consumer price index. Premature termination before the said period of concession is not permitted except in the event of a force majeure. Premature termination without default on the part of MBEL will entitle MBEL to be eligible for compensation as per the concession. At the end of the concession period, MBRP is required to hand back the carriageway to the grantor without additional consideration.

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Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015

- g) The Company has entered into a Concession Contract Agreement with Haryana Urban Development Authority (HUDA) on 9 December, 2009 for development of Metro Rail Project from Delhi Metro Sikanderpur Station on MG Road, Gurgaon to NH-8 („the Project“). As per the terms of the Contract, the Company accepts the concession for a period of 99 years commencing from the effective date, to develop and operate the Project. The Company has received right to charge users of the public service, such rights are recognised and classified as "Intangible Assets" under "Service Concession Arrangement" and carried at cost. Premature termination is permitted only upon the happening of a force majeure event or upon the parties defaulting on their obligations.
- h) The Narketpally Adanki Project ("NAP") is a concession arrangement entered into between Andhra Pradesh Road Development Corporation and N. A. M. Expressway Limited ("NEL"). NEL is required to design, build, finance, operate and transfer the NAP for a period of 24 years commencing from the appointed date including construction period of 30 months. Maintenance activities cover routine maintenance, overlays and renewals. The amount of toll recoverable from users is linked to the movements in the consumer price index. Premature termination before the said period of concession is not permitted except in the event of a force majeure. Premature termination without default on the part of NEL will entitle NEL to be eligible for compensation as per the concession. At the end of the concession period, NAP is required to hand back the carriageway to the grantor without additional consideration.
- i) MP Border Checkpost Project ("MPBCP") is a concession agreement granted by MP Road Development Corporation Limited (MPRDCL) for construction, operation and maintenance of the Border Checkposts at 24 locations in Madhya Pradesh to MP Border Checkpost Development Company Ltd (MPBCDCL) for a period of 4566 days commencing from the appointed date. As per the concession agreement, MPBCDCL has obligation to undertake the design, engineering, procurement, construction, operation and maintenance of the project.

In Consideration, the company is entitled to collect service fees from the users in accordance with the concession agreement. At the end of the Concession period, the company will hand over the Infrastructure to MPRDCL.

- j) The Kiratpur Net Chowk Project ("KNCP") is a concession arrangement entered into between National Highways Authority Limited and Kiratpur Net Chowk Expressway Limited ("KNCEL"). KNCEL is required to build, operate and transfer the KNCP for a period of 28 years commencing from the appointed date including construction period of 30 months. Maintenance activities cover routine maintenance, overlays and renewals. The amount of toll recoverable from users is linked to the movements in the consumer price index. Premature termination is permitted only upon the happening of a force majeure event or upon the parties defaulting on their obligations. Premature termination without default on the part of KNCEL will entitle KNCEL to be eligible for compensation as per the concession.
- k) The Chongqing Yuhe Expressway Project ("CYEP") is a concession arrangement entered into between People's Republic of China and Chongqing Yuhe Expressway Company Limited ("Yuhe"). The government has granted the right to charge the users of Chongqing Yuhe Expressway for a period of 20 years to Yuhe. The Premature termination before the said period of concession is not permitted except in the event of a force majeure.

- l) The Sikar Bikaner Project ("SBP") is a concession arrangement entered into between MORTH and Sikar Bikaner Highway Limited ("SBHL"). SBHL is required to build, operate and transfer the SBP for a period of 25 years including a construction period of two years from the appointed date. Maintenance activities cover routine maintenance, overlays and renewals. The government has granted the right to SBHL to collect a user fee from the users of road. The amount of toll recoverable from users is linked to the movements in the consumer price index. Premature termination is permitted only upon the happening of a force majeure event or upon the parties defaulting on their obligations.
- m) The Baleshwar Kharagpur Project ("BKEL") is a concession arrangement entered into between NHAI and Baleshwar Kharagpur Expressway Limited ("BKEL"). BKEL is required to construction new bridges / structure and repair of the existing four lane highway from Kharagpur to Baleshwar Section for a period of 24 years including a construction period of 2.5 from the appointed date. The government has granted the right to BKEL to collect a user fee from the users of road. The amount of toll recoverable from users is linked to the movements in the consumer price index. Premature termination is not permitted except in the event of a force majeure.
- n) The Company though its SPV, Rapid Metrorail Gurgaon South Limited ("RMGSL") has entered into a Concession Contract Agreement with Haryana Urban Development Authority (HUDA) on 3 January, 2013 for development of Metro Rail Project from Delhi Metro Sikanderpur Station on MG Road to Sector -56, Gurgaon („the Project"). As per the terms of the Contract, the Company accepts the concession for a period of 98 years commencing from the effective date, to develop and operate the Project including construction period of 2.5 years. The Company has received right to charge users of the public service. The Company has not yet started any significant construction activity, therefore Intangible Asset covered under „Service Concession Arrangement“ have been carried at cost. Premature termination is permitted only upon the happening of a force majeure event or upon the parties defaulting on their obligations.
- o) The Barwa Adda Expressway Project ("BAEP") is a concession arrangement entered into between National Highways Authority of India ("NHAI") and Barwa Adda Expressway Limited ("BAEL"). BAEL is set up to design, build, finance, operate and transfer six laning of Barwa-Adda-Panagarh section of NH2 from 398.24km to 521.12km in the state of Jharkhand and West Bengal for a period of 20 years commencing from the appointed date including construction period of 910 days. Premature termination is permitted only upon the happening of a force majeure event or upon the parties defaulting on their obligations.
- p) Khed Sinnar Expressway Project ("KSEP") is a concession arrangement entered into between National Highways Authority of India ("NHAI") and Khed Sinnar Expressway Limited ("KSEL"). KSEL is required to develop and operate 4 laning of the Khed - Sinnar section of NH 50 under design, build, operate and transfer basis for a period of 20 years commencing from the appointed date including construction period of 910 days. Premature termination is permitted only upon the happening of a force majeure event or upon the parties defaulting on their obligations.

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Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015

- q) National Games Secretariat (NGS) and Kerala University has signed a concession agreement with Karyavottam Sports Facilities Ltd (KSFL), on April 04, 2012 for development of green field Stadium at Karyavottam, Thiruvananthapuram, Kerala on Develop, Build, Operate and Transfer (DBOT) basis. The Concession is granted for a period of 15 years including construction period of two years. The Concessionaire is entitled to annuity amount and is entitle to levy, demand and collect fees from the users of the project facilities. Premature termination is permitted only upon the happening of a force majeure event or upon the parties defaulting on their obligations.

(II) The following are annuity based service concession arrangements of the Group which have been classified as financial assets under "Receivables against service concession arrangements" in the financial statements in Note 19:

- a) The North Karnataka Expressway Project ("NKEP") is a concession arrangement granted by National Highways Authority of India ("NHAI") for a period of 17 years and 6 months from June 20, 2002 to

North Karnataka Expressway Limited (“NKEl”). The construction activities were completed on July 19, 2004. Besides construction, NKEl’s obligations include routine maintenance and period maintenance of the flexible pavement and the rigid pavement at predefined intervals. In consideration, NKEl is entitled to a defined annuity. At the end of the concession period NKEl is required to be handed over in a stipulated condition to the grantor. Premature termination is permitted only upon the happening of a force majeure event or upon the parties defaulting on their obligations. The concession arrangement does not provide for renewal options.

- b) The Hyderabad Outer Ring Road (“HORR”) is a concession arrangement granted by Hyderabad Urban Development Authority (“HUDA”) for a period of 15 years including construction period of 3 years from August 31, 2007 to East Hyderabad Expressway Limited (“EHEL”). Besides construction, EHEL’s obligations include routine maintenance and period maintenance of the flexible pavement and the rigid pavement at predefined intervals. In consideration, EHEL is entitled to a defined annuity. At the end of the concession period HORR is required to be handed over in a stipulated condition to the grantor. Premature termination is permitted only upon the happening of a force majeure event or upon the parties defaulting on their obligations. The concession arrangement does not provide for renewal options.
- c) The Hazaribagh Ranchi Road Project (“HRRP”) is a concession arrangement granted by the “NHAI” for a period of 18 years including construction period of 910 days from October 8, 2009 to Hazaribagh Ranchi Expressway Limited (“HREL”). Besides construction, HREL’s obligations include routine maintenance and period maintenance of the flexible pavement and the rigid pavement at predefined intervals. In consideration HREL is entitled to a defined annuity. At the end of the concession period HRRP is required to be handed over in a stipulated condition to the grantor. Premature termination is permitted only upon the happening of a force majeure event or upon the parties defaulting on their obligations. The concession arrangement does not provide for renewal options.
- d) As per the concession agreements dated September 23, 2009 for Ranchi Ring Road Project (“RRRP”) dated October 14, 2009 for Ranchi - Patratu Dam Road Project (“RPDRP”) and Patratu Dam-Ramgarh Road Project (“PDRRP”), dated May 28, 2011 for Chaibasa Kandra Chowka Road Project (“CKCRP”) and dated August 06, 2011 for Aditya Kandra Road Project (“AKRP”) with the Govt. of Jharkhand (“GOJ”) and Jharkhand Accelerated Road Development Company Limited (“JARDCL”), Jharkhand Road Project Implementation Company Limited (“JRPICL”) is required to develop, design, finance, procure, engineering, construct, operate and maintain the RRRP, RPDRP, PDRRP and CKCRP for a period of 17 years and six months (in case of AKRP 15 years and 9 months) from commencement date. Besides construction, JRPICL’s obligations include routine maintenance and period maintenance of the flexible pavement and the rigid pavement at predefined intervals. In consideration, JRPICL is entitled to a defined annuity. At the end of the concession period RRRP, RPDRP, PDRRP, CKCRP and AKRP are required to be handed over in the stipulated condition to the grantor. Premature termination is permitted only upon the happening of a force majeure event or upon the parties defaulting on their obligations. The concession arrangements do not provide for renewal options.
- e) The Chenani Nashri Tunnel Project (“CNTP”) is a concession arrangement granted by the “NHAI” for a period of 20 years including construction period of 1825 days to Chenani Nashri Tunnelway Limited (“CNTL”). Besides construction, CNTL’s obligations include routine maintenance of the projects and if required, modify, repair, improvements to the project highway to comply with specification and standards. In consideration CNTL is entitled to a defined annuity. At the end of the concession period CNTP is required to be handed over in a stipulated condition to the grantor. The concession arrangement does not provide for renewal options.
- f) The Jorabat Shillong Project (“JSP”) is a concession arrangement granted by the “NHAI” for a period of 20 years including construction period of three years from appointed date to Jorabat Shillong Expressway Limited (“JSEL”). Besides construction, JSEL’s obligations include routine maintenance and period maintenance of the flexible pavement and the rigid pavement at predefined intervals. In consideration JSEL is entitled to a defined annuity. At the end of the concession period JSEL is required to be handed over in a stipulated condition to the grantor. Premature termination is permitted only upon the happening of a force majeure event or upon the parties defaulting on their obligations. The concession arrangement does not provide for renewal options.

- g) The Andhra Pradesh Expressway Project ("APEP") is a concession arrangement granted by the "NHAI" for a period of 20 years including construction period of three years from appointed date to Andhra Pradesh Expressway Project Limited ("APEL"). The company is required to design, construct, develop, finance, operate and maintain the Kurnool-Kotakatta Bypass road project under BOT basis. In consideration APEL is entitled to a defined annuity. At the end of the concession period, APEL is required to be handed over in a stipulated condition to the grantor. Premature termination is permitted only upon the happening of a force majeure event or upon the parties defaulting on their obligations. The concession arrangement does not provide for renewal options.

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Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015

- (36) Segment Reporting - Refer Annexure - I.
- (37) Related Party Disclosure - Refer Annexure II.
- (38) Disclosure as per Schedule III of the Companies Act, 2013 related to Consolidated Financial Statements - Refer Annexure III.
- (39) Statement containing salient features of the Financial Statements of Subsidiaries / Associate Companies / Joint Ventures (pursuant to Section 129 (3) of the Companies Act, 2013) - Refer Annexure IV
- (40) During the year ended March 31, 2015, one of the subsidiary companies has increased the construction cost of the project from ₹ 2,022.50 million to ₹ 2,922.50 million and accordingly entered into a supplemental development agreement of ₹ 900 million with the existing contractor for executing additional works/ revised project specifications. The financial statements have been prepared on the basis of estimates for increase in the aforesaid project costs due to factors including changes in project specifications, which resulted in a change in allocation between financial asset and intangible asset. The subsidiary company has made an application seeking approval for enhancement in the Annuities towards the incremental project costs. Pending conclusion of the acceptance for the same, the financial statements do not include impact, if any for the anticipated increase in annuities.
- (41) In respect of one of the Associate whose carrying value is ₹ Nil in the Consolidated Financial Statement, Auditor has provided an Emphasis of Matter on the appropriateness of the going concern assumption being dependent upon the Annuity and Claim receivable from Kerala Road Fund Board due to delay in the project. According to the Management there is no additional financial impact on the consolidated financial statement owing to the above matter.
- (42) Revenue from Operations for the year ended March 31, 2015 includes an amount of ₹ 2,609.30 million on account of aggregate compensation claimed by ITNL from two Special Purpose Vehicles ("SPVs") and by the two SPVs on the Concession Granting Authority ("CGA"), for the incremental work and related claims arising from delays due to handing over of the land CGA for project execution. The compensation is based on the provisions in the Service Concession Agreements and is supported by the Extension of Time granted by the Independent Engineers. The SPVs have been legally advised that they are contractually entitled to such claims under the Service Concession Agreements. Costs in connection with the foregoing have been considered in recognising the above income.
- (43) Other operating income for the year ended March 31, 2015 includes gain on sale (dilution of interest in Service Concession SPV) of 41.80% shareholding in one of the subsidiary companies. The Company now holds 41.81% of the shareholding in Subsidiary as at March 31, 2015. The Company has diluted its control over the Board of Subsidiary from August 8, 2014, and consequently Subsidiary has been consolidated as an associate of the Company.

Other operating income for the year ended March 31, 2015 also includes gain on sale of 26,200,000 shares (representing 5% shareholding) in one of the subsidiary company. Sales consideration of the same is receivable as at March 31, 2015.

(44) Previous year " s figures have been regrouped / rearranged wherever necessary to conform to the classification of the current year.

For and on behalf of the Board

Managing Director

Director

Chief Financial Officer
Mumbai , May 15, 2015

Company Secretary

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Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015
Annexure I
Note No. 36 Segment Reporting

₹ in million

	Surface Transportation Business		Others		Total	
	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Revenue						
External	61,815.17	62,649.45	3,193.57	3,220.45	65,008.74	65,869.90
Inter-Segment	-	-	-	-	-	-
Segment Revenue	61,815.17	62,649.45	3,193.57	3,220.45	65,008.74	65,869.90
Segment expenses	42,116.71	45,538.34	2,748.59	2,621.15	44,865.30	48,159.49
Segment results	19,698.46	17,111.11	444.98	599.30	20,143.44	17,710.41
Unallocated income (excluding interest income)					722.38	1,063.56
Unallocated expenditure					280.29	324.28
Finance cost					18,331.19	14,709.63
Interest Income unallocated					2,551.12	1,091.36
Tax expense (net)					804.35	265.49
Share of profit / (loss) of Associates (net)					146.43	50.66
Share of profit transferred to minority interest (net)					(288.47)	(13.89)
Profit for the year					4,436.01	4,630.48

	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Segment assets	283,917.16	242,790.52	2,265.68	3,700.24	286,182.84	246,490.76
Unallocated Assets (Refer footnote 1)					33,055.47	24,836.87
Total assets					319,238.31	271,327.63

Segment liabilities	14,928.46	18,520.46	2,490.90	2,772.18	17,419.36	21,292.64
Unallocated Liabilities (Refer footnote 2)					241,715.89	195,409.24
Total liabilities					259,135.25	216,701.88

	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2015	For the year ended March 31, 2014
Capital Expenditure for the year	36,576.82	38,131.95	18.43	24.70	36,595.25	38,156.65
Depreciation and amortization expense	1,481.62	1,422.48	39.60	87.70	1,521.22	1,510.18
Non cash expenditure other than depreciation for the year	328.76	418.63	-	-	328.76	418.63

(II) Secondary - Geographical Segments:

₹ in million

Particulars	India For the year ended March 31, 2015	Outside India For the year ended March 31, 2015	India For the year ended March 31, 2014	Outside India For the year ended March 31, 2014
Revenue - External	51,635.93	13,397.53	53,109.41	12,760.49
Capital Expenditure	36,123.66	471.60	37,529.49	627.16
	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014	As at March 31, 2014
Segment Assets	256,122.90	30,059.94	215,431.00	31,059.76

Footnote:

- 1) Unallocated assets include investments, advance towards share application money, loans given, interest accrued, option premium, deferred tax assets, advance payment of taxes (net of provision), unpaid dividend accounts and fixed deposits placed for a period exceeding 3 months, goodwill on consolidation etc.

- 2) Unallocated liabilities include borrowings, interest accrued on borrowings, deferred tax liabilities (net), provision for tax (net), unpaid dividends etc.
- 3) Unallocated income includes Profit on sale of investment (net), Advertisement income, Excess provisions written back, Miscellaneous income and Exchange rate fluctuation.
- 4) Unallocated expenditure includes Exchange rate fluctuation, Directors' fees and Brand subscription fees.

IL&FS TRANSPORTATION NETWORKS LIMITED Annexure II

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015

Note 37 : Related Party Disclosures

Current Year

(a) Name of the Related Parties and Description of Relationship:

Nature of Relationship	Name of Entity	Abbreviation used
Holding Company	Infrastructure Leasing & Financial Services Limited	ILFS
Fellow Subsidiaries (Only with whom there have been transaction during the period / there was balance outstanding at the year ended)	IL&FS Financial Services Limited	IFIN
	IL&FS Education & Technology Services Limited	IETS
	IL&FS Energy Development Company Limited	IEDCL
	IL&FS Environmental Infrastructure & Services Limited	IEISL
	IL&FS Renewable Energy Limited	IREL
	IL&FS Maritime Infrastructure Company Limited	IMICL
	IL&FS Airport Limited.	IAL
	IL&FS Capital Advisors Limited.	ICAL
	IL&FS Urban Infrastructure Managers Limited	IUIML
	PT Mantimin Coal Mining	PTMCM
	Chattisgarh Highways Development Company Limited	CHDCL
	IL&FS Securities Services Limited	ISSL
	IL&FS Township & Urban Assets Limited	ITUAL
	IL&FS Trust Company Limited	ITCL
	IL&FS Technology Limited (since January 30, 2015)	ITL
	IL&FS Global Financial Services Pte Limited	IGFSL
	IL&FS Global Financial Services (ME) Limited	IGFSL(ME)
	IL&FS Global Financial Services (HK) Limited	IGFSL(HK)
	IL&FS Global Financial Services (UK) Limited	IGFSL(UK)
Associates - Direct	ITNL Toll Management Services Limited	ITMSL
	Thiruvananthapuram Road Development Company Limited	TRDCL
	Warora Chandrapur Ballarpur Toll Road Limited	WCBTRL
	Srinagar Sonmarg Tunnelway Limited (since June 3, 2014)	SSTL
	Gujarat Road and Infrastructure Company Limited (since August 08,	GRICL

	2014)	
Associates - Indirect	Centro de Investigaciones de Curretros Andalucía S.A.	CICAN
	Labetec Ensayos Técnicos Canarios, S.A.	LABTEC
	CGI 8 S.A.	CGI-8
	Elsamex Road Technology Company Limited	ERT(China)
	Sociedad Concesionaria Autovía A-4 Madrid S.A	A4 CONCESSION
	VCS-Enterprises Limited	VCS
	Ramky Elsamex Ring Road Limited, Hyderabad	REHRR
Key Management Personnel ("KMP")		
	Zhejiang Elsamex Road Technology Co Ltd	
	Zhejiang Elsamex Road Construction Equipment Co Ltd	
	Emprsas Pame sa De CV	EPSD
	Mr K Ramchand-Managing Director	
	Mr Mukund Sapre-Executive Director	
Relatives of KMP	Mr George Cherian-Chief Financial Officer	
	Mr Krishna Ghag-Company Secretary	
KMP of Holding Company	Mrs Rita Ramchand (<i>wife of Mr K Ramchand</i>)	
	Mrs Sangeeta Sapre (<i>wife of Mr Mukund Sapre</i>)	
	Mrs Vishpala Parthasarathy (<i>wife of Mr Ravi Parthasarathy</i>)	
	Mr Ravi Parthasarthy - Director	
	Mr Hari Sankaran - Director	
	Mr Arun Saha - Director	

IL&FS TRANSPORTATION NETWORKS LIMITED
Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015
Related Party Disclosures. (contd.)

(b) Current Year balances / transactions with above mentioned related parties (mentioned in note 37 (ii)(a) above)

Particulars	Holding Company	Fellow Subsidiaries	Associates	Key Management personnel and relatives	Total
<u>Balances</u>					
Advance towards Share Application Money (Long-term)					
GRICL	-	-	750.00	-	750.00
Advance towards Share Application Money (Long-term) Total	-	-	750.00	-	750.00
Advances Recoverable					
ILFS	0.70	-	-	-	0.70
IAL	-	270.72	-	-	270.72
PTMCM	-	183.59	-	-	183.59
OTHERS	-	44.04	0.44	-	44.48
Advances Recoverable Total	0.70	498.35	0.44	-	499.49
Current Liabilities					
ILFS	58.97	-	-	-	58.97
IFIN	-	152.55	-	-	152.55
ITUAL	-	348.16	-	-	348.16
OTHERS	-	376.81	66.32	-	443.13
Current Liabilities Total	58.97	877.52	66.32	-	1,002.81
Current Maturities of Long-term debt					
ILFS	43.05	-	-	-	43.05
Current Maturities of Long-term debt Total	43.05	-	-	-	43.05
Equity share Capital with Premium					
ILFS	3,645.00	-	-	-	3,645.00
Equity share Capital with Premium Total	3,645.00	-	-	-	3,645.00
Inter-corporate deposits					
IFIN	-	248.21	-	-	248.21
Inter-corporate deposits Total	-	248.21	-	-	248.21
Interest accrued but not due on borrowings					
ILFS	9.88	-	-	-	9.88
IFIN	-	3.77	-	-	3.77
ITUAL	-	17.41	-	-	17.41
Interest accrued but not due on borrowings Total	9.88	21.17	-	-	31.05
Interest-accrued					
ILFS	10.97	-	-	-	10.97
SSTL	-	-	52.81	-	52.81
TRDCL	-	-	336.36	-	336.36
OTHERS	-	13.80	12.91	-	26.71
Interest-accrued Total	10.97	13.80	402.08	-	426.85
Investment in Covered Warrants					
ILFS	1,943.00	-	-	-	1,943.00
Investment in Covered Warrants Total	1,943.00	-	-	-	1,943.00
Long-term borrowings					

ILFS	1,267.40	-	-	-	1,267.40
ITUAL	-	570.00	-	-	570.00
Long-term borrowings Total	1,267.40	570.00	-	-	1,837.40
Long-Term loans and advances					
A4 CONCESSION	-	-	555.68	-	555.68
ILFS	1,123.40	-	-	-	1,123.40
TRDCL	-	-	343.50	-	343.50
OTHERS	-	-	30.04	-	30.04
Long-Term loans and advances Total	1,123.40	-	929.21	-	2,052.61
Mobilisation Advance paid					
ITUAL	-	9.14	-	-	9.14
Mobilisation Advance paid Total	-	9.14	-	-	9.14
Option Premium (Net of provision)					
ILFS	79.13	-	-	-	79.13
Option Premium (Net of provision) Total	79.13	-	-	-	79.13

IL&FS TRANSPORTATION NETWORKS LIMITED
Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015
Related Party Disclosures. (contd.)

(b) Current Year balances / transactions with above mentioned related parties (mentioned in note 37 (ii)(a) above)

Particulars	Holding Company	Fellow Subsidiaries	Associates	Key Management personnel and relatives	Total
Other Current Liabilities					
ILFS	150.00	-	-	-	150.00
Other Current Liabilities Total	150.00	-	-	-	150.00
Preference share Capital with Premium					
IFIN	-	2,000.00	-	-	2,000.00
IMICL	-	2,000.00	-	-	2,000.00
Preference share Capital with Premium Total	-	4,000.00	-	-	4,000.00
Prepaid Expenses					
IGFSL	-	75.20	-	-	75.20
Prepaid Expenses Total	-	75.20	-	-	75.20
Provision for redemption premium on Preference Shares					
IFIN	-	37.81	-	-	37.81
IMICL	-	37.81	-	-	37.81
Provision for redemption premium on Preference Shares Total	-	75.62	-	-	75.62
Rent Deposit					
Mr K Ramchand-Managing Director	-	-	-	1.00	1.00
Mr Mukund Sapre-Executive Director	-	-	-	0.50	0.50
Mrs Rita Ramchand (wife of Mr K Ramchand)	-	-	-	0.50	0.50
Mrs Sangeeta Sapre (wife of Mr Mukund Sapre)	-	-	-	0.50	0.50
Mrs Vishpala Parthasarathy (wife of Mr Ravi Parthasarathy)	-	-	-	20.00	20.00
Rent Deposit Total	-	-	-	22.50	22.50
Secured Deposit - Long-term					
ITCL	-	0.01	-	-	0.01
OTHERS	-	0.00	-	-	0.00
Secured Deposit - Long-term Total	-	0.01	-	-	0.01
Short-term Borrowings					
IFIN	-	4,379.50	-	-	4,379.50
Short-term Borrowings Total	-	4,379.50	-	-	4,379.50
Short-term loans and advances					
SSTL	-	-	505.00	-	505.00
TRDCL	-	-	779.50	-	779.50
WCBTRL	-	-	245.00	-	245.00
OTHERS	-	158.65	-	-	158.65
Short-term loans and advances Total	-	158.65	1,529.50	-	1,688.15
Trade Payables					
ITUAL	-	6.04	-	-	6.04
OTHERS	-	0.03	-	-	0.03
Trade Payables Total	-	6.07	-	-	6.07

Trade Receivables					
SSTL	-	-	2,277.32	-	2,277.32
OTHERS	-	0.20	241.85	-	242.05
Trade Receivables Total	-	0.20	2,519.17	-	2,519.37
Unamortised Expenses					
IFIN	-	371.27	-	-	371.27
OTHERS	-	58.80	-	-	58.80
Unamortised Expenses Total	-	430.07	-	-	430.07
<u>Transactions</u>					
Administrative and general expenses					
ILFS *	412.71	-	-	-	412.71
IFIN	-	152.48	-	-	152.48
IMICL	-	118.02	-	-	118.02
OTHERS	-	155.79	0.51	-	156.30
Administrative and general expenses Total	412.71	426.29	0.51	-	839.51
Borrowings					
IFIN	-	5,972.50	-	-	5,972.50
OTHERS	-	252.50	-	-	252.50
Borrowings Total	-	6,225.00	-	-	6,225.00

IL&FS TRANSPORTATION NETWORKS LIMITED
Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015
Related Party Disclosures. (contd.)

(b) Current Year balances / transactions with above mentioned related parties (mentioned in note 37 (ii)(a) above)

Particulars	Holding Company	Fellow Subsidiaries	Associates	Key Management personnel and relatives	Total
Director Remuneration					
Mr K Ramchand-Managing Director	-	-	-	47.57	47.57
Mr Mukund Sapre-Executive Director	-	-	-	28.09	28.09
Mr George Cherian-Chief Financial Officer	-	-	-	15.97	15.97
Mr Krishna Ghag-Company Secretary	-	-	-	6.38	6.38
Director Remuneration Total	-	-	-	98.01	98.01
Director Commission					
Mr Ravi Parthasarathy - Director	-	-	-	0.99	0.99
Mr Hari Sankaran - Director	-	-	-	0.99	0.99
Mr Arun Saha - Director	-	-	-	0.99	0.99
	-	-	-	2.97	2.97
Finance charges					
IFIN	-	109.17	-	-	109.17
OTHERS	-	15.24	-	-	15.24
Finance charges Total	-	124.42	-	-	124.42
Intangible assets under development					
ILFS	0.15	-	-	-	0.15
ITCL	-	1.05	-	-	1.05
OTHERS	-	0.16	-	-	0.16
Intangible assets under development Total	0.15	1.21	-	-	1.36
Inter-corporate deposits - matured					
ILFS	52.97	-	-	-	52.97
IFIN	-	1,251.71	-	-	1,251.71
Inter-corporate deposits - matured Total	52.97	1,251.71	-	-	1,304.69
Inter-corporate deposits - placed					
ILFS	31.68	-	-	-	31.68
IFIN	-	1,489.92	-	-	1,489.92
Inter-corporate deposits - placed Total	31.68	1,489.92	-	-	1,521.60
Interest Income					
ILFS	129.45	-	-	-	129.45
SSTL	-	-	49.09	-	49.09
TRDCL	-	-	143.09	-	143.09
OTHERS	-	31.42	14.35	-	45.76
Interest Income Total	129.45	31.42	206.53	-	367.40
Interest on Loans (Expense)					
ILFS	184.13	-	-	-	184.13
IFIN	-	371.88	-	-	371.88
OTHERS	-	93.40	-	-	93.40
Interest on Loans (Expense) Total	184.13	465.29	-	-	649.42
Investment made / purchased					
SSTL	-	-	56.64	-	56.64
Investment made / purchased Total	-	-	56.64	-	56.64
Lendings					
SSTL	-	-	352.50	-	352.50

TRDCL	-	-	178.50	-	178.50
WCBTRL	-	-	245.00	-	245.00
OTHERS	-	78.15	-	-	78.15
Lendings Total	-	78.15	776.00	-	854.15
Mobilisation Advance recovered					
ITUAL	-	110.09	-	-	110.09
Mobilisation Advance recovered Total	-	110.09	-	-	110.09
Operating Expenses (Other than Construction Cost)					
ILFS	49.36	-	-	-	49.36
ITUAL	-	1,677.66	-	-	1,677.66
OTHERS	-	2.14	-	-	2.14
Operating Expenses (Other than Construction Cost) Total	49.36	1,679.80	-	-	1,729.16
Other Income					
A4 CONCESSION	-	-	56.22	-	56.22
OTHERS	-	-	5.73	-	5.73
Other Income Total	-	-	61.95	-	61.95
Proposed Dividend on Preference Shares					
IFIN	-	205.00	-	-	205.00
IMICL	-	205.00	-	-	205.00
Proposed Dividend on Preference Shares Total	-	410.00	-	-	410.00

IL&FS TRANSPORTATION NETWORKS LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015

Related Party Disclosures. (contd.)

(b) Current Year balances / transactions with above mentioned related parties (mentioned in note 37 (ii)(a) above)

Particulars	Holding Company	Fellow Subsidiaries	Associates	Key Management personnel and relatives	Total
Proposed Dividend Paid					
IFIN	-	105.03	-	-	105.03
IMICL	-	105.03	-	-	105.03
Proposed Dividend Paid Total	-	210.05	-	-	210.05
Purchase of Goods					
IETS	-	1.23	-	-	1.23
Purchase of Goods Total	-	1.23	-	-	1.23
Redemption on NCD					
ILFS	36.00	-	-	-	36.00
Redemption on NCD Total	36.00	-	-	-	36.00
Rent Expense					
Mr K Ramchand-Managing Director	-	-	-	3.21	3.21
Mr Mukund Sapre-Executive Director	-	-	-	1.56	1.56
Mrs Rita Ramchand (wife of Mr K Ramchand)	-	-	-	3.91	3.91
Mrs Sangeeta Sapre (wife of Mr Mukund Sapre)	-	-	-	1.56	1.56
Mrs Vishpala Parthasarathy (wife of Mr Ravi Parthasarathy)	-	-	-	0.10	0.10
Rent Expense Total	-	-	-	10.33	10.33
Rental Income					
IETS	-	6.06	-	-	6.06
Rental Income Total	-	6.06	-	-	6.06
Repayment of Borrowings					
ILFS	7.05	-	-	-	7.05
IFIN	-	3,150.00	-	-	3,150.00
Repayment of Borrowings Total	7.05	3,150.00	-	-	3,157.05
Revenue from Operations					
SSTL	-	-	801.00	-	801.00
OTHERS	-	-	126.20	-	126.20
Revenue from Operations Total	-	-	927.20	-	927.20
Footnote : - * Includes Deputation cost of ₹ 52.06 million charged by Holding Company "IL&FS"					
Mr K Ramchand-Managing Director	34.54				
Mr Mukund Sapre-Executive Director	17.52				
	52.06				

IL&FS TRANSPORTATION NETWORKS LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015

(ii) Previous Year

(a) Name of the Related Parties and Description of Relationship:

Nature of Relationship	Name of Entity	Abbreviation used
Holding Company	Infrastructure Leasing & Financial Services Limited	ILFS
Fellow Subsidiaries (Only with whom There have been Transaction during the year / there was Balance outstanding at the year end)	IL&FS Financial Services Limited	IFIN
	IL&FS Education & Technology Services Limited	IETS
	IL&FS Energy Development Company Limited	IEDCL
	IL&FS Environmental Infrastructure & Services Limited	IEISL
	IL&FS Infrastructure Development Corporation Limited	IIDCL
	IL&FS Renewable Energy Limited	IREL
	IL&FS Maritime Infrastructure Company Limited	IMICL
	IL&FS Airport Limited.	IAL
	IL&FS Urban Infrastructure Managers Limited	IUIML
	IL&FS Capital Advisors Limited	ICAL
	PT Mantimin Coal Mining	PTMCM
	Chattisgarh Highways Development Company Limited	CHDCL
	IL&FS Securities Services Limited	ISSL
	IL&FS Township & Urban Assets Limited	ITUAL
	IL&FS Trust Company Limited	ITCL
	IL&FS Global Financial Services (UK) Limited	IGFSL(UK)
Associates	Andhra Pradesh Expressway Limited (also a fellow subsidiary)	APEL
	ITNL Toll Management Services Limited	ITMSL
	Thiruvananthapuram Road Development Company Limited	TRDCL
	Warora Chandrapur Ballarpur Toll Road Limited	WCBTRL
	Centro De Investigacion De Carreteras De Andalucia S.A.	CICAN
	CGI-8, S.A.	CGI-8
	Labtec Ensayos Tecnicos Canarios S.A.	LABTEC
	Empresas Pame SA DECV (from April 28, 2010)	EPSD

	Elsamex Road Technology Company Limited	ERTC
	Ramky Elsamex Hyderabad Ring Road	REHRR
	VCS Enterprises Limited	VCSEL
	Zhejiang Elsamex Road Technology Co Ltd	
	Zhejiang Elsamex Road Construction Equipment Co Ltd	
	Sociedad Concesionaria Autovia A-4 Madrid S.A.	A4 CONCESSION
Key Management	Mr K Ramchand-Managing Director	
Personnel ("KMP")	Mr Mukund Sapre-Executive Director	
Relatives of KMP	Mrs Rita Ramchand (<i>wife of Mr K Ramchand</i>)	
	Mrs Sangeeta Sapre (<i>wife of Mr Mukund Sapre</i>)	
	Mrs Vishpala Parthasarathy (<i>wife of Mr Ravi Parthasarathy</i>)	
KMP of Holding Company	Mr Ravi Parthasarathy - Director	
	Mr Hari Sankaran - Director	
	Mr Arun Saha - Director	

IL&FS TRANSPORTATION NETWORKS LIMITED
Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015

(b) balances / transactions with above mentioned related parties (mentioned in note 39 (ii)(a) above)

				Key Management	
Particulars	Holding	Fellow	Associates	personnel and	Total
	Company	Subsidiaries		relatives	
Balances					
Advance towards capital in a subsidiary					
ILFS	150.00	-	-	-	150.00
Advance towards capital in a subsidiary Total	150.00	-	-	-	150.00
Call Option Premium					
ILFS (net of provision of ₹ 79.13 million)	36.67	-	-	-	36.67
Call Option Premium Total	36.67	-	-	-	36.67
Current liabilities					
IFIN	-	312.35	-	-	312.35
ILFS	140.45	-	-	-	140.45
OTHERS	-	27.37	67.22	-	94.59
Current liabilities Total	140.45	339.72	67.22	-	547.39
Current Maturities of Long-term debt					
ILFS	95.72	-	-	-	95.72
Current Maturities of Long-term debt Total	95.72	-	-	-	95.72
Interest Accrued					
ILFS	10.97	-	-	-	10.97
TRDCL	-	-	207.57	-	207.57
OTHERS	-	1.15	-	-	1.15
Interest Accrued Total	10.97	1.15	207.57	-	219.69
Interest accrued but not due on borrowings					
ILFS	9.88	-	-	-	9.88
ITUAL	-	17.41	-	-	17.41
Interest accrued but not due on borrowings Total	9.88	17.41	-	-	27.28
Investment in Covered Warrants					
ILFS	1,693.00	-	-	-	1,693.00
Investment in Covered Warrants Total	1,693.00	-	-	-	1,693.00
Long-term borrowings					
ILFS	1,611.53	-	-	-	1,611.53
ITUAL	-	317.50	-	-	317.50
Long-term borrowings Total	1,611.53	317.50	-	-	1,929.03
Long-term loans and advances					
ILFS	1,123.40	-	-	-	1,123.40

A4 CONCESSION	-	-	716.43	-	716.43
TRDCL	-	-	343.50	-	343.50
ITUAL	-	119.38	-	-	119.38
Long-term loans and advances Total	1,123.40	119.38	1,059.93	-	2,302.71
Preference share Capital with Premium					
IFIN	-	2,000.00	-	-	2,000.00
IMICL	-	2,000.00	-	-	2,000.00
Preference share Capital with Premium Total	-	4,000.00	-	-	4,000.00
Prepaid					
IFIN	-	199.21	-	-	199.21
Prepaid Total	-	199.21	-	-	199.21
Provision for redemption premium on Preference					
Shares					
IFIN	-	12.81	-	-	12.81
IMICL	-	12.81	-	-	12.81
Provision for redemption premium on Preference Shares Tot	-	25.62	-	-	25.62
Redemption premium accrued but not due					
ILFS	410.62	-	-	-	410.62
Redemption premium accrued but not due Total	410.62	-	-	-	410.62

IL&FS TRANSPORTATION NETWORKS LIMITED
Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015

(b) balances / transactions with above mentioned related parties (mentioned in note 39 (ii)(a) above)

Particulars	Holding	Fellow	Associates	Key Management	Total
	Company	Subsidiaries		personnel and relatives	
Rent Deposit					
Mr K Ramchand-Managing Director	-	-	-	0.50	0.50
Mr Mukund Sapre-Executive Director	-	-	-	0.25	0.25
Mrs Rita Ramchand (wife of Mr K Ramchand)	-	-	-	0.50	0.50
Mrs Sangeeta Sapre (wife of Mr Mukund Sapre)	-	-	-	0.25	0.25
Mrs Vishpala Parthasarathy (wife of Mr Ravi Parthasarath)	-	-	-	20.00	20.00
Rent Deposit Total	-	-	-	21.50	21.50
Retention Money Payable					
IEISL	-	0.24	-	-	0.24
Retention Money Payable Total	-	0.24	-	-	0.24
Secured Deposit - Long-term					
ITCL	-	0.00	-	-	0.00
Secured Deposit - Long-term Total	-	0.00	-	-	0.00
Short-term Borrowings					
IFIN	-	1,557.00	-	-	1,557.00
	-	1,557.00	-	-	1,557.00
Short-term loans and advances					
ILFS	22.22	-	-	-	22.22
PTMCM	-	183.59	-	-	183.59
TRDCL	-	-	601.00	-	601.00
OTHERS	-	141.44	0.45	-	141.89
Short Term Advances Recoverable in Cash or Kind Tota	22.22	325.03	601.45	-	948.70
Trade Payables					
ITUAL	-	2.04	-	-	2.04
Trade Payables Total	-	2.04	-	-	2.04
Trade Receivables					
TRDCL	-	-	183.35	-	183.35
Trade Receivables Total	-	-	183.35	-	183.35
Transactions					
Administrative and general expenses					
ILFS *	366.60	-	-	-	366.60
IMICL	-	92.58	-	-	92.58
OTHERS	-	83.47	0.79	-	84.26
Administrative and general expenses Total	366.60	176.05	0.79	-	543.44
Borrowings					

ILFS	8.56	-	-	-	8.56
IFIN	-	3,850.00	-	-	3,850.00
ISSL	-	5,000.00	-	-	5,000.00
Borrowings Total	8.56	8,850.00	-	-	8,858.56
Director Remuneration					
Mr K Ramchand-Managing Director	-	-	-	69.72	69.72
Mr Mukund Sapre-Executive Director	-	-	-	40.08	40.08
Director Remuneration Total	-	-	-	109.80	109.80
Director Commission					
Mr Ravi Parthasarathy - Director	-	-	-	0.90	0.90
Mr Hari Sankaran - Director	-	-	-	0.90	0.90
Mr Arun Saha - Director	-	-	-	0.90	0.90
	-	-	-	2.70	2.70
Dividend Paid					
IFIN	-	9.76	-	-	9.76
ILFS	541.20	-	-	-	541.20
Dividend Paid Total	541.20	9.76	-	-	550.97
Finance charges					
IFIN	-	6.18	-	-	6.18
ILFS	4.45	-	-	-	4.45
ITCL	-	7.02	-	-	7.02
OTHERS	-	2.08	-	-	2.08
Finance charges Total	4.45	15.28	-	-	19.73
Intangible assets under development					
IFIN	-	335.57	-	-	335.57
ILFS	16.59	-	-	-	16.59
OTHERS	-	40.32	-	-	40.32
Intangible assets under development Total	16.59	375.89	-	-	392.48

IL&FS TRANSPORTATION NETWORKS LIMITED
Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015

(b) balances / transactions with above mentioned related parties (mentioned in note 39 (ii)(a) above)

Particulars	Holding	Fellow	Associates	Key Management	Total
	Company	Subsidiaries		personnel and relatives	
Inter-corporate deposits - matured					
IFIN	-	135.00	-	-	135.00
ILFS	792.29	-	-	-	792.29
Inter-corporate deposits - matured Total	792.29	135.00	-	-	927.29
Inter-corporate deposits - placed					
IFIN	-	145.00	-	-	145.00
ILFS	813.59	-	-	-	813.59
Inter-corporate deposits - placed Total	813.59	145.00	-	-	958.59
Interest Income					
ILFS	144.72	-	-	-	144.72
TRDCL	-	-	114.23	-	114.23
OTHERS	-	0.55	-	-	0.55
Interest Income Total	144.72	0.55	114.23	-	259.50
Interest on Loans (Expense)					
ILFS	583.53	-	-	-	583.53
ISSL	-	142.38	-	-	142.38
ITUAL	-	61.00	-	-	61.00
Interest on Loans (Expense) Total	583.53	203.37	-	-	786.91
Lendings					
IMICL	-	77.50	-	-	77.50
TRDCL	-	-	190.00	-	190.00
Lendings Total	-	77.50	190.00	-	267.50
Long-term borrowings					
ITUAL	-	100.00	-	-	100.00
Long-term borrowings Total	-	100.00	-	-	100.00
Miscellaneous Income					
PTMCM	-	183.59	-	-	183.59
Miscellaneous Income Total	-	183.59	-	-	183.59
Mobilisation Advance recovered					
ITUAL	-	57.36	-	-	57.36
Mobilisation Advance recovered Total	-	57.36	-	-	57.36
Operating Expenses (Other than Construction Cost)					
ILFS	36.60	-	-	-	36.60
ITUAL	-	592.15	-	-	592.15
OTHERS	-	3.14	-	-	3.14
Operating Expenses (Other than Construction Cost) Total	36.60	595.29	-	-	631.89

Construction Cost) Tot					
Other Income					
ILFS	7.43	-	-	-	7.43
A4 CONCESSION	-	-	74.48	-	74.48
OTHERS	-	0.36	0.22	-	0.59
Other Income Total	7.43	0.36	74.70	-	82.49
Premium paid on exercise of call option of APEL					
ILFS	6.36	-	-	-	6.36
Premium paid on exercise of call option of APEL Total	6.36	-	-	-	6.36
Proposed Dividend on Preference Shares					
IFIN	-	105.03	-	-	105.03
IMICL	-	105.03	-	-	105.03
Proposed Dividend on Preference Shares Total	-	210.05	-	-	210.05
Purchase of goods					
IETS	-	0.76	-	-	0.76
Purchase of goods Total	-	0.76	-	-	0.76
Redemption on NCD					
ILFS	36.00	-	-	-	36.00
Redemption on NCD Total	36.00	-	-	-	36.00

IL&FS TRANSPORTATION NETWORKS LIMITED
Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015

(b) balances / transactions with above mentioned related parties (mentioned in note 39 (ii)(a) above)

Particulars	Holding	Fellow	Associates	Key Management personnel and	Total
	Company	Subsidiaries		relatives	
Rent Expense					
Mr K Ramchand-Managing Director	-	-	-	3.03	3.03
Mr Mukund Sapre-Executive Director	-	-	-	1.50	1.50
Mrs Rita Ramchand (wife of Mr K Ramchand)	-	-	-	3.73	3.73
Mrs Sangeeta Sapre (wife of Mr Mukund Sapre)	-	-	-	1.50	1.50
Mrs Vishpala Parthasarathy (wife of Mr Ravi Parthasarathy)	-	-	-	0.10	0.10
Rent Expense Total	-	-	-	9.86	9.86
Rental Income					
IETS	-	5.84	-	-	5.84
Rental Income Total	-	5.84	-	-	5.84
Repayment of Borrowings					
IFIN	-	3,850.00	-	-	3,850.00
ILFS	7.05	-	-	-	7.05
ISSL	-	5,000.00	-	-	5,000.00
Repayment of Borrowings Total	7.05	8,850.00	-	-	8,857.05
Repayment of Lendings					
TRDCL	-	-	5.10	-	5.10
Repayment of Lendings Total	-	-	5.10	-	5.10
Revenue from Operations					
APEL	-	-	71.44	-	71.44
TRDCL	-	-	38.82	-	38.82
Revenue from Operations Total	-	-	110.25	-	110.25
Footnote :- * Includes Deputation cost of ₹ 57.31 million charged by Holding Company "IL&FS"					
Mr K Ramchand-Managing Director	41.59				
Mr Mukund Sapre-Executive Director	15.72				
	57.31				

IL&FS TRANSPORTATION NETWORKS LIMITED
Annexure III
Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015
Note No. 38 : Disclosure as per Schedule III of the Companies Act, 2013 related to Consolidated Financial Statements

Name of the entity	Net Assets, i.e., total assets minus total		Share in profit or loss	
	Liabilities As % of consolidated net assets	Amount (₹ in millions)	As % of consolidated profit or loss	Amount (₹ in millions)
IL&FS Transportation Networks Limited	62.59	35,795.44	71.84	3,186.62
Subsidiaries				
Indian				
East Hyderabad Expressway Limited	1.03	586.59	(0.27)	(12.18)
ITNL Road Infrastructure Development Company Limited	1.68	958.31	(4.92)	(218.14)
IL&FS Rail Limited	9.63	5,505.73	1.39	61.80
Rapid MetroRail Gurgaon Limited	8.34	4,771.76	(25.92)	(1,149.87)
Rapid MetroRail Gurgaon South Limited	5.45	3,115.94	5.15	228.44
Vansh Nimay Infraprojects Limited	(1.92)	(1,100.61)	(4.92)	(218.05)
Scheme of ITNL Road Investment Trust	1.93	1,104.52	1.07	47.33
West Gujarat Expressway Limited	(0.60)	(342.05)	(5.96)	(264.35)
Hazaribagh Ranchi Expressway Limited	0.97	554.04	(11.06)	(490.62)
Pune Sholapur Road Development Company Limited	10.32	5,902.81	1.24	55.22
Moradabad Bareilly Expressway Limited	16.46	9,413.06	20.95	929.34
Jharkhand Road Projects Implementation Company Limited	4.30	2,461.26	(16.57)	(735.13)
Chenani Nashri Tunnelway Limited	9.60	5,490.76	2.12	94.14
Badarpur Tollway Operations Management Limited	0.00	2.81	(0.01)	(0.38)
MP Border Checkpost Development Company Limited	2.46	1,408.98	(10.06)	(446.29)
North Karnataka Expressway Limited	3.60	2,059.16	2.70	119.94
Kiratpur Ner Chowk Expressway Limited	6.79	3,880.66	6.49	287.89
Baleshwar Kharagpur Expressway Limited	3.91	2,237.92	5.09	226.00
Sikar Bikaner Highway Limited	6.23	3,560.55	6.17	273.73
Khed Sinnar Expressway Limited	4.00	2,288.37	9.46	419.48
Barwa Adda Expressway Limited	2.38	1,358.95	11.58	513.51
Karyavattom Sports Facilities Limited	0.92	524.43	1.79	79.53
Futureage Infrastructure India Limited	0.04	23.67	(0.24)	(10.69)
Charminar RoboPark Limited	0.10	59.06	(0.01)	(0.41)
Andhra Pradesh Expressway limited	3.99	2,282.13	1.81	80.48
GIFT Parking Facilities Limited	0.00	0.33	(0.00)	(0.17)
Gujarat Road and Infrastructure	-	-	2.93	130.01

Company Limited (upto August 7, 2014)				
Gujarat Road Bridge Development Company Limited (upto August 7, 2014)	-	-	(0.00)	(0.02)
Elsamex India Pvt Limited	0.23	130.84	0.16	7.16
Yala Construction Company Pvt Limited	0.21	118.73	0.31	13.84
Grusamar India Limited	0.01	7.75	0.04	1.80
Elsamex Maintenance Services limited	0.19	108.21	2.43	107.76
Foreign				
ITNL International Pte. Limited	1.75	1,001.84	(19.73)	(875.04)
ITNL Offshore Pte. Limited	0.05	26.07	(2.18)	(96.72)
ITNL Offshore Two Pte. Limited	0.00	0.00	-	-
ITNL Offshore Three Pte. Limited	0.00	0.00	-	-
ITNL International DMCC (formerly known as ITNL International JLT)	0.08	44.95	(1.90)	(84.46)
ITNL Africa Projects Ltd	(0.01)	(4.53)	(0.69)	(30.63)
Sharjah General Services Company LLC	(0.08)	(44.73)	(0.76)	(33.83)
I IPL USA LLC	0.02	10.66	(1.12)	(49.62)
Elsamex SA	6.95	3,975.14	5.89	261.11
Atenea Seguridad Y Medio Ambiente S.A.U	0.24	135.76	0.41	18.33
Señalización Viales e Imagen S.A.U	(0.37)	(211.10)	(0.55)	(24.18)
Elsamex Internacional S.L	0.61	349.92	(1.64)	(72.91)
Grusamar Ingeniería y Consulting S.L	0.54	309.45	0.38	16.81
Elsamex Portugal S.A	0.16	94.01	0.17	7.64
Inteval Gestao Integral Rodoviaria S.A	0.45	260.13	1.53	67.68
Mantenimiento Y Conservacion De Vialidades S.A De CV	0.09	53.32	0.00	0.09
ESM Mantenimiento Integral S.A De CV	0.05	26.59	0.01	0.42
CIESM-INTEVIA S.A.	0.13	77.04	0.55	24.61
Control 7 S.A.	0.10	57.39	(0.36)	(16.09)
Grusamar Albania SHPK	(0.00)	(2.74)	-	-
Elsamex Brazil LTDA	-	-	-	-
Area de Servicio Coiros S.L.U	0.33	186.17	0.22	9.83
Conservacion De Infraestructuras De Mexico S.A. De CV	0.00	0.06	(0.00)	(0.00)
Alcantarilla Fotovoltaica S.L.U	(0.01)	(3.27)	(0.21)	(9.37)
Area de Servicio Punta Umbría S.L.U	0.06	36.25	0.14	6.11

Name of the entity	Net Assets, i.e., total assets minus total		Share in profit or loss	
	Liabilities As % of consolidated net assets	Amount (₹ in millions)	As % of consolidated profit or loss	Amount (₹ in millions)
Beasolarta S.A.U	0.01	4.84	0.00	0.11
Elsamex Construcão E Manutenção LTDA	(0.00)	(0.83)	(0.00)	(0.00)
Elsamex LLC USA	-	-	-	-
Grusamar Engenharia y Consultoría Brasil LTDA	-	-	-	-
Minority Interest in all subsidiaries	(5.09)	(2,911.39)	6.50	288.47
Associates (Investment as per the equity method)				
Indian				

Thiruvananthapuram Road Development Company Limited	-	-	-	-
Warora Chandrapur Ballarpur Toll Road Limited	2.28	1,302.29	0.37	16.41
Srinagar Sonamarg Tunnelway Limited	0.14	79.57	0.51	22.81
Gujarat Road and Infrastructure Company Limited (from August 8, 2014)	2.27	1,295.81	1.83	81.27
ITNL Toll Management Services Limited	-	-	-	-
Ramky Elsamex Hyderabad Ring Road Limited	0.25	142.18	0.22	9.80
Foreign				
CGI 8 S.A.	-	-	(0.02)	(0.96)
Sociedad Concesionaria Autovía A-4 Madrid S.A	-	-	0.39	17.10
Joint Ventures				
(as per proportionate consolidation)				
Indian				
Noida Toll Bridge Company Limited	2.22	1,268.46	4.56	202.16
Jorabat Shillong Expressway Limited	1.37	780.74	(0.83)	(36.66)
N.A.M. Expressway Limited	6.81	3,895.66	2.30	101.94
Foreign				
Chongqing Yuhe Expressway Co. Ltd.	14.71	8,413.53	14.10	625.55
Consorcio De Obras Civiles S.R.L	0.05	31.35	0.47	20.91
Geotecnia y Control De Qualitat, S.A.	0.38	216.76	(1.82)	(80.59)
Vias Y Construcciones S. R. L.	0.00	0.07	(0.00)	(0.00)

Footnote :

The above figures have been taken from the financial statement of the respective entities.

IL&FS TRANSPORTATION NETWORKS LIMITED
Annexure IV

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015

Note No. 39: Statement containing salient features of the Financial Statements of Subsidiaries / Associate Companies / Joint Ventures (pursuant to Section 129 (3) of the Companies Act, 2013)

Part "A": Subsidiaries

₹ in million																	
Sr. No.	Name of the Subsidiary			Reporting Currency	Exchange Rate	Share capita Investments	Reserve and Surplus		Total Assets	Total Liabilities	Turnover / Total Revenue	Profit before taxation	Provision for taxation	Profit after taxation	Proposed dividend		% of shareholding
1	East Hyderabad Expressway Limited			INR	1.00	293.10	293.49		3,582.72	2,996.14	-	398.53	(12.18)	-	(12.18)	-	74.00
2	ITNL Road Infrastructure Development Company Limited			INR	1.00	1,400.00	(441.69)		8,817.28	7,858.98	-	902.07	(218.14)	-	(218.14)	-	100.00
3	IL&FS Rail Limited			INR	1.00	5,238.00	267.73		7,858.44	2,352.71	5,222.27	1,262.21	91.35	29.54	61.80	-	73.56
4	Rapid MetroRail Gurgaon Limited			INR	1.00	5,524.04	(752.28)		12,997.62	8,225.85	-	443.24	(1,395.25)	(245.38)	(1,149.87)	-	82.81
5	Rapid MetroRail Gurgaon South Limited			INR	1.00	2,510.50	605.44		9,915.62	6,799.68	-	3,190.33	353.74	125.30	228.44	-	82.81
6	Vansh Nimay Infraprojects Limited			INR	1.00	158.90	(1,259.51)		186.72	1,287.33	0.00	615.96	(218.05)	-	(218.05)	-	90.00
7	Scheme of ITNL Road Investment Trust			INR	1.00	1,096.06	8.46		1,104.79	0.27	1,024.68	47.81	47.33	-	47.33	46.81	100.00
8	West Gujarat Expressway Limited			INR	1.00	400.00	(742.05)		2,402.71	2,744.76	-	540.56	(264.35)	-	(264.35)	-	74.00
9	Hazaribagh Ranchi Expressway Limited			INR	1.00	1,310.00	(755.96)		10,148.53	9,594.49	-	1,264.15	(490.62)	-	(490.62)	-	99.99
10	Pune	Sholapur	Road	Developme nt	INR	1.00	1,760.00	4,142.81	19,695.19	13,792.38	-	715.51	55.22	-	55.22	-	90.91
	Company Limited																
11	Moradabad Bareilly			INR	1.00	2,216.60	7,196.46		31,187.2	21,774.21	-	6,047.56	918.34	(11.00)	929.34	-	100.00

	Expressway Limited							7									
12	Jharkhand Road	Projects Implemen- tation		INR	1.00	2,594.98	(133.72)	26,099.31	23,638.05	-	2,953.77	(735.51)	(0.39)	(735.13)	-	93.43	
	Company Limited																
13	Chenani Nashri Tunnelway Limited			INR	1.00	3,720.00	1,770.76	35,225.83	29,735.07	-	6,026.75	96.74	2.60	94.14	-	100.00	
14	Badarpur Tollway Operations Limited			Managemen- t	INR	1.00	0.50	2.31	2.82	0.01	-	0.05	(0.38)	-	(0.38)	-	100.00
15	MP	Border	Chec- kpost	Developme- nt	INR	1.00	1,490.25	(81.26)	13,304.63	11,895.65	-	1,857.27	(627.19)	(180.89)	(446.29)	-	74.00
	Company Limited																
16	North Karnataka Expressway Limited			INR	1.00	593.91	1,465.25	4,980.32	2,921.16	-	858.30	194.14	74.20	119.94	166.30	93.50	
17	Kiratpur Ner Chowk Expressway Limited			INR	1.00	3,207.50	673.16	11,055.90	7,175.24	-	3,276.52	287.89	-	287.89	-	100.00	
18	Baleshwar Kharagpur Expressway Limited			INR	1.00	1,727.80	510.12	6,678.64	4,440.72	-	2,519.45	226.00	-	226.00	-	100.00	
19	Sikar Bikaner Highway Limited				INR	1.00	1,240.50	2,320.05	7,719.21	4,158.66	-	2,423.91	273.73	-	273.73	-	100.00
24	Charminar RoboPark Limited				INR	1.00	63.24	(4.19)	95.89	36.83	-	0.52	(0.41)	-	(0.41)	-	89.20
25	ITNL International Pte. Limited				USD	62.59	3,219.47	(2,217.63)	13,134.80	12,132.96	12,169.46	370.66	(875.77)	(0.73)	(875.04)	-	100.00
26	ITNL Offshore Pte. Limited				USD	62.59	208.44	(182.36)	6,672.72	6,646.65	-	417.47	(98.28)	(1.56)	(96.72)	-	100.00
29	ITNL International DMCC (formerly known)			AED	17.04	198.75	(153.80)	81.36	36.41	-	14.99	(84.46)	-	(84.46)	-	100.00	
31	Sharjah General Services Company LLC			AED	17.04	5.09	(49.83)	5.81	50.54	-	-	(33.83)	-	(33.83)	-	49.00	
32	IIPL USA LLC				USD	62.59	62.24	(51.1)	12.95	2.28	-	0.04	(49.62)	-	(49.62)	-	100.00

							58									
							)									
33	Andhra Pradesh Expressway limited		INR	1.00	2,537.00	(254.87)		8,657.22	6,375.09	-	896.87	122.88	42.40	80.48	-	86.74
34	GIFT Parking Facilities Limited		INR	1.00	1.00	0.50	(0.17)	0.36	0.03	-	-	(0.17)	-	(0.17)	-	100.00
35	Gujarat Road and Infrastructure Company		INR	1.00	-	-		-	-	-	417.41	196.59	66.52	130.06	-	83.61
36	Gujarat Road Bridge Development Company		INR	1.00	-	-		-	-	-	-	(0.02)		(0.02)	-	83.61
	Limited (upto August 7, 2014)															
37	Elsamex SA #		Euro	67.51	1,368.07	2,607.0		12,381.54	8,406.40	2,368.94	5,853.34	328.27	67.15	261.11	-	100.00
38	Atenea Seguridad Y Medio Ambiente S.A.U		Euro	67.51	8.79	126.97		180.86	45.10	-	158.18	26.19	7.86	18.33	-	100.00
	#															
39	Señalización Viales e Imagen S.A.U #		Euro	67.51	46.45	(257.55)		431.56	642.66	-	132.20	(34.01)	(9.83)	(24.18)	-	100.00
40	Elsamex Internacional S.L #		Euro	67.51	966.11	(616.19)		2,425.11	2,075.19	287.00	512.84	(64.20)	8.71	(72.91)	-	100.00
41	Grusamar Ingeniería y Consulting S.L #		Euro	67.51	235.94	73.51		625.40	315.95	107.97	487.19	25.76	8.96	16.81	-	100.00
42	Elsamex Portugal S.A #		Euro	67.51	23.63	70.3		151.37	57.36	-	130.76	9.09	1.45	7.64	-	70.00

						9									
43	Inteval Gestao Integral Rodoviaria S.A #		Euro	67.51	94.51	1 6 5. 6 2	565.28	305.15	-	1,047.76	93.49	25.82	67.68	-	100.00
44	Elsamex India Pvt Limited #		INR	1.00	21.18	1 0 9. 6 6	211.62	80.78	-	344.06	18.72	11.56	7.16	-	99.15
45	Yala Construction Company Pvt Limited #		INR	1.00	63.19	5 5. 5 5	178.10	59.37	-	190.84	20.55	6.70	13.84	-	96.03
46	Mantenimiento Y Conservacion		Mexican De Peso	4.10	39.18	1 4. 1 4	59.18	5.87	0.02	154.71	0.13	0.05	0.09	-	100.00
	Vialidades S.A De CV #														
47	ESM Mantenimiento Integral S.A De CV #		Mexican Peso	4.10	22.77	3. 8 2	26.92	0.34	-	11.10	0.44	0.02	0.42	-	100.00
48	CIESM-INTEVIA S.A. #		Euro	67.51	4.05	7 2. 9 9	652.90	575.86	132.41	201.94	25.84	1.23	24.61	-	100.00
49	Control 7 S.A. #		Euro	67.51	37.17	2 0. 2 3	175.54	118.14	6.31	131.48	(22.99)	(6.90)	(16.09)	-	100.00
50	Grusamar Albania SHPK #		Albanian Lek	0.47	0.05	(2. 78)	3.77	6.50	-	-	-	-	-	-	51.00
51	Elsamex Brazil LTDA #		Brazilian Real	19.22	-	-	-	-	-	-	-	-	-	-	44.10
52	Area de Servicio Coiros S.L.U #		Euro	67.51	67.71	1 1 8. 4 6	342.07	155.90	-	35.36	13.65	3.82	9.83	-	100.00

53	Conservacion De Infraestructuras	De	Mexican Peso	4.10	0.21	(0.15)	0.30	0.25	-	-	(0.00)	-	(0.00)	-	96.40
54	Alcantarilla Fotovoltaica S.L.U #		Euro	67.51	2.88	(6.15)	316.52	319.78	-	30.35	(13.39)	(4.02)	(9.37)	-	100.00
55	Area de Servicio Punta Umbría S.L.U #		Euro	67.51	5.59	30.66	162.71	126.45	-	24.38	8.08	1.98	6.11	-	100.00
56	Beasolarta S.A.U #		Euro	67.51	2.77	2.08	211.19	206.35	-	24.43	0.16	0.05	0.11	-	100.00
57	Grusamar India LTD #		INR	1.00	0.50	7.25	12.90	5.16	-	7.86	2.60	0.80	1.80	-	100.00
58	Elsamex Construção E Manutenção LTDA #		Brazilian Real	19.22	1.92	(2.76)	7.72	8.56	-	7.18	(0.00)	-	(0.00)	-	99.99
59	Elsamex Maintenance Services limited #		INR	1.00	0.50	107.7	580.11	471.90	-	1,458.96	163.28	55.52	107.76	-	99.88
60	Elsamex LLC USA #		USD	62.59	-	-	-	-	-	-	-	-	-	-	100.00
61	Grusamar Engenharia y Consultoría LTDA #		Brazilian Real	19.22	-	-	-	-	-	-	-	-	-	-	99.99

Footnotes :

Subsidiaries having December 31, 2014 as a reporting date

The above figures have been taken from the financial statement of the respective entities.

The above statement also indicates performance and financial position of each of the subsidiaries.

Names of subsidiaries which are yet to commence operations

1 ITNL Offshore Two Pte. Limited

2 ITNL Offshore Three Pte. Limited

3 Elsamex LLC USA

4 Grusamar Engenharia y Consultoría Brasil LTDA

Names of subsidiaries which have been liquidated / under liquidation or sold during the year

1 Badarpur Tollway Operations Management Limited

IL&FS TRANSPORTATION NETWORKS LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2015

Part "B": Associates and Joint Ventures

₹ in million

	Name of Associates/Joint Ventures	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the			Networth attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year		Description of how there is significant influence	Reason why the associate/joint venture is not consolidated
Sr. No.			Numbers	Amount of Investment in Associates/Joint Venture	Extend of Holding %		Considered in Consolidation	Not Considered in Consolidation		

	Company Limited									
2	Warora Chandrapur Ballarpur Toll Road Limited	December 31, 2014	61,708,500	617.09	35.00	1,302.29	16.41	-		
3	Srinagar Sonamarg Tunnelway Limited	March 31, 2015	5,676,068	56.76	49.09	79.57	22.81	-		
4	Gujarat Road and Infrastructure Company Limited (from August 8, 2014)	March 31, 2015	23,187,166	221.25	41.81	1,295.81	81.27	-	There is	
									significant	
									influence due to	Not Applicable
5	ITNL Toll Management Services Limited	March 31, 2015	24,500	0.25	49.00	-	-	(0.43)	percentage (%) of	
									Share Capital.	
6	CGI 8 S.A.	December 31, 2014	1,308	5.30	49.00	-	(0.96)	-		
7	Sociedad Concesionaria Autovía A-4 Madrid S.A	December 31, 2014	917,804	309.81	48.75	-	17.10	-		
8	Ramky Elsamex Hyderabad Ring Road Limited	December 31, 2014	5,200,000	52.00	26.00	142.18	9.80	-		
9	VCS Enterprises Limited	-	-	-	-	-	-	-		
10	Elsamex Road Technology Company Limited	-	-	-	-	-	-	-		
11	Zhejiang Elsamex Road Technology Co Ltd	-	-	-	-	-	-	-		
12	Zhejiang Elsamex Road Construction Equipment Co Ltd	-	-	-	-	-	-	-		
13	Empresas Pame sa De CV (upto May 14,	-	-	-	-	-	-	-		

2014)									

Footnotes :

The above figures have been taken from the financial statement of the respective entities.

The above statement also indicates performance and financial position of each of the joint ventures and associates.

INDEPENDENT AUDITOR'S REVIEW REPORT ON INTERIM CONDENSED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF

IL&FS TRANSPORTATION NETWORKS LIMITED

Introduction

We have reviewed the accompanying Condensed Balance Sheet of **IL&FS TRANSPORTATION NETWORKS LIMITED** ("the Company") as at June 30, 2015, the Condensed Statement of Profit and Loss and the Condensed Cash Flow Statement for the three months then ended and select explanatory notes forming part thereof ("Interim Condensed Financial Statements"). The Company's Management is responsible for the preparation and presentation of these Interim Condensed Financial Statements in accordance with the recognition and measurement principles laid down in Accounting Standard (AS-25) on Interim Financial Reporting specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on these Interim Condensed Financial Statements based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. A review of Interim Condensed Financial Statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Condensed Financial Statements are not prepared, in all material respects, in accordance with the recognition and measurement principles laid down in Accounting Standard (AS-25) on Interim Financial Reporting specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India.

Emphasis of Matter

We draw attention to Note 1 (xi) to the interim condensed financial statements, regarding an amount of Rs.2,352 Mn. included as the Revenue from Operations for the year ended March 31, 2015 on account of aggregate compensation claimed by the Company from two Special Purpose Vehicles ("SPVs"). The respective SPVs had filed an onward claim with the CGA, however, the SPVs have not received any approval for the same from the CGA till date.

Our conclusion is not qualified in this regard.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(ICAI Registration No. 117366W/W-100018)

Kalpesh J. Mehta
Partner
(Membership No. 48791)

MUMBAI, August 10, 2015
KJM/NDU

IL&FS TRANSPORTATION NETWORKS LIMITED
Unaudited Interim Condensed Balance Sheet as at June 30, 2015

₹ in Million

	Particulars	Unaudited As at June 30, 2015		Audited As at March 31, 2015	
I	<u>EQUITY AND LIABILITIES</u>				
1	SHAREHOLDERS' FUNDS				
	(a) Share capital	6,231.70		6,231.70	
	(b) Reserves and surplus	29,680.31	35,912.01	29,563.74	35,795.44
2	NON-CURRENT LIABILITIES				
	(a) Long-term borrowings	41,381.20		41,154.20	
	(b) Deferred tax liabilities (Net)	248.60		354.01	
	(c) Other long term liabilities	4,793.82		5,218.24	
	(d) Long-term provisions	107.33	46,530.95	94.17	46,820.62
3	CURRENT LIABILITIES				
	(a) Current maturities of long-term debt	15,403.42		13,724.92	
	(b) Short-term borrowings	23,733.26		19,511.65	
	(c) Trade payables	8,406.97		7,461.46	
	(d) Other current liabilities	6,193.88		5,907.03	
	(e) Short-term provisions	1,474.79	55,212.32	2,377.70	48,982.76
	TOTAL		137,655.28		131,598.82
II	<u>ASSETS</u>				
1	NON CURRENT ASSETS				
	(a) Fixed assets				
	(i) Tangible assets (net)	312.17		327.15	
	(ii) Intangible assets (net)	1,041.58		1,060.55	
	(b) Non-current investments (net)	49,084.61		47,900.81	
	(c) Long-term loans and advances	21,956.11		21,219.34	
	(d) Other non-current assets	4,663.19	77,057.66	4,566.48	75,074.33
2	CURRENT ASSETS				
	(a) Inventories	13.07		-	
	(b) Trade receivables (net)	27,969.50		27,394.61	
	(c) Cash and cash equivalents	1,138.91		203.22	
	(d) Short-term loans and advances (net)	24,550.88		23,303.69	
	(e) Other current assets (net)	6,925.26	60,597.62	5,622.97	56,524.49
	TOTAL		137,655.28		131,598.82

Note 1 forms part of the unaudited interim condensed financial statements.

In terms of our report attached.
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

For and on behalf of the Board

Kalpesh J. Mehta
Partner

Managing Director

Director

Mumbai, August 10, 2015

Chief Financial Officer
Mumbai, August 10, 2015

Company Secretary

IL&FS TRANSPORTATION NETWORKS LIMITED
Unaudited Interim Condensed Statement of Profit and Loss for the quarter ended June 30, 2015

		₹ in Million	
	Particulars	Unaudited	Audited
		Quarter ended June30, 2015	Quarter ended June30, 2014
I	Revenue from operations	9,470.75	9,393.23
II	Other income	1,245.87	587.13
III	Total revenue (I + II)	10,716.62	9,980.36
IV	Expenses		
	Cost of materials consumed	132.61	-
	Operating expenses	7,197.53	5,717.28
	Employee benefits expense	117.16	191.02
	Finance costs	2,459.06	1,547.51
	Depreciation and amortisation expense	36.80	16.93
	Administrative and general expenses	387.85	347.90
	Total expenses (IV)	10,331.01	7,820.64
V	Profit before taxation (III-IV)	385.61	2,159.72
VI	Tax expense:		
	(a) Current tax expenses	133.45	442.26
	(b) Deferred tax (net)	(105.41)	(168.22)
	Net tax expenses (VI)	28.04	274.04
VII	Profit for the quarter (V - VI)	357.57	1,885.68
	Earnings per equity share (Face value per share ₹10/-):		
	(1) Basic (Not annualised)	0.49	7.24
	(2) Diluted (Not annualised)	0.49	7.24

Note 1 forms part of the unaudited interim condensed financial statements.

In terms of our report attached.
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

For and on behalf of the Board

Kalpesh J. Mehta
Partner

Managing Director

Director

Mumbai, August 10, 2015

Chief Financial Officer
Mumbai, August 10, 2015

Company Secretary

IL&FS TRANSPORTATION NETWORKS LIMITED
Unaudited Interim Condensed Cash Flow Statement for the quarter ended June 30, 2015
₹ in Million

Particulars	Unaudited	Audited
	Quarter ended June 30, 2015	Quarter ended June 30, 2014
Net Cash generated from Operating Activities (A)	519.69	562.43
Net Cash used in Investing Activities (B)	(2,986.30)	(6,137.34)
Net Cash generated from Financing Activities (C)	3,402.30	5,619.61
Net Increase in Cash and Cash Equivalents (A+B+C)	935.69	44.70
Cash and Cash Equivalents at the beginning of the quarter	202.34	110.71
Cash and Cash Equivalents at the end of the quarter	1,138.03	155.41
Net Increase in Cash and Cash Equivalents	935.69	44.70

Components of Cash and Cash Equivalents		
Cash on Hand	0.18	2.81
Balances with Banks in current accounts	1,135.52	150.27
Balances with Banks in deposit accounts	2.33	2.33
	1,138.03	155.41
Unpaid Dividend Accounts	0.88	0.71
Cash and Cash Equivalents	1,138.91	156.12

Note 1 forms part of the unaudited interim condensed financial statements.

In terms of our report attached.
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

For and on behalf of the Board

Kalpesh J. Mehta
Partner

Managing Director

Director

Mumbai, August 10, 2015

Chief Financial Officer
Mumbai, August 10, 2015

Company Secretary

IL&FS TRANSPORTATION NETWORKS LIMITED**Note 1: Select Explanatory Notes to the Interim Condensed Financial Statements**

- i. These Interim Condensed Financial Statements have been prepared in accordance with Accounting Standard (AS) 25 specified under section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules 2014 and the relevant provisions of the Companies Act, 2013. These Interim Condensed Financial Statements should be read in conjunction with the annual financial statements of the Company for the year ended March 31, 2015. The accounting policies followed in the preparation and presentation of the Interim Condensed Financial Statements are consistent with those followed in the preparation of the Annual Financial Statements. The Company's operations are not seasonal in nature hence the results of the interim period are not necessarily an indication of the result that may be expected for any interim period / full year.

ii. Contingent Liabilities and Commitments:

Particulars	₹ million	
	Unaudited As at June 30, 2015	Audited As at March 31, 2015
i. Contingent Liabilities (refer foot note no. 1)		
a) Claims against the Company not acknowledged as debts	72.10	81.20
- Income tax demands contested by the Company		
b) Guarantees (refer foot note no.2)		
- Guarantees/counter guarantees issued to outsider in respect of group companies	15,891.13	16,880.72
- Guarantees/counter guarantees issued to outsider in respect of other than group companies	70.23	92.68
c) Put option on sale of investment	Unascertainable	Unascertainable
ii. Commitments		
Investment Commitments [net of advances of ₹ 203.27 million (As at March 31, 2015 : ₹ 356.45 million)]	8,668.40	9,189.68

Foot Notes:

- The Company does not expect any outflow of economic resources in respect of the above and therefore no provision is made in respect thereof.
 - Certain bankers have issued guarantees which have been shown under "Guarantees/counter guarantees issued in respect of borrowing facilities of subsidiary companies" aggregating ₹1,550.48 million (as at March 31, 2015 : ₹2,011.09 million) against a first charge on the receivables (including loans and advances) of the Company.
- iii. The Company has issued letter of comfort / letter of awareness in respect of loans availed by a few of its subsidiaries aggregating to ₹ 5,798 million (Previous year ₹ 6,855 million)
- iv. Letter of financial support has been issued to ITNL Road Infrastructure Development Company Limited, West Gujarat Expressway Limited, Vansh Nimay Infraprojects Limited, ITNL International Pte. Ltd., Singapore, ITNL Offshore Pte. Ltd., Singapore, ITNL Africa Projects Ltd., Nigeria, ITNL International DMCC, Dubai and Sharjah General Services Company LLC, Dubai to enable them to continue their operations and meet their financial obligations as and when they fall due.

IL&FS TRANSPORTATION NETWORKS LIMITED**Note 1: Select Explanatory Notes to the Interim Condensed Financial Statements**

- v. During the quarter ended June 30, 2015, the Company has issued 3500 Rated, Unsecured Redeemable, Non-Convertible Debentures ("NCDs") of the face value of ₹10,00,000 per unit issued on a private placement basis and which has been subsequently listed as detailed below:

Particulars	Number of NCDs	Allotment Date	₹ in Million
ITNL 11.70% 2020	2,250	April 27, 2015	2,250
ITNL 10.50% 2021	1,250	May 8, 2015	1,250
Total	3,500		3,500

The details of utilisation of proceeds of the above NCDs is given below :

Name of NCD	₹ in Million	
	ITNL, 11.70%, 2020	ITNL 10.50% 2021
Face value of NCDs	2,250	1,250
Less: Discount on NCDs	-	-
Amount received from the issue	2,250	1,250
Utilisation :		
For repayment of loans	625	500
For working capital payments	529	-
Loans to subsidiaries	935	607
Investment in subsidiaries	161	143
Total utilisation	2,250	1,250
Balance amount unutilised as on June 30, 2015	-	-

vi. During the quarter ended June 30, 2015, the Company has made the following investments: (Unaudited)

Name of the company	Instrument	Number of instrument	Face value of instrument	Amount (₹ in million)
ITNL International Pte. Ltd	Equity shares	3,500,000	USD 1	218.59
ITNL Offshore Two Pte Ltd.	Equity shares	49,990	USD 1	3.12
IL&FS Rail Limited	Equity shares	48,658,155	₹10	486.58
Rapid MetroRail Gurgaon Limited	Equity shares	8,610,000	₹10	86.10
Rapid MetroRail Gurgaon South Limited	Equity shares	17,500,000	₹10	175.00
Baleshwar Kharagpur Expressway Limited	Equity shares	5,810,000	₹10	58.10
Total				1,027.49

IL&FS TRANSPORTATION NETWORKS LIMITED**Note 1: Select Explanatory Notes to the Interim Condensed Financial Statements**

Previous quarter ended June 30, 2014: (Audited)

Name of the company	Instrument	Number of instrument	Face value of instrument	Amount (₹ in million)
MP Border Checkposts Development Company Limited	Equity shares	61,334,283	₹10	613.34
IL&FS Rail Limited	Equity shares	32,473,350	₹10	324.73
Kiratpur Ner Chowk Expressway Limited	Equity shares	142,250,000	₹10	1,422.50
Baleshwar Kharagpur Expressway Limited	Equity shares	14,000,000	₹10	140.00
Barwa Adda Expressway Limited	Equity shares	41,300,000	₹10	413.00
Jorabat Shillong Expressway Limited	Equity shares	2,000,000	₹10	20.00
Srinagar Sonamarg Tunnelway Limited	Equity shares	33,823	₹10	0.34
Khed Sinnar Expressway Limited	Equity shares	26,850,000	₹10	268.50
Rapid MetroRail Gurgaon Limited	Equity shares	9,800,000	₹10	98.00
Rapid MetroRail Gurgaon South Limited	Equity shares	17,500,000	₹10	175.00
Total				3,475.41

During the quarter ended June 30, 2014, the Company had sold its Investment representing 23,187,155 shares of Gujarat Road and Infrastructure Company Limited ("GRICL") vide sale and purchase agreement dated June 25, 2014 to BayCapital Advisors Private Limited ("BCAPL") and for a sales consideration of ₹2,508.39 million and the said shares were transferred to an escrow account on August 8, 2014.

Subsequently, based on the assignment by BCAPL to MAIF Investments India Pte. Ltd. ("MAIF") of the right to purchase the said shares, the Company entered into a share sale and purchase agreement with MAIF on November 11, 2014 for sale of the aforesaid GRICL shares. The Company received the sale consideration of ₹2,654.30 million on January 29, 2015 from MAIF and the said shares had been transferred to MAIF.

The above sale represents 41.80% of the stake in GRICL and accordingly, the Company now holds 41.81% of the stake in GRICL as at June 30, 2015.

During the previous year, the Company had diluted its control over the Board of GRICL from August 8, 2014, consequently GRICL has been considered as an associate of the Company from that date.

IL&FS TRANSPORTATION NETWORKS LIMITED

Note 1: Select Explanatory Notes to the Interim Condensed Financial Statements

- vii. The Company has accrued preference dividend during the quarter ended June 30, 2015 and has declared final equity dividend and preference dividend for the year ended March 31, 2015 as given below:

Particulars	Dividend for quarter ended June 30, 2015		Dividend for the year ended March 31, 2015	
	₹ in Million	Per share ₹	₹ in Million	Per share ₹
Dividend declared and paid to equity shareholders	-	-	986.88	4.00
Dividend accrued / paid for 20.50% CRPS holders	101.94	2.05	410.00	2.05
Dividend accrued / paid for 10.40% ITNL CNCRPS 2017 holders	56.16	2.11	225.87	2.11
Dividend accrued / paid for 10.50% ITNL CNCRPS 2018 holders	10.23	2.14	41.16	2.14
Dividend accrued / paid for 11% ITNL CNCRPS 2021 holders	27.75	2.23	111.60	2.23

- viii. **Earnings per Share: (not annualised)**

Particulars	Unit	Unaudited	Audited
		Quarter ended June 30, 2015	Quarter ended June 30, 2014
Profit after tax	₹ in million	357.57	1,885.68
Dividend on preference shares	₹ in million	196.08	196.62
Dividend Tax on dividend on preference shares	₹ in million	39.92	33.42
Profit available for Equity Shareholders	₹ in million	121.57	1,655.65
Weighted average number of equity shares outstanding	Number	246,720,020	228,650,734*
Nominal value per equity share	₹	10	10
Basic / Diluted earnings per share	₹	0.49	7.24

* As adjusted for rights issue in accordance with AS - 20 Earnings Per Share.

IL&FS TRANSPORTATION NETWORKS LIMITED

Note 1: Select Explanatory Notes to the Interim Condensed Financial Statements

- ix. Segment Disclosures:

The Company operates in a single business segment viz. Surface Transportation Business. Also it operates in a single geographic segment. In the absence of separate reportable business or geographic segments the disclosures required under the Accounting Standard (AS) 17 on 'Segment Reporting' are not applicable.

- x. Related Party Disclosure – (refer Annexure).

- xi. Revenue from Operations for the year ended March 31, 2015 included an amount of ₹ 2,352.70 million on account of aggregate compensation claimed by the Company from two Special Purpose Vehicles ("SPVs") and by the two SPVs on the Concession Granting Authority ("CGA") for the incremental work and related claims arising from delays due to handing over of the land by CGA for project execution. The compensation is based on the provisions in the Service Concession Agreements and is supported by the Extension of Time granted by the Independent Engineers. The SPVs were legally advised that they are

contractually entitled to such claims under the Service Concession Agreements. Accordingly, the respective SPVs had filed the claim with the CGA, however, the SPVs have not received any approval for the same from the CGA till date. Costs in connection with the foregoing were considered in recognising the above income. Auditors report include an emphasis of matter paragraph in this regard.

- xii. Figures for the previous periods have been regrouped and reclassified wherever necessary to conform to the classification for the current quarter.

For and on behalf of the Board

Managing Director

Director

Chief Financial Officer

Company Secretary

Mumbai, August 10, 2015

IL&FS TRANSPORTATION NETWORKS LIMITED

Annexure to Note 1(x) to the unaudited interim condensed financial statements for the quarter ended June 30, 2015

Related Party Disclosures

(i) Current Quarter

(a) Name of the Related Parties and Description of Relationship:

Nature of Relationship	Name of Entity	Abbreviation used
Holding Company Subsidiaries - Direct	Infrastructure Leasing & Financial Services Limited	ILFS
	Badarpur Tollway Operations Management Limited	BTOML
	Baleshwar Kharagpur Expressway Limited	BKEL
	Barwa Adda Expressway Limited	BAEL
	Charminar RoboPark Limited	CRL
	Chenani Nashri Tunnelway Limited	CNTL
	East Hyderabad Expressway Limited	EHEL
	Elsamex S.A	ELSA
	Futureage Infrastructure India Linmited	FIIL
	GIFT Parking Facilities Limited	GPFL
	Hazaribagh Ranchi Expressway Limited	HREL
	IL&FS Rail Limited	IRL
	ITNL International Pte Ltd, Singapore	IIPPL
	ITNL Offshore Pte Ltd, Singapore	IOPL
	ITNL Offshore Two Pte Ltd, Singapore	
	ITNL Offshore Three Pte Ltd, Singapore	
	ITNL Road Infrastructure Development Company Limited	IRIDCL
	ITNL Road Investment Trust	IRIT
	Jharkhand Road Projects Implementation Company Limited	JRPICL
	Karyavattom Sports Facilities Limited	KSFL
	Khed Sinnar Expressway Limited	KSEL
	Kiratpur Ner Chowk Expressway Limited	KNCEL
	Moradabad Bareilly Expressway Limited	MBEL
	MP Border Checkposts Development Company Limited	MPBCDCL
	Pune Sholapur Road Development Company Limited	PSRDCL
	Sikar Bikaner Highways Limited	SBHL
	Vansh Nimay Infraprojects Limited	VNIL
	West Gujarat Expressway Limited	WGEL
Subsidiaries - Indirect	North Karnataka Expressway Limited	NKEL
	Andhra Pradesh Expressway Limited	APEL
	Alcantarilla Fotovoltaica SA, Sociedad Unipersonal	
	Antenea Seguridad Y Medico Ambiente SA	
	Area De Servicio Punta Umbria SL	
	Area De Servicio Coiros S.L.	
	Beasolarta S.L.	
	CIESM-INTEVIA S.A. Sociedad Unipersonal	
	Conservacion de Infraestructuras De Mexico SD DE CV	
	Control 7, S. A	
	Elsamex India Private Limited	ELSAIND
	Elsamex Internacional, SLR	
	Elsamex Portugal-Engenharia E Sistemas De Gestao, S.A	EPE
	Elsamex Construcao E Manutencao LTDA, Brazil	
	Elsamex Brazil LTDA	
	ESM Mantenimiento Integral DE S.A DE C.V	
	Grusamar Albania SHPK	
	Grusamar Ingenieria Y Consulting, SL	
	Grusamar India Limited	GIL
	Inteval-Gestao Integral Rodoviaria S.A	
	ITNL Africa Projects Limited	IAPL

Nature of Relationship	Name of Entity	Abbreviation used
	ITNL International DMCC, Dubai (Formerly known as ITNL International JLT, Dubai)	IIJLT
	ITNL International Developer LLC (<i>incorporated on May 4, 2015</i>)	
	Mantenimiento Y Conservacion De Vialidades, DE C.V	
	Elsamex Maintenance Services Ltd	EMSL
	Elsamex LLC	

IL&FS TRANSPORTATION NETWORKS LIMITED

Annexure to Note 1(x) to the unaudited interim condensed financial statements for the quarter ended June 30, 2015

Related Party Disclosures

(i) Current Quarter

(a) Name of the Related Parties and Description of Relationship:

Nature of Relationship	Name of Entity	Abbreviation used
Subsidiaries - Indirect	IIPL USA LLC	
	Sharjah General Services Company LLC	
	Grusamar Engenharia & Consultoria Brasil LTDA	
	Rapid MetroRail Gurgaon Limited	RMGL
	Rapid MetroRail Gurgaon South Limited	RMGSL
	Senalizacion Viales E Imagen, SA	
Fellow Subsidiaries (Only with whom there have been transaction during the period/ there was Balance outstanding at the Quarter end)	Yala Construction Company Private Limited	YCCPL
	Chattisgarh Highways Development Company Limited	CHDCL
	IL&FS Airport Limited	IAL
	IL&FS Capital Advisors Limited	ICAL
	IL&FS Education Technology Services Limited	IETS
	IL&FS Energy Development Company Limited	IEDCL
	IL&FS Environment Infrastructure Services Limited	IEISL
	IL&FS Financial Services Limited	IFIN
	IL&FS Maritime Infrastructure Company Limited	IMICL
	IL&FS Renewable Energy Limited	IREL
	IL&FS Securities Services Limited	ISSL
	IL&FS Technology Limited	ITL
	Livia India Limited	LIL
	IL&FS Township Urban Assets Limited	ITUAL
	IL&FS Global Financial Services (UK) Limited	IGFSUKL
	IL&FS Global Financial Services (ME) Limited	IGFSMEL
	PT Mantimin Coal Mining	PTMCM
Associates - Direct	ITNL Toll Management Services Limited	ITMSL
	Thiruvananthapuram Road Development Company Limited	TRDCL
	Warora Chandrapur Ballarpur Toll Road Limited	WCBTRL
	Srinagar Sonmarg Tunnelway Limited	SSTL
	Gujarat Road and Infrastructure Company Limited	GRICL
Associates - Indirect	Centro de Investigaciones de Curretros Andalucía S.A.	CICAN
	Labetec Ensayos Técnicos Canarios, S.A.	LABTEC
	CGI 8 S.A.	CGI-8
	Elsamex Road Technology Company Limited	ERT(China)
	Sociedad Concesionaria Autovía A-4 Madrid S.A	A4 CONCESSION
	VCS-Enterprises Limited	VCS
	Ramky Elsamex Ring Road Limited, Hyderabad	REHRR
	Zhejiang Elsamex Road Technology Co Ltd	
	Zhejiang Elsamex Road Construction Equipment Co Ltd	
	Empresas Pame sa De CV	EPSD
Jointly Controlled Entities - Direct	Noida Toll Bridge Company Limited	NTBCL
	Jorabat Shillong Expressway Limited	JSEL
	N.A.M. Expressway Limited	NAMEL
Jointly Controlled Entities - Indirect	Geotecnia y Control De Qualitat, S.A.	
	Chongqing Yuhe Expressway Co. Ltd.	
	Consortio De Obras Civiles S.R.L	
	Vies Y Construcciones S. R. L.	
Jointly Controlled Operations	Elsamex - ITNL JVCA	EIJVCA

Nature of Relationship	Name of Entity	Abbreviation used
Key Management Personnel ("KMP")	Mr K Ramchand-Managing Director	
	Mr Mukund Sapre-Executive Director	
	Mr George Cherian-Chief Financial Officer	
	Mr Krishna Ghag-Company Secretary	
Relatives of KMP	Mrs Rita Ramchand (wife of Mr K Ramchand)	
	Mrs Sangeeta Sapre (wife of Mr Mukund Sapre)	
	Mrs Vishpala Parthasarathy (wife of Mr Ravi Parthasarathy)	
KMP of Holding Company	Mr Ravi Parthasarathy - Director	
	Mr Hari Sankaran - Director	
	Mr Arun Saha - Director	

IL&FS TRANSPORTATION NETWORKS LIMITED
Annexure to Note 1(x) to the unaudited interim condensed financial statements for the quarter ended June 30, 2015 Related Party Disclosures. (contd.)

(b) transactions/ balances with above mentioned related parties (mentioned in Annexure to Note 1(x) (i) (a) above)

₹ in million

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controllé Entities	Key Management personnel and relatives	Total
Balances							
Advance towards Share Application Money (Long- term)							
GRICL	-	-	-	750.00	-	-	750.00
OTHERS	-	0.02	-	-	0.13	-	0.15
	-	0.02	-	750.00	0.13	-	750.15
Advances Receivable - Short Term							
ILFS	0.09	-	-	-	-	-	0.09
IAL	-	-	271.37	-	-	-	271.37
PTMCM	-	-	183.59	-	-	-	183.59
OTHERS	-	371.76	44.57	3.16	79.74	-	499.23
	0.09	371.76	499.53	3.16	79.74	-	954.28
Cost of Investment in equity shares		-					
IRL	-	4,339.43	-	-	-	-	4,339.43
OTHERS	-	33,174.30	-	1,065.64	3,459.13	-	37,699.07
	-	37,513.73	-	1,065.64	3,459.13	-	42,038.50
Equity share Capital							
ILFS	1,714.50	-	-	-	-	-	1,714.50
IFIN	-	32.00	-	-	-	-	32.00
	1,714.50	32.00	-	-	-	-	1,746.50
Interest Accrued and due							
MBEL	-	366.84	-	-	-	-	366.84
PSRDCL	-	195.74	-	-	-	-	195.74
OTHERS	-	373.41	-	91.48	175.75	-	640.64
	-	935.99	-	91.48	175.75	-	1,203.22
Interest Accrued and not due LT							
BAEL	-	91.47	-	-	-	-	91.47
KSEL	-	110.63	-	-	-	-	110.63
SBHL	-	102.39	-	-	-	-	102.39
TRDCL	-	-	-	347.15	-	-	347.15
OTHERS	-	69.44	-	-	-	-	69.44
	-	373.93	-	347.15	-	-	721.08
Interest Accrued and not due ST							
CNTL	-	55.59	-	-	-	-	55.59
JRPICL	-	27.21	-	-	-	-	27.21
MPBCDCL	-	70.29	-	-	-	-	70.29
OTHERS	-	19.92	17.98	3.03	-	-	40.93
	-	173.01	17.98	3.03	-	-	194.02
Interest accrued but not due on borrowings							
NKEL	-	219.24	-	-	-	-	219.24
	-	219.24	-	-	-	-	219.24
Investment in Covered Warrants							
ILFS	1,943.00	-	-	-	-	-	1,943.00

Particulars	Holding	Subsidiaries	Fellow	Associates	Jointly	Key	Total
	1,943.00	-	-	-	-	-	1,943.00
Investment in Preference Shares							
WGEL	-	296.90	-	-	-	-	296.90
	-	296.90	-	-	-	-	296.90
Investment in Redeemable optionally convertible cumulative preference shares							
APEL	-	2,200.00	-	-	-	-	2,200.00
	-	2,200.00	-	-	-	-	2,200.00
Investments in Units							
IRIT	-	1,096.06	-	-	-	-	1,096.06
	-	1,096.06	-	-	-	-	1,096.06
Long-term Lendings							
BAEL	-	1,765.00	-	-	-	-	1,765.00
JRPICL	-	3,330.60	-	-	-	-	3,330.60
KSEL	-	1,692.50	-	-	-	-	1,692.50
MPBCDCL	-	2,559.76	-	-	-	-	2,559.76
OTHERS	-	3,573.40	-	343.50	-	-	3,916.90
	-	12,921.26	-	343.50	-	-	13,264.76

IL&FS TRANSPORTATION NETWORKS LIMITED

Annexure to Note 1(x) to the unaudited interim condensed financial statements for the quarter ended June 30, 2015 Related Party Disclosures. (contd.)

(b) transactions/ balances with above mentioned related parties (mentioned in Annexure to Note 1(x) (i) (a) above)

₹ in million

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities	Key Management personnel and relatives	Total
Mobilisation Advances Received (Long-term)							
BAEL	-	780.64	-	-	-	-	780.64
CNTL	-	208.97	-	-	-	-	208.97
IRIDCL	-	582.00	-	-	-	-	582.00
KNCEL	-	431.74	-	-	-	-	431.74
OTHERS	-	38.20	-	-	-	-	38.20
	-	2,041.55	-	-	-	-	2,041.55
Mobilisation Advances Received (Short-term)							
BAEL	-	295.04	-	-	-	-	295.04
CNTL	-	650.10	-	-	-	-	650.10
KNCEL	-	757.22	-	-	-	-	757.22
OTHERS	-	511.97	-	-	104.42	-	616.39
	-	2,214.33	-	-	104.42	-	2,318.75
Other Current Liabilities							
ILFS	150.00	-	-	-	-	-	150.00
	150.00	-	-	-	-	-	150.00
Preference share Capital with Premium							
IFIN	-	-	2,000.00	-	-	-	2,000.00
IMICL	-	-	2,000.00	-	-	-	2,000.00
	-	-	4,000.00	-	-	-	4,000.00
Provision for Advances							
VNIL	-	365.00	-	-	-	-	365.00
	-	365.00	-	-	-	-	365.00
Provision for redemption premium on Preference Shares							
IFIN	-	-	44.04	-	-	-	44.04
IMICL	-	-	44.04	-	-	-	44.04
	-	-	88.08	-	-	-	88.08
Rent Deposit							
Mr K Ramchand-Managing Director	-	-	-	-	-	1.00	1.00
Mr Mukund Sapre-Executive Director	-	-	-	-	-	0.50	0.50
Mrs Rita Ramchand (wife of Mr K Ramchand)	-	-	-	-	-	0.50	0.50
Mrs Sangeeta Sapre (wife of Mr Mukund Sapre)	-	-	-	-	-	0.50	0.50
Mrs Vishpala Parthasarathy (wife of Mr Ravi Parthasarathy)	-	-	-	-	-	20.00	20.00
	-	-	-	-	-	22.50	22.50
Retention Money Payable							

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities	Key Management personnel and relatives	Total
ELSAIND	-	10.46	-	-	-	-	10.46
EMSL	-	23.56	-	-	-	-	23.56
ITL	-	-	15.48	-	-	-	15.48
OTHERS	-	7.86	0.29	-	-	-	8.15
	-	41.88	15.77	-	-	-	57.65
Retention Money Receivable							
JSEL	-	-	-	-	392.89	-	392.89
KSEL	-	323.61	-	-	-	-	323.61
PSRDCL	-	429.16	-	-	-	-	429.16
SBHL	-	279.75	-	-	-	-	279.75
OTHERS	-	65.88	-	-	-	-	65.88
	-	1,098.40	-	-	392.89	-	1,491.29
Short-term Borrowings							
AILFS	1,500.00	-	-	-	-	-	1,500.00
NKEL	-	700.00	-	-	-	-	700.00
	1,500.00	700.00	-	-	-	-	2,200.00
Short-term Lendings							
CNTL	-	2,010.00	-	-	-	-	2,010.00
HREL	-	3,061.99	-	-	-	-	3,061.99
MBEL	-	4,142.50	-	-	-	-	4,142.50
OTHERS	-	3,949.90	158.65	1,397.00	1,497.20	-	7,002.75
	-	13,164.39	158.65	1,397.00	1,497.20	-	16,217.24

IL&FS TRANSPORTATION NETWORKS LIMITED
Annexure to Note 1(x) to the unaudited interim condensed financial statements for the quarter ended June 30, 2015 Related Party Disclosures. (contd.)

(b) transactions/ balances with above mentioned related parties (mentioned in Annexure to Note 1(x) (i) (a) above)

							₹ in million
Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities	Key Management personnel and relatives	Total
Trade Payables							
AILFS	3.03	-	-	-	-	-	3.03
EMSL	-	294.60	-	-	-	-	294.60
IFIN	-	-	186.00	-	-	-	186.00
IRL	-	501.42	-	-	-	-	501.42
OTHERS	-	27.91	82.53	23.90	5.78	-	140.12
	3.03	823.93	268.53	23.90	5.78	-	1,125.17
Trade Receivables							
BAEL	-	3,113.02	-	-	-	-	3,113.02
IRIDCL	-	3,092.28	-	-	-	-	3,092.28
KSEL	-	5,148.63	-	-	-	-	5,148.63
OTHERS	-	10,701.72	-	2,830.57	1,957.20	-	15,489.49
	-	22,055.65	-	2,830.57	1,957.20	-	26,843.42
Unamortised Expenses							
IFIN	-	-	369.77	-	-	-	369.77
	-	-	369.77	-	-	-	369.77
Unbilled Revenue							
HREL	-	267.38	-	-	-	-	267.38
JSEL	-	-	-	-	661.71	-	661.71
RMGSL	-	649.03	-	-	-	-	649.03
OTHERS	-	543.31	-	-	5.27	-	548.57
	-	1,459.72	-	-	666.98	-	2,126.70
Unearned Revenue							
BAEL	-	309.48	-	-	-	-	309.48
KSEL	-	810.04	-	-	-	-	810.04
MBEL	-	290.39	-	-	-	-	290.39
MPBCDCL	-	677.29	-	-	-	-	677.29
OTHERS	-	475.43	-	-	-	-	475.43
	-	2,562.63	-	-	-	-	2,562.63
Transactions							
Administrative and general expenses							
ILFS *	131.00	-	-	-	-	-	131.00
IFIN	-	-	45.92	-	-	-	45.92
OTHERS	-	-	42.13	-	-	-	42.13
	131.00	-	88.05	-	-	-	219.05
Construction Cost							
IRL	-	293.55	-	-	-	-	293.55
ITL	-	-	48.91	-	-	-	48.91
OTHERS	-	14.87	-	-	-	-	14.87
	-	308.42	48.91	-	-	-	357.33
Interest Income							
HREL	-	100.39	-	-	-	-	100.39
JRPICL	-	106.47	-	-	-	-	106.47

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities	Key Management personnel and relatives	Total
MBEL	-	140.89	-	-	-	-	140.89
OTHERS	-	449.94	5.26	57.86	44.24	-	557.30
	-	797.69	5.26	57.86	44.24	-	905.05
Interest on Loans (Expense)							
ILFS	51.97	-	-	-	-	-	51.97
IRL	-	14.16	-	-	-	-	14.16
NKEL	-	16.58	-	-	-	-	16.58
	51.97	30.74	-	-	-	-	82.71
Investment made / purchased							
IIPL	-	374.89	-	-	-	-	374.89
IRL	-	486.58	-	-	-	-	486.58
RMGSL	-	175.00	-	-	-	-	175.00
OTHERS	-	144.20	-	-	-	-	144.20
	-	1,180.67	-	-	-	-	1,180.67

IL&FS TRANSPORTATION NETWORKS LIMITED

Annexure to Note 1(x) to the unaudited interim condensed financial statements for the quarter ended June 30, 2015 Related Party Disclosures. (contd.)

(b) transactions/ balances with above mentioned related parties (mentioned in Annexure to Note 1(x) (i) (a) above)

							₹ in million
Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities	Key Management personnel and relatives	Total
Lendings							
CNTL	-	930.00	-	-	-	-	930.00
MBEL	-	4,100.00	-	-	-	-	4,100.00
PSRDCL	-	1,150.00	-	-	-	-	1,150.00
OTHERS	-	1,798.20	-	242.50	290.00	-	2,330.70
	-	7,978.20	-	242.50	290.00	-	8,510.70
Miscellaneous Income							
EIJVCA	-	-	-	-	7.14	-	7.14
ELSA	-	12.12	-	-	-	-	12.12
IO2PL	-	17.39	-	-	-	-	17.39
IO3PL	-	7.15	-	-	-	-	7.15
OTHERS	-	2.64	-	-	1.95	-	4.59
	-	39.30	-	-	9.09	-	48.39
Operating Expenses (Other than Construction Cost)							
EMSL	-	482.54	-	-	-	-	482.54
OTHERS	-	0.61	-	-	-	-	0.61
	-	483.15	-	-	-	-	483.15
Proposed Dividend on Preference Shares							
IFIN	-	-	50.97	-	-	-	50.97
IMICL	-	-	50.97	-	-	-	50.97
	-	-	101.94	-	-	-	101.94
Proposed Dividend Paid							
IFIN	-	-	205.00	-	-	-	205.00
IMICL	-	-	205.00	-	-	-	205.00
	-	-	410.00	-	-	-	410.00
Remuneration to director / KMP							
Mr K Ramchand-Managing Director	-	-	-	-	-	9.12	9.12
Mr Mukund Sapre-Executive Director	-	-	-	-	-	4.66	4.66
Mr Krishna Ghag-Company Secretary	-	-	-	-	-	1.18	1.18
Mr George Cherian-Chief Financial Officer	-	-	-	-	-	2.46	2.46
	-	-	-	-	-	17.42	17.42
Rent Expense							
Mr K Ramchand-Managing Director	-	-	-	-	-	0.80	0.80
Mr Mukund Sapre-Executive Director	-	-	-	-	-	0.39	0.39
Mrs Rita Ramchand (wife of Mr K	-	-	-	-	-	0.99	0.99

Ramchand)							
Mrs Sangeeta Sapre (wife of Mr Mukund Sapre)	-	-	-	-	-	0.39	0.39
Mrs Vishpala Parthasarathy (wife of Mr Ravi Parthasarathy)	-	-	-	-	-	0.03	0.03
	-	-	-	-	-	2.60	2.60
Repayment of Borrowings							
IRL	-	1,550.00	-	-	-	-	1,550.00
	-	1,550.00	-	-	-	-	1,550.00
Repayment of Lendings							
MBEL	-	1,800.00	-	-	-	-	1,800.00
OTHERS	-	134.10	-	-	-	-	134.10
	-	1,934.10	-	-	-	-	1,934.10
Revenue from Operations							
CNTL	-	900.55	-	-	-	-	900.55
KNCCL	-	1,212.35	-	-	-	-	1,212.35
KSEL	-	1,281.40	-	-	-	-	1,281.40
OTHERS	-	3,863.91	-	336.13	24.80	-	4,224.84
	-	7,258.21	-	336.13	24.80	-	7,619.14

Footnote :- * Includes Deputation cost of ₹13.78 million charged by Holding Company "IL&FS"

Mr K Ramchand-Managing Director	9.12
Mr Mukund Sapre-Executive Director	4.66
	13.78

IL&FS TRANSPORTATION NETWORKS LIMITED

Annexure to Note 1(x) to the unaudited interim condensed financial statements for the quarter ended June 30, 2015

Related Party Disclosures

(ii) Previous Year/Quarter

(a) Name of the Related Parties and Description of Relationship:

Nature of Relationship	Name of Entity	Abbreviation used
Holding Company	Infrastructure Leasing & Financial Services Limited	ILFS
Subsidiaries - Direct	Badarpur Tollway Operations Management Limited	BTOML
	Baleshwar Kharagpur Expressway Limited	BKEL
	Barwa Adda Expressway Limited	BAEL
	Charminar RoboPark Limited	CRL
	Chenani Nashri Tunnelway Limited	CNTL
	East Hyderabad Expressway Limited	EHEL
	Elsamex S.A	ELSA
	Futureage Infrastructure India Linmited	FIIL
	GIFT Parking Facilities Limited	GPFL
	Gujarat Road and Infrastructure Company Limited (till August 07, 2014)	
	Hazaribagh Ranchi Expressway Limited	HREL
	IL&FS Rail Limited	IRL
	ITNL International Pte Ltd, Singapore	IPL
	ITNL Offshore Pte Ltd, Singapore	IOPL
	ITNL Offshore Two Pte Ltd, Singapore (since February 9,2015)	
	ITNL Offshore Three Pte Ltd, Singapore (since March 10,2015)	
	ITNL Road Infrastructure Development Company Limited	IRIDCL
	ITNL Road Investment Trust	IRIT
	Jharkhand Road Projects Implementation Company Limited	JRPICL
	Karyavattom Sports Facilities Limited	KSFL
	Khed Sinnar Expressway Limited	KSEL
	Kiratpur Ner Chowk Expressway Limited	KNCEL
	Moradabad Bareilly Expressway Limited	MBEL
	MP Border Checkposts Development Company Limited	MPBCDCL
	Pune Sholapur Road Development Company Limited	PSRDCL
	Sikar Bikaner Highways Limited	SBHL
	Vansh Nimay Infraprojects Limited	VNIL
	West Gujarat Expressway Limited	WGEL
Subsidiaries -Indirect	North Karnataka Expressway Limited	NKEL
	Andhra Pradesh Expressway Limited	APEL
	Alcantarilla Fotovoltaica SA, Sociedad Unipersonal	
	Antenea Seguridad Y Medico Ambiente SA	
	Area De Servicio Punta Umbria SL	
	Area De Servicio Coiros S.L.	
	Beasolarta S.L.	
	CIESM-INTEVIA S.A. Sociedad Unipersonal	
	Conservacion de Infraestructuras De Mexico SD DE CV	
	Control 7, S. A	
	Elsamex India Private Limited	ELSAIND
	Elsamex Internacional, SLR	
	Elsamex Portugal-Engenharia E Sistemas De Gestao, S.A	EPE
	Elsamex Construcao E Manutencao LTDA, Brazil	
	Elsamex Brazil LTDA	
	ESM Mantenimiento Integral DE S.A DE C.V	
	GRICL Rail Bridge Development Company Ltd (upto August 7, 2014)	GRBDCL
	Grusamar Albania SHPK	
	Grusamar Ingenieria Y Consulting, SL	

Nature of Relationship	Name of Entity	Abbreviation used
	Grusamar India Limited	GIL
	Inteval-Gestao Integral Rodoviaria S.A	
	ITNL Africa Projects Limited	IAPL
	ITNL International DMCC, Dubai (Formerly known as ITNL International JLT, Dubai)	IIJLT
	Mantenimiento Y Conservacion De Vialidades, DE C.V	
	Elsamex Maintenance Services Ltd	EMSL
	Elsamex LLC	

IL&FS TRANSPORTATION NETWORKS LIMITED

Annexure to Note 1(x) to the unaudited interim condensed financial statements for the quarter ended June 30, 2015

Related Party Disclosures

(ii) Previous Year/Quarter

(a) Name of the Related Parties and Description of Relationship:

Nature of Relationship	Name of Entity	Abbreviation used
Subsidiaries - Indirect	IIPL USA LLC	
	Sharjah General Services Company LLC	
	Grusamar Engenharia & Consultoria Brasil LTDA	
	Rapid MetroRail Gurgaon Limited	RMGL
	Rapid MetroRail Gurgaon South Limited	RMGSL
	Senalizacion Viales E Imagen, SA	
Fellow Subsidiaries (Only with whom there have been transaction during the period/ there was balance outstanding at the year end)	Yala Construction Company Private Limited	YCCPL
	Chattisgarh Highways Development Company Limited	CHDCL
	IL&FS Airport Limited	IAL
	IL&FS Capital Advisors Limited	ICAL
	IL&FS Education Technology Services Limited	IETS
	IL&FS Energy Development Company Limited	IEDCL
	IL&FS Environment Infrastructure Services Limited	IEISL
	IL&FS Financial Services Limited	IFIN
	IL&FS Maritime Infrastructure Company Limited	IMICL
	IL&FS Renewable Energy Limited	IREL
	IL&FS Securities Services Limited	ISSL
	IL&FS Technology Limited (since January 30, 2015)	ITL
	IL&FS Township Urban Assets Limited	ITUAL
	IL&FS Global Financial Services (UK) Limited	IGFSUKL
	IL&FS Global Financial Services (ME) Limited	IGFSMEL
	PT Mantimin Coal Mining	PTMCM
Associates - Direct	ITNL Toll Management Services Limited	ITMSL
	Thiruvananthapuram Road Development Company Limited	TRDCL
	Warora Chandrapur Ballarpur Toll Road Limited	WCBTRL
	Srinagar Sonmarg Tunnelway Limited	SSTL
	Gujarat Road and Infrastructure Company Limited	GRICL
Associates - Indirect	Centro de Investigaciones de Curretros Andalucía S.A.	CICAN
	Labetec Ensayos Técnicos Canarios, S.A.	LABTEC
	CGI 8 S.A.	CGI-8
	Elsamex Road Technology Company Limited	ERT(China)
	Sociedad Concesionaria Autovía A-4 Madrid S.A	A4 CONCESSION
	VCS-Enterprises Limited	VCS
	Ramky Elsamex Ring Road Limited, Hyderabad	REHRR
	Zhejiang Elsamex Road Technology Co Ltd	
	Zhejiang Elsamex Road Construction Equipment Co Ltd	
	Emprsas Pame sa De CV	EPSD
Jointly Controlled Entities - Direct	Noida Toll Bridge Company Limited	NTBCL
	Jorabat Shillong Expressway Limited	JSEL
	N.A.M. Expressway Limited	NAMEL
Jointly Controlled Entities - Indirect	Geotecnia y Control De Qualitat, S.A.	
	Chongqing Yuhe Expressway Co. Ltd.	
	Consorcio De Obras Civiles S.R.L	
	Vies Y Construcciones S. R. L.	
Jointly Controlled Operations	Elsamex - ITNL JVCA	EIJVCA
Key Management Personnel ("KMP")	Mr K Ramchand-Managing Director	
	Mr Mukund Sapre-Executive Director	
	Mr George Cherian-Chief Financial Officer	

Nature of Relationship	Name of Entity	Abbreviation used
Relatives of KMP	Mr Krishna Ghag-Company Secretary	
	Mrs Rita Ramchand (wife of Mr K Ramchand)	
	Mrs Sangeeta Sapre (wife of Mr Mukund Sapre)	
	Mrs Vishpala Parthasarathy (wife of Mr Ravi Parthasarathy)	
KMP of Holding Company	Mr Ravi Parthasarathy - Director	
	Mr Hari Sankaran - Director	
	Mr Arun Saha - Director	

IL&FS TRANSPORTATION NETWORKS LIMITED
Annexure to Note 1(x) to the unaudited interim condensed financial statements for the quarter ended June 30, 2015 Related Party Disclosures. (contd.)

(b) transactions/ balances with above mentioned related parties (mentioned in Annexure to Note 1(x)(ii) (a) above)

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities	Key Management personnel and relatives	Total
Balances							
Advance towards Share Application Money (Long-term)							
GRICL	-	-	-	750.00	-	-	750.00
IPL	-	156.30	-	-	-	-	156.30
OTHERS	-	0.02	-	-	0.13	-	0.15
	-	156.32	-	750.00	0.13	-	906.45
Advances Receivable - Short Term							
ILFS	0.57	-	-	-	-	-	0.57
IAL	-	-	270.72	-	-	-	270.72
PTMCM	-	-	183.59	-	-	-	183.59
OTHERS	-	399.78	44.04	3.16	53.05	-	500.03
	0.57	399.78	498.35	3.16	53.05	-	954.91
Cost of Investment in equity shares							
IRL	-	4,114.85	-	-	-	-	4,114.85
OTHERS	-	32,480.21	-	1,065.64	3,459.13	-	37,004.98
	-	36,595.06	-	1,065.64	3,459.13	-	41,119.83
Equity share Capital							
ILFS	1,714.50	-	-	-	-	-	1,714.50
IFIN	-	32.00	-	-	-	-	32.00
	1,714.50	32.00	-	-	-	-	1,746.50
Interest Accrued and due							
MBEL	-	240.04	-	-	-	-	240.04
MPBCDCL	-	111.79	-	-	-	-	111.79
PSRDCL	-	143.79	-	-	-	-	143.79
WGEL	-	100.93	-	-	-	-	100.93
OTHERS	-	118.25	-	138.32	135.94	-	392.51
	-	714.80	-	138.32	135.94	-	989.06
Interest Accrued and not due LT							
JRPICL	-	54.74	-	-	-	-	54.74
KSEL	-	64.57	-	-	-	-	64.57
SBHL	-	79.30	-	-	-	-	79.30
TRDCL	-	-	-	250.85	-	-	250.85
OTHERS	-	41.01	-	-	-	-	41.01
	-	239.62	-	250.85	-	-	490.47
Interest Accrued and not due ST							
CNTL	-	13.61	-	-	-	-	13.61
ELSA	-	4.94	-	-	-	-	4.94
IMICL	-	-	11.89	-	-	-	11.89
WCBTRL	-	-	-	12.91	-	-	12.91
OTHERS	-	-	1.35	-	-	-	1.35
	-	18.55	13.24	12.91	-	-	44.70
Interest accrued but not due on							

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities	Key Management personnel and relatives	Total
borrowings							
NKEL	-	204.32	-	-	-	-	204.32
	-	204.32	-	-	-	-	204.32
Investment in Covered Warrants							
ILFS	1,943.00	-	-	-	-	-	1,943.00
	1,943.00	-	-	-	-	-	1,943.00
Investment in Preference Shares							
WGEL	-	296.90	-	-	-	-	296.90
	-	296.90	-	-	-	-	296.90
Investment in Redeemable optionally convertible cumulative preference shares							
APEL	-	2,200.00	-	-	-	-	2,200.00
	-	2,200.00	-	-	-	-	2,200.00

IL&FS TRANSPORTATION NETWORKS LIMITED

Annexure to Note 1(x) to the unaudited interim condensed financial statements for the quarter ended June 30, 2015

Related Party Disclosures. (contd.)

(b) transactions/ balances with above mentioned related parties (mentioned in Annexure to Note 1(x)(ii) (a) above)

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities	Key Management personnel and relatives	Total
Investments in Units							
IRIT	-	1,096.06	-	-	-	-	1,096.06
	-	1,096.06	-	-	-	-	1,096.06
Long-term Lendings							
BAEL	-	1,545.00	-	-	-	-	1,545.00
JRPICL	-	3,131.10	-	-	-	-	3,131.10
KSEL	-	1,382.50	-	-	-	-	1,382.50
MPBCDCL	-	2,136.00	-	-	-	-	2,136.00
OTHERS	-	3,235.90	-	343.50	-	-	3,579.40
	-	11,430.50	-	343.50	-	-	11,774.00
Mobilisation Advances Received (Long- term)							
BAEL	-	883.06	-	-	-	-	883.06
CNTL	-	372.82	-	-	-	-	372.82
IRIDCL	-	592.68	-	-	-	-	592.68
KNCEL	-	662.61	-	-	-	-	662.61
OTHERS	-	122.24	-	-	29.68	-	151.92
	-	2,633.40	-	-	29.68	-	2,663.09
Mobilisation Advances Received (Short- term)							
CNTL	-	791.69	-	-	-	-	791.69
KNCEL	-	638.26	-	-	-	-	638.26
SBHL	-	263.72	-	-	-	-	263.72
OTHERS	-	563.53	-	-	74.75	-	638.28
	-	2,257.20	-	-	74.75	-	2,331.95
Preference share Capital with Premium							
IFIN	-	-	2,000.00	-	-	-	2,000.00
IMICL	-	-	2,000.00	-	-	-	2,000.00
	-	-	4,000.00	-	-	-	4,000.00
Other Current Liabilities							
ILFS	150.00	-	-	-	-	-	150.00
	150.00	-	-	-	-	-	150.00
Provision for redemption premium on Preference Shares							
IFIN	-	-	37.81	-	-	-	37.81
IMICL	-	-	37.81	-	-	-	37.81
	-	-	75.62	-	-	-	75.62
Rent Deposit							
Mr K Ramchand-Managing Director	-	-	-	-	-	1.00	1.00
Mr Mukund Sapre-	-	-	-	-	-	0.50	0.50

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities	Key Management personnel and relatives	Total
Executive Director							
Mrs Rita Ramchand (wife of Mr K Ramchand)	-	-	-	-	-	0.50	0.50
Mrs Sangeeta Sapre (wife of Mr Mukund Sapre)	-	-	-	-	-	0.50	0.50
Mrs Vishpala Parthasarathy (wife of Mr Ravi)	-	-	-	-	-	20.00	20.00
	-	-	-	-	-	22.50	22.50
Retention Money Payable							
ELSAIND	-	10.37	-	-	-	-	10.37
EMSL	-	13.65	-	-	-	-	13.65
EPE	-	3.32	-	-	-	-	3.32
GIYC	-	4.54	-	-	-	-	4.54
ITL	-	-	13.03	-	-	-	13.03
OTHERS	-	-	0.29	-	-	-	0.29
	-	31.88	13.32	-	-	-	45.20

IL&FS TRANSPORTATION NETWORKS LIMITED

Annexure to Note 1(x) to the unaudited interim condensed financial statements for the quarter ended June 30, 2015

Related Party Disclosures. (contd.)

(b) transactions/ balances with above mentioned related parties (mentioned in Annexure to Note 1(x)(ii) (a) above)

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities	Key Management personnel and relatives	Total
Retention Money							
Retainable							
JSEL	-	-	-	-	392.89	-	392.89
KSEL	-	267.59	-	-	-	-	267.59
PSRDCL	-	429.16	-	-	-	-	429.16
SBHL	-	250.27	-	-	-	-	250.27
OTHERS	-	62.96	-	-	-	-	62.96
	-	1,009.98	-	-	392.89	-	1,402.87
Short-term Borrowings							
IRL	-	1,550.00	-	-	-	-	1,550.00
NKEL	-	700.00	-	-	-	-	700.00
	-	2,250.00	-	-	-	-	2,250.00
Short-term Lendings							
HREL	-	2,203.80	-	-	-	-	2,203.80
MBEL	-	5,532.50	-	-	-	-	5,532.50
PSRDCL	-	1,657.00	-	-	-	-	1,657.00
OTHERS	-	3,605.97	158.65	1,529.50	1,207.20	-	6,501.32
	-	12,999.27	158.65	1,529.50	1,207.20	-	15,894.62
Provision for Advances							
VNIL	-	365.00	-	-	-	-	365.00
	-	365.00	-	-	-	-	365.00
Trade Payables							
ILFS	58.51	-	-	-	-	-	58.51
EMSL	-	171.53	-	-	-	-	171.53
IFIN	-	-	152.55	-	-	-	152.55
IRL	-	570.09	-	-	-	-	570.09
OTHERS	-	32.14	89.68	33.78	5.78	-	161.38
	58.51	773.76	242.23	33.78	5.78	-	1,114.06
Trade Receivables							
BAEL	-	4,259.27	-	-	-	-	4,259.27
IRIDCL	-	3,014.91	-	-	-	-	3,014.91
KSEL	-	5,338.41	-	-	-	-	5,338.41
OTHERS	-	10,065.93	-	2,515.81	1,980.21	-	14,561.95
	-	22,678.52	-	2,515.81	1,980.21	-	27,174.54
Unamortised Expenses							
IFIN	-	-	371.27	-	-	-	371.27
	-	-	371.27	-	-	-	371.27
Unbilled Revenue							
HREL	-	255.63	-	-	-	-	255.63
JSEL	-	-	-	-	237.38	-	237.38
RMGSL	-	354.98	-	-	-	-	354.98
SBHL	-	206.42	-	-	-	-	206.42
OTHERS	-	138.42	-	-	5.27	-	143.69
	-	955.45	-	-	242.65	-	1,198.10
Unearned Revenue							
BAEL	-	300.98	-	-	-	-	300.98
CNTL	-	583.92	-	-	-	-	583.92

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities	Key Management personnel and relatives	Total
KSEL	-	695.16	-	-	-	-	695.16
MBEL	-	263.64	-	-	-	-	263.64
MPBCDCL	-	574.08	-	-	-	-	574.08
OTHERS	-	213.84	-	-	-	-	213.84
	-	2,631.62	-	-	-	-	2,631.62

IL&FS TRANSPORTATION NETWORKS LIMITED
Annexure to Note 1 to the unaudited interim condensed financial statements for the quarter ended June 30, 2015 Related Party Disclosures. (contd.)

(b) transactions/ balances with above mentioned related parties (mentioned in Annexure to Note 1 (x)(ii) (a) above)

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities	Key Management personnel and relatives	Total
Transactions							
Administrative and general expenses							
ILFS	70.46	-	-	-	-	-	70.46
IFIN	-	-	38.05	-	-	-	38.05
OTHERS	-	-	0.37	-	-	-	0.37
	70.46	-	38.42	-	-	-	108.88
Equity capital enhanced (with securities premium)							
ILFS	3,645.00	-	-	-	-	-	3,645.00
IFIN	75.92	-	-	-	-	-	75.92
	3,720.92	-	-	-	-	-	3,720.92
Advance towards Share Application Money							
IPL	-	241.58	-	-	-	-	241.58
	-	241.58	-	-	-	-	241.58
Construction Cost							
IRL	-	211.06	-	-	-	-	211.06
OTHERS	-	8.77	-	-	-	-	8.77
	-	219.83	-	-	-	-	219.83
Director Remuneration							
Mr K Ramchand-Managing Director	-	-	-	-	-	9.47	9.47
Mr Mukund Sapre-Executive Director	-	-	-	-	-	3.88	3.88
	-	-	-	-	-	13.35	13.35
Interest Income							
HREL	-	57.00	-	-	-	-	57.00
JRPICL	-	63.10	-	-	-	-	63.10
MBEL	-	64.09	-	-	-	-	64.09
MPBCDCL	-	43.85	-	-	-	-	43.85
OTHERS	-	92.20	2.64	37.89	0.43	-	133.16
	-	320.24	2.64	37.89	0.43	-	361.20
Interest on Loans (Expense)							
NKEL	-	16.58	-	-	-	-	16.58
Investment made / purchased	-	16.58	-	-	-	-	16.58
MPBCDCL	-	530.56	-	-	-	-	530.56
KNCEL	-	1,422.50	-	-	-	-	1,422.50
BAEL	-	413.00	-	-	-	-	413.00
OTHERS	-	880.73	-	0.34	20.00	-	901.07
	-	3,246.79	-	0.34	20.00	-	3,267.13
Lendings							
JRPICL	-	533.00	-	-	-	-	533.00
MBEL	-	1,450.00	-	-	-	-	1,450.00
OTHERS	-	2,352.60	-	87.50	80.00	-	2,520.10
	-	4,335.60	-	87.50	80.00	-	4,503.10
Miscellaneous Income							

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities	Key Management personnel and relatives	Total
ELSA	-	15.95	-	-	-	-	15.95
IPL	-	15.73	-	-	-	-	15.73
IOPL	-	18.58	-	-	-	-	18.58
OTHERS	-	-	-	-	5.03	-	5.03
	-	50.26	-	-	5.03	-	55.29
Operating Expenses (Other than Construction Cost)							
EMSL	-	113.73	-	-	-	-	113.73
OTHERS	-	14.77	1.05	-	-	-	15.82
	-	128.50	1.05	-	-	-	129.55
Proposed Dividend on Preference Shares							
IFIN	-	-	51.11	-	-	-	51.11
IMICL	-	-	51.11	-	-	-	51.11
	-	-	102.22	-	-	-	102.22
Proposed Dividend Paid							
IFIN	-		105.03	-	-	-	105.03
IMICL	-		105.03	-	-	-	105.03
	-	-	210.05	-	-	-	210.05
Purchase of Shares							
MPBCDCL	-	82.78	-	-	-	-	82.78
	-	82.78	-	-	-	-	82.78

IL&FS TRANSPORTATION NETWORKS LIMITED

Annexure to Note 1 to the unaudited interim condensed financial statements for the quarter ended June 30, 2015 Related Party Disclosures. (contd.)

(b) transactions/ balances with above mentioned related parties (mentioned in Annexure to Note 1 (x)(ii) (a) above)

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities	Key Management personnel and relatives	Total
Rent Expense							
Mr K Ramchand-Managing Director	-	-	-	-	-	0.87	0.87
Mr Mukund Sapre-Executive Director	-	-	-	-	-	0.13	0.13
Mrs Rita Ramchand (wife of Mr K Ramchand)	-	-	-	-	-	0.87	0.87
Mrs Sangeeta Sapre (wife of Mr Mukund Sapre)	-	-	-	-	-	0.13	0.13
Mrs Vishpala Parthasarathy (wife of Mr Ravi Parthasarathy)	-	-	-	-	-	0.03	0.03
	-	-	-	-	-	2.02	2.02
Repayment of Lendings							
JRPICL	-	1,200.00	-	-	-	-	1,200.00
OTHERS	-	89.68	-	-	-	-	89.68
	-	1,289.68	-	-	-	-	1,289.68
Revenue from Operations							
CNTL	-	982.26	-	-	-	-	982.26
MBEL	-	1,516.72	-	-	-	-	1,516.72
OTHERS	-	4,149.17	-	9.98	420.64	-	4,579.79
	-	6,648.15	-	9.98	420.64	-	7,078.77

Footnote : - * Includes Deputation cost of Rs 13.35 million charged by Holding Company "IL&FS"

Mr K Ramchand-Managing Director	9.47
Mr Mukund Sapre-Executive Director	3.88
	13.35

INDEPENDENT AUDITOR'S REVIEW REPORT ON INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF

IL&FS TRANSPORTATION NETWORKS LIMITED

Report on the Consolidated Financial Statements

1. We have reviewed the accompanying interim condensed consolidated financial statements of **IL&FS TRANSPORTATION NETWORKS LIMITED** (hereinafter referred to as "the Holding Company") and its Subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities / operations, comprising of the Consolidated Balance Sheet as at June 30, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the quarter then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the interim condensed consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors and Management are responsible for the preparation of these interim condensed consolidated financial statements in accordance with the recognition and measurement principles laid down in Accounting Standard (AS-25) on Interim Financial Reporting specified under Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. A review of Interim Condensed Consolidated Financial Statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

4. Based on our review and based on the consideration of reports of the other auditors on the interim financial statement/information of the subsidiaries, jointly controlled entities and associates referred in paragraph 11, unaudited financial information of one associate referred in paragraph 12 below and no financial information of one subsidiary as mentioned in paragraph 13 below, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with the requirements of Accounting Standards (AS-25) on Interim Financial Reporting specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India.

Emphasis of Matters

We draw attention to:

5. the following elements as explained in the Note 1(10) of the interim condensed consolidated financial statements in respect of Intangible Asset / Intangible asset under development under the Service Concession Arrangements determined on the basis of:

- a. Technical evaluations made by experts with respect to:
 1. the amortisation charge of Rs.452.16 million for the current quarter in respect of the intangible assets under Service Concession Arrangements (SCA) based on the estimated units of usage and estimated toll rates over each concession period.
 2. estimate of Rs.61.41 million provision for overlay expenditure for the quarter ended June 30, 2015 and the contractual liability as at June 30, 2015 of Rs.569.27 million and the timing of the same
 - b. Internal evaluation by the Management with respect to the margin (construction revenue less construction costs) included in the fair value estimate of the construction services (as required by the Draft Guidance note on Service Concession Arrangements) as part of the intangible asset covered under each Service Concession Arrangements. The cumulative margin included in Intangible asset and Intangible asset under development aggregates Rs.13,886.04 million of which Rs.641.37 million is recognised for the quarter ended June 30, 2015.
6. the following elements as explained in Note 1(10) of the interim condensed consolidated financial statements in respect of Receivables against Service Concession Arrangements (“financial assets”) determined on the basis of:
- A. Technical evaluations made by experts with respect to:

future operating and maintenance costs of Rs.18,356.37 million and the provision for and timing of overlay / renewal costs of Rs.6,806.75 million considered in determining the effective interest rate for revenue recognition on financial assets.
 - B. Internal Management evaluation of the:
 - (i) cumulative margin to arrive at the fair value estimate of the construction services (margin earned being difference between the construction revenue and construction costs) aggregates Rs. 6,807.08 million of which Rs.168.85 million is recognised for the quarter ended June 30, 2015 for financial asset covered under each Service Concession Arrangements.
 - (ii) current quarter revenue of Rs.1,956.11 million being the financial income on the basis of the effective interest rate applied on the fair value of the construction services, future operating and maintenance costs and provision for overlay and renewal costs, considering the contractual provisions of each Service Concession Arrangement and the contracted annuities receivable over the Concession period
7. We draw attention to Note 1(12) of the interim condensed consolidated financial statements, wherein consequent to the Associate Company’s exit from CDR the matter of continuing the advance towards Capital / Debt classification is subject to approval from Government of Gujarat. Pending such approval the company’s investment in advance towards Capital / Debt has been kept as such.
8. Note 1(13) of the interim condensed consolidated financial statements, regarding an amount of Rs.2,609.30 million included as Revenue from Operations for the year ended March 31, 2015 on account of aggregate compensation claimed by the Holding Company from two Special Purpose Vehicles (“SPVs”). The respective SPVs have filed an onward claim with the CGA, however, the SPVs have not received approval for the same from the CGA till date.
9. an emphasis of matter paragraph given by the auditors of one of the associate companies, in respect of the matter explained in Note 1(14) of the interim condensed consolidated financial statements, drawing attention that the appropriateness of the going concern assumption is dependent upon the Annuity and Claim receivable from Kerala Road Fund Board due to delay in the project. According to the Management there is no additional financial impact on the interim condensed consolidated financial statements owing to the above matter.

10. an emphasis of matter paragraph given by the auditors of one of the subsidiary companies, in respect of the matter explained in Note 1(15) of the interim condensed consolidated financial statements, drawing attention to the unascertainable impact on account of additional works / revised project specifications, which have been determined based on the Management estimates and / or technical evaluation by independent experts.

Our conclusion on the interim condensed consolidated financial statements is not modified in respect of the above mentioned matters.

Other Matters

11. We did not review the financial statements/information of:

- a. Forty five subsidiaries whose interim condensed financial statements/information reflect total assets of Rs. 207,246.14 million as at June 30, 2015, total revenues of Rs.5,836.74 million for the quarter ended June 30, 2015 and net cash outflows amounting to Rs.378.35 million for the quarter ended on that date, as considered in the interim condensed consolidated financial statements.
- b. Seven jointly controlled entities whose interim condensed financial statements/information reflect total assets of Rs. 35,968.77 million, total revenues of Rs.824.07 million for the quarter ended June 30, 2015 and net cash inflows amounting to Rs.97.76 million for the quarter ended on that date, as considered in the interim condensed consolidated financial statements.
- c. Ten associates in which the Group's share of profit (net) of Rs.2.45 million for the quarter ended on June 30, 2015, as considered in the interim condensed consolidated financial statements.

The financial statements of these sixty two entities have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the interim condensed consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

12. The interim condensed consolidated financial statements includes the Group's share in loss after tax of Rs.12.31 million for the quarter ended June 30, 2015, (carrying value of Rs.1,405.06 million as at June 30, 2015), as considered in the interim condensed consolidated financial statements, in respect of one associate, based on the unaudited financial statements/information as at / for the quarter ended March 31, 2015 prepared by the Management, which was not subjected to review. There is no financial information available with the Management thereafter. This interim condensed financial statements / information have been certified by the Management of the entity and, our conclusion on the interim condensed consolidated financial statements, in so far as it relates to the amounts included in respect of this associate, is based solely on such certified interim financial statements /information. Any adjustment to the financial information could have consequential effects on the attached interim condensed consolidated financial statements. However, the size of the entity in the context of the Group is not material.
13. One of the subsidiary company was under liquidation in the previous year and the financial information is not available with the Company post March 31, 2015. Accordingly, no adjustments have been made to the interim condensed consolidated financial statements in respect of this subsidiary company. However, the size of the entity in the context of the Group is not material.

Our conclusion is not modified in respect of these matters.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)
Kalpesh J. Mehta
Partner
(Membership No. 48791)
MUMBAI, August 10, 2015
KJM/NDU

IL&FS TRANSPORTATION NETWORKS LIMITED
UNAUDITED INTERIM CONDENSED CONSOLIDATED BALANCE SHEET AS AT JUNE 30, 2015
₹ in million

	Particulars	Unaudited		Audited	
		As at June 30, 2015		As at March 31, 2015	
I	<u>EQUITY AND LIABILITIES</u>				
1	SHAREHOLDERS' FUNDS				
	(a) Share capital	6,231.70		6,231.70	
	(b) Reserves and surplus	51,640.27	57,871.97	50,959.97	57,191.67
2	MINORITY INTEREST		2,800.61		2,911.39
3	NON-CURRENT LIABILITIES				
	(a) Long-term borrowings	197,596.90		185,917.12	
	(b) Deferred tax liabilities (net)	1,196.33		1,245.62	
	(c) Other long term liabilities	4,906.68		4,538.16	
	(d) Long-term provisions	721.61	204,421.52	629.79	192,330.69
4	CURRENT LIABILITIES				
	(a) Current maturities of long-term debt	21,351.53		26,488.63	
	(b) Short-term borrowings	29,373.89		22,729.01	
	(c) Trade payables	11,754.63		10,899.92	
	(d) Other current liabilities	4,797.96		3,847.56	
	(e) Short-term provisions	1,984.20	69,262.21	2,839.44	66,804.56
	TOTAL		334,356.31		319,238.31
II	<u>ASSETS</u>				
1	NON-CURRENT ASSETS				
	(a) Fixed assets				
	(i) Tangible assets (net)	1,792.97		1,744.53	
	(ii) Intangible assets (net)	75,494.19		70,655.64	
	(iii) Capital work-in-progress	262.99		186.17	
	(iv) Intangible assets under development	96,654.97		93,256.52	
	(b) Goodwill on consolidation (net)	5,919.62		5,820.03	
	(c) Non-current investments (net)	6,553.73		6,424.61	
	(d) Deferred tax assets	181.05		161.20	
	(e) Long-term loans and advances (net)	13,926.24		13,865.79	
	(f) Other non-current assets	89,211.20	289,996.96	86,542.60	278,657.09
2	CURRENT ASSETS				
	(a) Current investments	355.07		200.48	
	(b) Inventories	161.09		140.79	
	(c) Trade receivables (net)	11,531.93		10,456.24	
	(d) Cash and cash equivalents	8,278.93		7,770.64	
	(e) Short-term loans and advances	12,913.43		11,923.29	
	(f) Other current assets	11,118.90	44,359.35	10,089.78	40,581.22
	TOTAL		334,356.31		319,238.31

Note 1 forms part of the unaudited interim condensed consolidated financial statements.

In terms of our report attached.

For and on behalf of the Board

For Deloitte Haskins & Sells LLP

Chartered Accountants

Managing Director

Director

Kalpesh J. Mehta

Partner

Mumbai , August 10, 2015

Chief Financial Officer Company

Secretary

Mumbai , August 10, 2015

IL&FS TRANSPORTATION NETWORKS LIMITED
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE QUARTER END

₹ in million

	Particulars	Unaudited	Audited
		Quarter ended June 30, 2015	Quarter ended June 30, 2014
I	Revenue from operations	16,443.97	15,641.62
II	Other income	932.85	838.58
III	Total revenue (I + II)	17,376.82	16,480.20
IV	Expenses		
	Cost of materials consumed	716.95	261.48
	Operating expenses	8,183.66	7,541.51
	Employee benefits expense	1,085.21	1,128.88
	Finance costs (net)	5,595.06	4,524.93
	Depreciation and amortisation expense	578.73	475.89
	Administrative and general expenses	1,155.83	1,069.01
	Total expenses (IV)	17,315.44	15,001.70
V	Profit before tax (III-IV)	61.38	1,478.50
VI	Tax expense:		
	(a) Current tax	227.40	571.37
	(b) Less: MAT credit entitlement	(8.51)	(42.59)
	(c) Tax relating to earlier years written back	-	(24.61)
	(d) Net Current tax	218.89	504.17
	(e) Deferred tax (net)	(68.68)	(305.38)
	Total tax expense (VI)	150.21	198.79
VII	(Loss) / Profit before share of associates & share of minority interest (V-VI)	(88.83)	1,279.71
VIII	Share of (loss) / profit of associates (net)	(8.14)	9.54
IX	Share of loss transferred to minority interest (net)	126.02	88.29
	Profit for the quarter (VII+VIII+IX)	29.05	1,377.54
	Earnings per equity share (Face value per share ₹ 10/-)		
	(1) Basic (not annualised)	(0.84)	5.01
	(2) Diluted (not annualised)	(0.84)	5.01

Note 1 forms part of the unaudited interim condensed consolidated financial statements.

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants
Kalpesh J. Mehta
Partner
Mumbai , August 10, 2015

For and on behalf of the Board

Managing Director

Director

Chief Financial Officer
Mumbai , August 10, 2015

Company Secretary

IL&FS TRANSPORTATION NETWORKS LIMITED
UNAUDITED INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE QUARTER ENDED JUNE 30, 2015

Particulars	₹ in million	
	Unaudited Quarter ended June 30, 2015	Audited Quarter ended June 30, 2014
Net Cash generated from Operating Activities (A)	5,419.74	2,769.52
Net Cash used in Investing Activities (B)	(9,689.75)	(12,034.12)
Net Cash generated from Financing Activities (C)	4,808.41	9,071.84
Net Increase/ (decrease) in Cash and Cash Equivalents (A+B+C)	538.40	(192.76)
Cash and Cash Equivalent at the beginning of the quarter	6,892.35	6,111.54
Impact of Foreign Currency Translation	48.17	(5.63)
Cash and Cash Equivalent at the end of the quarter	7,478.92	5,913.15
Net Increase/ (decrease) in Cash and Cash Equivalents	538.40	(192.76)

₹ in million		
Components of Cash and Cash Equivalents		
Cash on hand	45.68	42.90
Balances with Banks in current accounts	4,823.25	4,433.39
Balances with Banks in deposit accounts	2,609.99	1,436.86
Cash and Cash Equivalents as per AS-3	7,478.92	5,913.15
Other Bank Balances		
Unpaid dividend accounts	3.96	2.74
Balances held as margin money or as security against borrowings	796.05	1,860.45
Cash and Cash Equivalents	8,278.93	7,776.34

Note 1 forms part of the unaudited interim condensed consolidated financial statements.

In terms of our report attached.

For Deloitte Haskins & Sells LLP For and on behalf of the Board Chartered Accountants

Kalpesh J. Mehta
Partner

Managing Director

Director

Mumbai , August 10, 2015

Chief Financial Officer Company Secretary

Mumbai , August 10, 2015

IL&FS TRANSPORTATION NETWORKS LIMITED

NOTE 1: SELECT EXPLANATORY NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

- I. These Interim Condensed Consolidated Financial Statements (“CFS”) have been prepared in accordance with Accounting Standard (AS) 25 on “Interim Financial Reporting” specified under section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable and Exposure Draft on the Guidance Note on Accounting for Service Concession Agreement (SCA) for Public-to-Private SCA, issued by the Institute of Chartered Accountants of India in financial year 2008, to the extent it does not conflict with current Accounting Standards. These CFS should be read in conjunction with the Consolidated Financial Statements as at / for the year ended March 31, 2015. The accounting policies followed in the presentation of the CFS are consistent with those followed in the preparation of the Consolidated Financial Statements of the Group as at / for the year ended March 31, 2015 other than mentioned in point 2 below. The results of the interim period are not necessarily an indication of the result that may be expected for any interim period / full year.
- II. The interim condensed financial statements information of the subsidiaries, associates and jointly controlled entities used in the consolidation are drawn up to the same reporting date and period as that of the Company i.e. as at and for the quarter ended June 30, 2015 except for one overseas subsidiary, viz. Elsamex S.A., Spain, whose interim condensed consolidated financial statements (incorporating the interim condensed financial statements of its subsidiaries, jointly controlled entities, jointly controlled operations and associates) have been drawn as at and for the quarter ended March 31, 2015 and adjusted for effects of significant transactions and other events that have occurred between April 1, 2015 and June 30, 2015.
- III. The list of subsidiaries, which are included in the CFS with their respective country of incorporation and the Group’s holding therein for each of the financial period / year are given below:

Name of the Subsidiary	Country of Incorporation	Proportion of Group’s Interest (%)		Date of Acquisition of Control
		As at June 15	As at March 15	
1. Held directly:				
Scheme of ITNL Road Investment Trust (“IRIT”)	India	100.00	100.00	March 13, 2007
East Hyderabad Expressway Limited (“EHEL”)	India	74.00	74.00	September 5, 2007
ITNL Road Infrastructure Development Company Limited (“IRIDCL”)	India	100.00	100.00	January 17, 2008
IL&FS Rail Limited (“IRL”)	India	75.80	73.56	February 4, 2008
Elsamex SA (includes 22.61 % shares held through IIPL, previous year 22.61%) (“Elsamex”)	Spain	100.00	100.00	March 18, 2008
ITNL International Pte. Ltd. (“IIPL”)	Singapore	100.00	100.00	September 19, 2008

IL&FS TRANSPORTATION NETWORKS LIMITED
NOTE 1: SELECT EXPLANATORY NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Name of the Subsidiary	Country of Incorporation	Proportion of Group's Interest (%)		Date of Acquisition of Control
		As at June 15	As at March 15	
Vansh Nimay Infraprojects Limited ("VNIL")	India	90.00	90.00	March 25, 2009
West Gujarat Expressway Limited ("WGEL")	India	74.00	74.00	June 10, 2009
Hazaribagh Ranchi Expressway Limited ("HREL")	India	99.99	99.99	August 1, 2009
Pune Sholapur Road Development Company Limited ("PSRDCL")	India	90.91	90.91	September 25, 2009
Moradabad Bareilly Expressway Limited ("MBEL")	India	100.00	100.00	February 4, 2010
Jharkhand Road Projects Implementation Company Limited ("JRPICL")	India	93.43	93.43	February 27, 2010
Chenani Nashri Tunnelway Limited ("CNTL")	India	100.00	100.00	June 2, 2010
MP Border Checkpost Development Company Limited ("MPBCDCL")	India	74.00	74.00	October 28, 2010
Badarpur Tollway Operations Management Limited ("BTOML")	India	100.00	100.00	December 9, 2010
Futureage Infrastructure India Limited ("FIIL")	India	58.48	58.48	July 14, 2011
Charminar RoboPark Limited ("CRL")	India	89.20	89.20	July 27, 2011
ITNL Offshore Pte. Ltd. ("IOPL")	Singapore	100.00	100.00	December 5, 2011
Karyavattom Sports Facility Limited ("KSFL")	India	100.00	100.00	February 8, 2012
Kiratpur Ner Chowk Expressway Limited ("KNCEL")	India	100.00	100.00	February 12, 2012
Baleshwar Kharagpur Expressway Limited ("BKEL")	India	100.00	100.00	April 4, 2012
Sikar Bikaner Highway Limited ("SBHL")	India	100.00	100.00	May 9, 2012
Khed Sinnar Expressway Limited	India	100.00	100.00	June 12, 2013

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Name of the Subsidiary	Country of Incorporation	Proportion of Group's Interest (%)		Date of Acquisition of Control
		As at June 15	As at March 15	
Barwa Adda Expressway Limited ("BAEL")	India	100.00	100.00	June 27, 2013
GIFT Parking Facilities Limited ("GPFL")	India	100.00	100.00	January 9, 2014
ITNL Offshore Two Pte. Ltd. ("IOPL2")	Singapore	100.00	100.00	February 9, 2015
ITNL Offshore Three Pte. Ltd. ("IOPL3")	Singapore	100.00	100.00	March 10, 2015
2. Held through subsidiaries:				
North Karnataka Expressway Limited ("NKEL")	India	93.50@	93.50@	March 21, 2007
Atenea Seguridad Y Medio Ambiente S.A.U.	Spain	100.00	\$ 100.00 *	March 18, 2008
Senalizacion Viales e Imagen S.A.U.	Spain	100.00	\$ 100.00 *	March 18, 2008
Elsamex Internacional S.L.	Spain	100.00	\$ 100.00 *	March 18, 2008
Grusamar Ingenieria Y Consulting, S.L.	Spain	100.00	\$ 100.00 *	March 18, 2008
Elsamex Portugal S.A.	Portugal	70.00	\$ 70.00 *	March 18, 2008
Inteval Gestao Integral Rodoviaria S.A.	Portugal	100.00	\$ 100.00 *	March 18, 2008
Elsamex India Private Limited	India	99.15	\$ 99.15 *	March 18, 2008
Yala Construction Co Private Limited	India	96.03	\$ 96.03 *	March 18, 2008
Mantenimiento Y Conservacion De Vialidades S.A. DE C.V.	Mexico	64.00	\$ 64.00 *	March 18, 2008
ESM Mantenimiento Integral, SA DE CV	Mexico	100.00	\$ 100.00 *	March 18, 2008
CISEM-INTEVIA, S.A.	Spain	100.00	\$ 100.00 *	March 18, 2008
Control 7, S.A.	Spain	100.00	\$ 100.00 *	March 18, 2008
Grusamar Albania SHPK	Albania	51.00	\$ 51.00 *	March 18, 2008
Elsamex Brazil LTDA	Brazil	44.10 \$^^	44.10 \$^^	March 18, 2008
Rapid MetroRail Gurgaon Limited ("RMGL")	India	84.27#	82.81#	July 30, 2009

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Name of the Subsidiary	Country of Incorporation	Proportion of Group's Interest (%)		Date of Acquisition of Control
		As at June 15	As at March 15	
Area De Servicio Coiros S.L.U.	Spain	100.00	\$ 100.00 *	May 31, 2010
Conservacion De Infraestructuras De Mexico S.A. DE C.V.	Mexico	96.40	\$ 96.40 *	September 1, 2010
Alcantarilla Fotovoltaica, S.L.U.	Spain	100.00	\$ 100.00 *	December 17, 2010
Area De Servicio Punta Umbria, S.L.U.	Spain	100.00	\$ 100.00 *	December 17, 2010
ITNL International DMCC ("IIDMCC") [formerly known as ITNL International JLT]	UAE	100.00	100.00	May 17, 2012
Beasolarta S.A.U.	Spain	100.00	\$ 100.00 *	November 29, 2012
Rapid MetroRail Gurgaon South Limited ("RMGSL")	India	84.27@@	82.81@@	December 6, 2012
ITNL Africa Projects Ltd. ("IAPL")	Nigeria	100.00^	100.00^	February 28, 2013
Grusamar India Limited	India	100.00	\$ 100.00 *	March 21, 2013
Elsamex Construc�o E Manutencao LTDA	Brazil	99.99	\$ 99.99 *	June 26, 2013
Sharjah General Services Company LLC ("SGSC")	UAE	49.00**	49.00**	October 9, 2013
IIPL USA LLC ("IIPLUS")	USA	100.00	100.00	November 20, 2013
Andhra Pradesh Expressway Limited ("APEL")	India	86.74\$\$\$	86.74\$\$\$	March 27, 2014
Elsamex Maintenance Services limited	India	99.88 \$	99.88 *	September 12, 2013
Elsamex LLC USA	USA	100.00	\$ 100.00 *	September 26,
Grusamar Engenharia y Consultor�a Brasil LTDA	Brazil	99.99	\$ 99.99 *	August 29, 2013
ITNL Infrastructure Developer LLC ("IIDL")	UAE	-	-	Incorporated on May 4, 2015

\$ Proportion of Group's Interest as at March 31, 2015

* Proportion of Group's Interest as at December 31, 2014

b Out of the above 74.00% is directly held by the Company and balance 15.20% through FIIL (Previous year 74.00% held by Company and balance 15.20% held through FIIL)

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NOTE 1: SELECT EXPLANATORY NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

- (i) Out of the above 13.00% is held directly by the Company and balance 80.50% through the scheme of IRIT (Previous year 13.00% held by the Company and balance 80.50% through the scheme of IRIT).
- (ii) Elsamex Portugal S.A directly holds 63% in Elsamex Brazil LTDA and Elsamex S.A. directly holds 70% in Elsamex Portugal S.A. Accordingly, Groups proportionate holding comes to 44.10%. (Previous year - Elsamex Portugal S.A directly holds 63% in Elsamex Brazil LTDA and Elsamex S.A. directly holds 70% in Elsamex Portugal S.A. Accordingly, Groups proportionate share comes to 44.10%)
- (iii) # Out of the above 35.00% is directly held by the Company and balance 49.27% through IRL (Previous year 35.00% held by Company and balance 47.81% held through IRL).
- (iv) @@ Out of the above 35% is held directly by the Company and balance 49.27% through the IRL. (Previous year 35.00% held by Company and balance 47.81% held through IRL).
- (v) ^ Out of the above 0.50 % is directly held by the Company and balance 99.50% through IIPL (Previous year 0.50 % held by Company and balance 99.50% through IIPL)
- (vi) ** As per Memorandum of Association between IIPL and other shareholder, Profits and Statutory Reserve, the net profits of SGSC and losses shall be distributed among IIPL 70% and other shareholders 30%. IIPL controls the SGSC though composition of Board of Directors and accordingly is a subsidiary of IIPL.
- (vii) \$\$ Out of the above 12.74 % is directly held by the Company and balance 74% through IRIT (Previous year 12.74 % is directly held by the Company and balance 74% through IRIT)

1. Interest in Jointly Controlled Entities:

The financial statements (consolidated financial statements where applicable) of jointly controlled entities have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses as required by AS 27 using the proportionate consolidation method.

The accounting policies in the jointly controlled entities have been adjusted as necessary and to the extent practicable, so as to ensure consistent accounting with the policies stipulated by the Company.

The Group's interest in jointly controlled entities are:

Name of the Company	Country of Incorporation	Date of Acquisition of Joint Control	Proportion of Group's Interest (%)	
			As at June 15	As at March 15
Held Directly :				
Noida Toll Bridge Company Limited (NTBCL)	India	Various dates	25.35	25.35
N.A.M. Expressway Limited (NAMEL)	India	June 15, 2010	50.00	50.00
Jorabat Shillong Expressway Limited (JSEL)	India	June 18, 2010	50.00	50.00
Held through Subsidiaries :				

IL&FS TRANSPORTATION NETWORKS LIMITED

NOTE 1: SELECT EXPLANATORY NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Name of the Company	Country of Incorporation	Date of Acquisition of Joint Control	Proportion of Group's Interest (%)	
			As at June 15	As at March 15
Consorcio De Obras Civiles S.R.L.	R.Dominicana	December 11, 2009	34.00	\$ 34.00 *
Geotecnia y Control De Qualitat, S.A.	Spain	July 15, 2010	50.00	\$ 50.00 *
Vias Y Construcciones S. R. L.	R.Dominicana	August 12, 2010	50.00	\$ 50.00 *
Chongqing Yuhe Expressway Co. Ltd.	China	December 27, 2011	49.00	49.00

Footnote: NTBCL includes ITNL Toll Management Services Limited, a subsidiary of NTBCL, which is also an associate of the Company.

\$ Proportion of Group's Interest as at March 31, 2015

Proportion of Group's Interest as at December 31, 2014

2. Interest in Jointly Controlled Operations :

The financial statements (including consolidated financial statements where applicable) of the jointly controlled operations have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses as required by AS 27 using the proportionate consolidation method. The financial statements of the jointly controlled operations are prepared by the respective operators in accordance with the requirements prescribed by the joint operating agreements of the jointly controlled operations.

The accounting policies of jointly controlled operations have been adjusted as necessary and to the extent practicable, so as to ensure consistent accounting with the policies stipulated by the Company.

The Group's interest in jointly controlled operations are :

Name of the Jointly Controlled Operations	Proportion of Group's Interest (%)	
	As at June 15	As at March 15
Api Conservacion-Elsamex UTE Teruel II	50% \$	50% *
Asfaltos Uribe-Norte Industrial-Construcciones Eder-Elsamex UTE Durango Bi	28% \$	28% *
Atenea – Basoinsa UTE Atda Bergara Zizurkil	50% \$	50% *
Atenea – Consulnima UTE Consultea	50% \$	50% *
Atenea – Iz Ingenieros UTE Atda Embalse De Flix	50% \$	50% *
Betancourt – Grusamar UTE Linares	50% \$	50% *
Betancourt –Grusamar UTE Rio Alhama	50% \$	50% *
Con Interaniño	50% \$	50% *
Cons.Carreteras del Sur	60% \$	60% *

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NOTE 1: SELECT EXPLANATORY NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Name of the Jointly Controlled Operations	Proportion of Group's Interest (%)	
	As at June 15	As at March 15
Cons.Jose Saldís	34% \$	34% *
Corsan Corviam-Elsamex UTE Corelsa	50% \$	50% *
Dair –Intevia	50% \$	50% *
Elsamex- Martín Casillas UTE Conservación Cádiz	50% \$	50% *
Elsamex-Asfaltos Uribe Este Señal UTE Durango II	45% \$	45% *
Elsamex-Asfaltos Urretxu UTE Itziar	50% \$	50% *
Elsamex-Cauchil UTE Elsamex- Cauchill Jaen	80% \$	80% *
Elsamex-Iberseñal UTE Señalización Madrid	60% \$	60% *
Elsamex-Oca UTE Conservación Orense III	50% \$	50% *
Elsamex-Oca UTE Coruña III	70% \$	70% *
Elsamex-Rubau UTE Argenton	50% \$	50% *
Elsamex-Sando UTE II Conservación A-395	-	50% *
Elsamex-Torrescamara UTE Presas	50% \$	50% *
Elsamex-Velasco UTE Polideportivos Latina	50% \$	50% *
Elsan Pacsa-Elsamex UTE Navalvillar De Pela II	50% \$	50% *
Epsilon	35% \$	35% *
Geoteyco-Cgs-Ciesm-Enmacosa 2/2008	24% \$	24% *
Grusamar – Progescan UTE Areas De Servicio	100% \$	100% *
Grusamar- Elsamex – Atenea	30% \$	30% *
Grusamar Elsamex Atenea UTE Seguridad Vial Murcia	50% \$	50% *
Grusamar- Ineco- Inastecan UTE Arucas	40% \$	40% *
Grusamar-Elsamex-Atenea UTE Seguridad Vial Murcia	20% \$	20% *
Intevia-Grusamar-Dair UTE Seguridad Vial Bizkaia	10% \$	10% *
Intevia-Grusamar-Dair UTE Seguridad Vial Bizkaia	60% \$	60% *
UTE Abedul Cáceres	25% \$	25% *
UTE Abedul Orihuela	25% \$	25% *
UTE Abedul Ponferrada	25% \$	25% *
UTE Abedul Villavidel	25% \$	25% *
UTE Abedul Zamora	25% \$	25% *
UTE Almanzora	65% \$	65% *
UTE AP-7 Ondara	60% \$	60% *
UTE Arona	60% \$	60% *
UTE Asistencia Molinar	52% \$	52% *
UTE Atenea-Paymacotas	40% \$	40% *
UTE Atenea-Prevecons	55% \$	55% *
UTE Autovia de Santiago	50% \$	50% *
UTE Bizcaya Bi	37.5% \$	37.5% *
UTE CAP 1	50% \$	50% *
UTE Cican Ciesm	50% \$	50% *
Ute Conservacion Almeria	70% \$	70% *
Ute Conservacion Asturias	50% \$	50% *

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NOTE 1: SELECT EXPLANATORY NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Name of the Jointly Controlled Operations	Proportion of Group's Interest (%)	
	As at June 15	As at March 15
UTE Conservacion Caceres	50% \$	50% *
UTE Cordoba	50% \$	50% *
UTE Dallas	50% \$	50% *
UTE Elsamex Arias Oca Conservación Orense	-	50% *
UTE Elsamex-Lujan Alicante	50% \$	50% *
UTE Grusamar – OHS Ingeniería Y Urbanismo UTE Travesía De Hermigua	50% \$	50% *
UTE Grusamar-Eyser	50% \$	50% *
Ute Grusamar-Intecsa-Inarsa-Atenea	30% \$	30% *
Ute Grusamar-Intecsa-Inarsa-Atenea	30% \$	30% *
UTE Grusamar – Inserco Rambla Retamar	50% \$	50% *
UTE Mantenimient De Cuenca	50% \$	50% *
UTE Parking Estacion Intermodal	50% \$	50% *
UTE SG-2/2011	24% \$	24% *
UTE Sur Sevilla	50% \$	50% *
UTE Tren Mallorca	80% \$	80% *
UTE Urbanizacion Centro	30% \$	30% *
UTE Viales el Jable	50% \$	50% *
Consorcio Elsamex-Grusamar Ecuador	100% \$	100% *
JV Elsamex – Ascon	50% \$	50% *
UTE Control 7 Geoplaning	50% \$	50% *
UTE Elsamex-Pulido	50% \$	50% *
UTE AP-7 Ondara 2	60% \$	60% *
UTE Prointec-Intevia-Gestinsa	33% \$	33% *
UTE Ciesm-Intevia-Conurma	40% \$	40% *
UTE Intevia-Getinsa-Ciesa	34% \$	34% *
UTE Etiopia 35	100%\$	100%*
UTE Sistema tarifario	50%\$	50%*
UTE Elsamex-Rebogar	60%\$	60%*
UTE Antequera	30%\$	30%*
UTE Burgos Sur	86%\$	86%*
UTE Alumbrado Tegueste	50%\$	50%*
UTE Avda. de Daganzo	50%\$	50%*
UTE Servicios Energeticos las Palmas	50%\$	50%*
UTE Jaen Sur	70%\$	70%*
UTE Ciesm- Intevia-Dair-Itsak	42.5%\$	42.5%*
UTE Elsgroup	90%\$	-
UTE Santiago AP -9	50%\$	-
UTE Inspeccion Autobuses Lineas Urbanas Murcia	20%\$	-
UTE Sevilla Este	70%\$	-
UTE Malaga Norte	70%\$	-
Elsamex – ITNL JVCA	100%	100%
\$ Proportion of Group's Interest as at March 31, 2015		
* Proportion of Group's Interest as at December 31, 2014		

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NOTE 1: SELECT EXPLANATORY NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Investments in Associates:

- (a) An associate is an entity over which the Group is in a position to exercise significant influence, but not control or joint control, through participation in the financial and / or operating policy decisions of such enterprises. In accordance with AS 23 the investments are carried in the Consolidated Balance Sheet at cost as adjusted by post acquisition changes in the Group's share in the Reserves and Surplus of Associates.
- (b) The accounting policies of associates have been adjusted as necessary and to the extent practicable, so as to ensure consistent accounting with the policies stipulated by the Company.
- (c) Details of associates and ownership interest are as follows:

Name of the Company	Country of Incorporation	Proportion of Group's Interest (%)	
		As at June 15	As at March 15
1.Held directly :			
Thiruvananthapuram Road Development Company Limited ("TRDCL")	India	50.00	50.00
ITNL Toll Management Services Limited ("ITMSL") (see footnote below)	India	49.00	49.00
Warora Chandrapur Ballarpur Toll Road Limited ("WCBTRL")	India	35.00	35.00
Srinagar Sonamarg Tunnelway Limited ("SSTL")	India	49.00	49.00
Gujarat Road and Infrastructure Company Limited ("GRICL") (from August 8, 2014)	India	41.81	41.81
2.Held through Subsidiaries :			
CGI 8 S.A.	Spain	49.00	\$ 49.00 *
Elsamex Road Technology Company Limited	China	23.44	\$ 23.44 *
Sociedad Concesionaria Autovía A-4 Madrid S.A	Spain	48.75	\$ 48.75 *
VCS Enterprises Limited	India	30.00	\$ 30.00 *
Ramky Elsamex Hyderabad Ring Road Limited	India	26.00	\$ 26.00 *
Zhejiang Elsamex Road Technology Co Ltd	China	23.44	\$ 23.44 *
Zhejiang Elsamex Road Construction Equipment Co Ltd	China	23.44	\$ 23.44 *

Note: ITMSL is a subsidiary of NTBCL which is consolidated as a Jointly Controlled Entity. \$ Proportion of Group's Interest as at March 31, 2015

* Proportion of Group's Interest as at December 31, 2014

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NOTE 1: SELECT EXPLANATORY NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(a) Capital commitments and Contingent liabilities:

(A) Capital Commitment:

₹ in million

Sr. No.	Particulars	Unaudited	Audited
		As at June 30, 2015	As at March 31, 2015
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances paid aggregate ₹4,322.10 million (as at March 31, 2015 ₹ 5,022.11 million)	64,553.41	71,194.59
(ii)	Investment Commitments [net of advances of ₹ 200.00 million, as at March 31, 2015 ₹ 200.00 million]	200.00	200.00

(B) Other Commitments:

Sr. No.	Particulars	Unaudited	Audited
		As at June 30, 2015	As at March 31, 2015
(i)	Negative grant to National Highways Authority of India	18,00.00	2,150.00
(ii)	Connectivity charges to Haryana Urban Development Authority	27,469.81	27,489.75
(iii)	Put option on sale of investment	Unascertainable	Unascertainable

(C) Contingent Liabilities :

Particulars	Unaudited	Audited
	As at June 30, 2015	As at March 31, 2015
(a) Claims against the Group not acknowledged as debt	4,417.40	4,188.52
(b) Income tax demands contested by Group	389.77	399.24
(c) Other Tax liability	83.92	83.92
(d) Royalty to Nagpur Municipal Corporation	10.74	10.74
(e) Guarantees/ counter guarantees issued to outsider in respect of other than group companies	199.74	220.71

In case of Income Tax disputes decided in favour of the Group at the First Appellate Authority for amounts disallowed amounting to ₹ 820.08 million (March 31, 2015 ₹ 820.08 million), the Income Tax department has gone for further appeal in all the cases. If decided against the Group, it will result in reduction of unabsorbed depreciation as per the Income -Tax law.

Foot note: The Company does not expect any outflow of economic resources in respect of the above and therefore no provision is made in respect thereof.

IL&FS TRANSPORTATION NETWORKS LIMITED

NOTE 1: SELECT EXPLANATORY NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(D) Litigations against the Group :

- (i) A Public interest litigation has been filed in the Allahabad High Court to make one of the project of a Jointly Controlled Entity, a toll free facility for general public. Based on the legal opinion, the management believes that there is reasonable probability of success in the matter and has no impact on the financial position of the Group at this stage.

Income Tax Department has initiated reassessment U/s 147 of the Income Tax Act, 1961 for Assessment Years 2007-08, 2008-09 and 2012-13 and raised a demand of ₹1,086.68 million (March 31, 2015 ₹1,086.68 million) (Group's share) primarily on account of arrears of designated returns to be recovered in future from toll and other recoveries as per the Concession Agreement of one of the Jointly Controlled Entity. The said Jointly Controlled Entity has filed an appeal with the first level Appellate Authority and based on legal opinion, the management believes that the outcome of the same will be in favour of the Jointly Controlled Entity and it has no impact on the financial position of the Group at this stage.

In few other matters, income tax demands of ₹16.48 million (March 31, 2015 ₹16.48 million) (Group's share) have also been raised for which necessary rectification applications U/s 154 of the Income Tax Act, 1961 have been filed by the Jointly Controlled Entity. The Group expects that the demands will be deleted post rectification by the department.

- (ii) Certain other matters i.e. encroachment onto land & installation of unipoles, size of advertisement structures, exemption from paying toll to armed forces personnel's, etc. are under litigation in one of the project of a Jointly Controlled Entity. Based on the legal opinion from the counsel of the Jointly Controlled Entity, the management of the Company believes that there is reasonable probability of success in the matters and have no impact on the financial position of the Group at this stage.
- (iii) For collecting MCD toll on behalf of SMS AAMW Tollways Private Limited, the Group is deducting service charges @ 13.5% of MCD toll as against 3% as directed by MCD. MCD has send a legal notice to take coercive action against withholding such amount. The Group has filed suit for injection from such notice. The court has passed an interim order restraining the defendants from taking any coercive action. On prudence basis, till settlement of dispute, service charges has been recognised as income @ 3% of MCD toll. Necessary adjustment, if any, will be recognised on finalisation of matter. The management does not expect any impact on financial position of the Group on this account at this stage.

IL&FS TRANSPORTATION NETWORKS LIMITED

NOTE 1: SELECT EXPLANATORY NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Reporting of Segment wise Revenue, Results and Capital Employed:

₹ in million

Sr. No.		Unaudited	Audited
		Quarter ended June 30, 2015	Quarter ended June 30, 2014
1	Segment Revenue		
	(a) Surface Transportation Business	15,795.33	14,925.96
	(b) Others	648.70	715.67
	(c) Unallocable income (including interest income)	932.79	838.57
	Total	17,376.82	16,480.20
	Less : Inter segment revenue		-
	Total revenue	17,376.82	16,480.20
2	Segment Results (Profit(+)/loss(-) before tax and interest from each segment)		
	(a) Surface Transportation Business	4,757.33	5,382.40
	(b) Others	76.30	103.09
	Total	4,833.63	5,485.49
	Less : Unallocable expenses		
	(a) Finance Costs	5,595.06	4,524.93
	(b) Others	109.98	320.63
	Add : Unallocable income (including interest income)	932.79	838.57
	Total Profit Before Tax	61.38	1,478.50
	Provision for taxation	150.21	198.79
	Add: Share of Profit of Associates (net)	(8.14)	9.54
	Less: Share of Profit transferred to Minority Interest (net)	(126.02)	(88.29)
	Profit after tax	29.05	1,377.54
3	Capital Employed	As at June 30, 2015	As at March 31, 2015
	(i) Surface Transportation Business	280,661.47	268,988.70
	(ii) Other	836.50	(225.22)
	(iii) Unallocated assets net of liabilities	(220,825.39)	(208,660.42)
	Total	60,672.58	60,103.06

IL&FS TRANSPORTATION NETWORKS LIMITED
NOTE 1: SELECT EXPLANATORY NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(A) Earnings Per Share :

Particulars	Unit	Unaudited	Audited
		Quarter ended June 30, 2015	Quarter ended June 30, 2014
Profit for the quarter	₹in million	29.05	1,377.54
Dividend on cumulative preference shares of the Company	₹in million	(196.08)	(196.62)
Tax on Dividend on cumulative preference shares of the Company	₹in million	(39.92)	(33.42)
Premium on preference shares of a subsidiary	₹in million	-	(2.87)
(Loss) / Profit available for Equity Shareholders	₹in million	(206.95)	1,144.63
Weighted average number of equity shares outstanding	Nos.	246,720,020	228,650,734*
Nominal Value per equity share	₹	10.00	10.00
Basic / Diluted earnings per share (not annualised)	₹	(0.84)	5.01

(d) As adjusted for rights issue in accordance with AS - 20 Earnings Per Share.

(B) Service Concession Arrangements

Under Service Concession Arrangement (SCA), where a Special Purpose Vehicle (SPV) has received the right to charge users of a public service, such rights are recognized and classified as “Intangible Assets”. Such a right is an unconditional right to receive consideration however the amounts are contingent to the extent that the public uses the service.

The book value of such an Intangible Asset is recognized by the SPV at the fair value of the constructed asset which comprises of the actual construction cost plus the margins as per the SCA.

The Intangible Asset is amortised on the basis of units of usage method over the lower of the remaining concession period or useful life of such intangible asset, in terms of each SCA.

Estimates of margins are based on internal evaluation by the management. Estimates of units of usage, toll rates, contractual liability for overlay expenditure and the timing of the same are based on technical evaluations and / or traffic study estimates by external agencies.

These factors are consistent with the assumptions made in the previous years The key elements have been tabulated below:

Particulars	Unaudited	Audited
	Upto / As at June 30, 2015	Upto / As at March 31, 2015
Margin on construction services recognised in respect of intangible assets and intangible assets	13,886.04	13,244.67

IL&FS TRANSPORTATION NETWORKS LIMITED

NOTE 1: SELECT EXPLANATORY NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

	under development (₹ in million)	
	Quarter ended June 30, 2015	Quarter ended June 30, 2014
Amortisation charge in respect of intangible assets (₹ in million)	452.16	353.22

(b) Provision for overlay in respect of toll roads maintained by the Group under service concession arrangements and classified as intangible assets represents contractual obligations to restore an infrastructure facility to a specified level of serviceability in respect of such asset. Estimate of the provision is measured using a number of factors, such as current contractual requirements, technology, expert opinions and expected price levels. Because actual cash flows can differ from estimates due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provision is reviewed at regular intervals and adjusted to take account of such changes.

Accordingly, financial and accounting measurements such as the revenue recognized on financial assets, allocation of annuity into recovery of financial asset, carrying values of financial assets and depreciation of intangible assets and provisions for overlay in respect of service concession agreements are based on such assumptions.

Movements in provision made for overlay are tabulated below:

Particulars	₹ in million			
	Unaudited		Audited	
	As at June 30, 2015		As at March 31, 2015	
	Long-term	Current	Long-term	Current
Opening balance	491.45	13.71	326.98	96.42
Adjustment for foreign exchange fluctuation during the period / year	9.99	-	(6.49)	-
Adjustment for conversion of subsidiary to associate	-	-	-	(61.50)
Utilised for the period / year	-	(7.30)	-	(32.12)
Provision made during the period / year	61.14	0.27	170.96	10.91
Closing balance	562.58	6.69	491.45	13.71

(c) Under a Service Concession Arrangement (SCA), where a Special Purpose Vehicle (SPV) has acquired contractual rights to receive specified determinable amounts (Annuity) for use of an asset, such amounts are recognised as “Financial Assets” and are disclosed as “Receivable against Service Concession Arrangements”

The value of a Financial Asset covered under a SCA includes the fair value estimate of the construction services which is estimated at the inception of the contract and is based on the fair value of the constructed asset and comprises of the actual construction cost, a margin as per the SCA, estimates of the future operating and maintenance costs, including overlay / renewal costs

IL&FS TRANSPORTATION NETWORKS LIMITED

NOTE 1: SELECT EXPLANATORY NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The cash flows from a Financial Asset commences from the Provisional / Final Commercial Operation Date as certified by the granting authority for the SCA.

The cash flow from a Financial Asset is accounted using the effective interest rate method. The intrinsic interest element in each Annuity receipt is accounted as finance income and the balance amount is accounted towards recovery of dues from the “Receivable against Service Concession Arrangements”

These factors are consistent with the assumptions made in the previous years The key elements have been tabulated below:

Particulars	Unaudited	Audited
	Upto / As at June 30, 2015	Upto / As at March 31, 2015
Cumulative Margin on construction and operation & maintenance and renewal services recognised in respect of Financial Assets	6,807.08	6,638.23
Future Operation and maintenance and renewal services considered in respect of Financial Assets	25,163.12	25,592.03
Revenue recognised on Receivables against Service Concession Arrangement on the basis of effective interest method	29,961.29	28,005.18

Auditors report include an emphasis of matter paragraph in respect of above matters.

Related Party Disclosure – (refer Annexure I).

During the previous year ended March 31, 2015, an Associate Company (erstwhile a Subsidiary Company upto August 7, 2014) had received a formal communication from the Corporate Debt Restructuring (CDR) Empowered Group with respect to it having formally exited from the CDR system on May 20, 2014. Consequent to the Associate Company's exit from the CDR, the matter with respect to the classification of Advances towards Capital / Debt given by the promoters i.e. the Holding Company and Government of Gujarat (GoG) as Advance towards Capital / Debt until the repayment of DDBs and NCDs till July 2018, was discussed with the promoters. The Holding Company has given consent to continue the classification as requested by the Associate Company, however the approval from GOG is still pending to be received. In the view of the Management of the Associate Company, the amounts payable, if any, for the aforesaid item is currently unascertainable and accordingly, no liability/charge has been created in its financial statements. Auditors report include an emphasis of matter paragraph in this regard.

IL&FS TRANSPORTATION NETWORKS LIMITED

NOTE 1: SELECT EXPLANATORY NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

- Revenue from Operations for the previous year ended March 31, 2015 included an amount of ₹ 2,609.30 million on account of aggregate compensation claimed by the Holding company from two Special Purpose Vehicles ("SPVs") and by the two SPVs on the Concession Granting Authority ("CGA"), for the incremental work and the related claims arising from the delays due to handing over of the land by CGA for project execution. The compensation is based on the provisions in the Service Concession Agreements and is supported by the Extension of Time granted by the Independent Engineers. The SPVs were legally advised that they are contractually entitled to such claims under the Service Concession Agreements. Accordingly, the respective SPVs had filed the claim with CGA. However, the SPVs have not yet received any approval for the same from CGA till date. Costs in connection with the foregoing had been considered in recognising the above income during the previous year. Auditors report include an emphasis of matter paragraph in this regard.
- In respect of one Associate Company whose carrying value is ₹ Nil in the Consolidated Financial Statements, the Auditor has reported an Emphasis of Matter on the appropriateness of the going concern assumption being dependent upon the Annuity and Claim receivable from Kerala Road Fund Board due to delay in the completion of project. According to the Management there is no additional financial impact on the consolidated financial statements owing to the above matter.
- In respect of one Subsidiary Company, the Auditor has reported an Emphasis of Matter with respect to the construction cost of the project being increased during the previous year ended March 31, 2015 from ₹2,022.50 million to ₹2,922.50 million and accordingly the Subsidiary Company had entered into a supplemental development agreement of ₹900.00 million with the existing contractor for executing the additional works/ revised project specifications. The financial statements of the Subsidiary Company have been prepared on the basis of revised estimates of project costs due to factors including changes in project specifications, which resulted in a change in allocation between financial asset and intangible asset. The subsidiary company has made an application seeking approval for enhancement in the Annuities towards the incremental project costs. Pending conclusion of the acceptance for the same, the financial statements of the Subsidiary Company do not include impact, if any for the anticipated increase in annuities. Auditors report include an emphasis of matter paragraph in this regard.
- Share of loss of associates for the quarter ended June 30, 2015 includes the Group's share of loss of ₹12.31 million pertaining to period commencing from January 1, 2015 to March 31, 2015 of one associate company which is based on the financial information certified by the Associate's Management. The financial information subsequent to March 31, 2015 is not available with the Group.
- Borrowing costs incurred by the group on qualifying assets are capitalised and accordingly the finance cost reported is net of such capitalization :

₹ in million

Particulars	Unaudited	Audited
	Quarter ended June 30, 2015	Quarter ended June 30, 2014
Gross finance cost	7,435.09	5,823.89
Less : Capitalised	1,818.71	1,298.96
Finance cost (net)	5,595.06	4,524.93

IL&FS TRANSPORTATION NETWORKS LIMITED

NOTE 1: SELECT EXPLANATORY NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Figures for the previous period / year have been regrouped and reclassified wherever necessary to conform to the classification for the current period.

This CFS has been drawn for the limited purpose of enabling the Company to prepare its consolidated financial results as per the requirement of Clause 41 of the Listing Agreement.

For and on behalf of the Board

Managing Director

Director

Chief Financial Officer
Mumbai, August 10, 2015

Company Secretary

IL&FS TRANSPORTATION NETWORKS LIMITED

Annexure I

Annexure to Note 1(11) to the unaudited interim condensed consolidated financial statements for the quarter ended June 30, 2015

Related Party Disclosures

i) Current Quarter

(a) Name of the Related Parties and Description of Relationship:

Nature of Relationship	Name of Entity	Abbreviation used
Holding Company	Infrastructure Leasing & Financial Services Limited	ILFS
Fellow Subsidiaries (Only with whom there have been transaction During the period / there was balance outstanding at the Quarter end)	IL&FS Financial Services Limited	IFIN
	IL&FS Education & Technology Services Limited	IETS
	IL&FS Energy Development Company Limited	IEDCL
	IL&FS Environmental Infrastructure & Services Limited	IEISL
	IL&FS Renewable Energy Limited	IREL
	IL&FS Maritime Infrastructure Company Limited	IMICL
	IL&FS Airport Limited.	IAL
	IL&FS Capital Advisors Limited.	ICAL
	IL&FS Urban Infrastructure Managers Limited	IUIML
	PT Mantimin Coal Mining	PTMCM
	Chattisgarh Highways Development Company Limited	CHDCL
	IL&FS Securities Services Limited	ISSL
	IL&FS Township & Urban Assets Limited	ITUAL
	IL&FS Trust Company Limited	ITCL
	IL&FS Technology Limited	ITL
	Livia India Limited	LIL
	IL&FS Global Financial Services Pte Limited	IGFSL
	IL&FS Global Financial Services (ME) Limited	IGFSL(ME)
	IL&FS Global Financial Services (HK) Limited	IGFSL(HK)
	IL&FS Global Financial Services (UK) Limited	IGFSL(UK)
Associates - Direct	ITNL Toll Management Services Limited	ITMSL
	Thiruvananthapuram Road Development Company Limited	TRDCL
	Warora Chandrapur Ballarpur Toll Road Limited	WCBTRL
	Srinagar Sonmarg Tunnelway Limited	SSTL
	Gujarat Road and Infrastructure Company Limited	GRICL

Associates - Indirect	Centro de Investigaciones de Curretros Andalucía S.A.	CICAN
	Labetec Ensayos Técnicos Canarios, S.A.	LABTEC
	CGI 8 S.A.	CGI-8
	Elsamex Road Technology Company Limited	ERT(China)
	Sociedad Concesionaria Autovía A-4 Madrid S.A	A4 CONCESSION
	VCS-Enterprises Limited	VCS
	Ramky Elsamex Ring Road Limited, Hyderabad	REHRR
Key Management Personnel ("KMP")		
	Mr K Ramchand-Managing Director	
	Mr Mukund Sapre-Executive Director	
Relatives of KMP		
	Mr George Cherian-Chief Financial Officer	
	Mr Krishna Ghag-Company Secretary	
KMP of Holding Company		
	Mrs Rita Ramchand (wife of Mr K Ramchand)	
	Mrs Sangeeta Sapre (wife of Mr Mukund Sapre)	
	Mrs Vishpala Parthasarathy (wife of Mr Ravi Parthasarathy)	
KMP of Holding Company	Mr Ravi Parthasarathy - Director	
	Mr Hari Sankaran - Director	
	Mr Arun Saha - Director	

IL&FS TRANSPORTATION NETWORKS LIMITED

Annexure to Note 1(11) to the unaudited interim condensed consolidated financial statements for the quarter ended June 30, 2015 Related Party Disclosures. (contd.)

(b) Current quarter balances / transactions with above mentioned related parties (mentioned in note 1 (11)(a)(i) above)

₹ in million					
Particulars	Holding Company	Fellow Subsidiaries	Associates	Key Management personnel and relatives	Total
Balances					
Advance towards Share Application Money (Long-term)					
GRICL	-	-	750.00	-	750.00
Advance towards Share Application Money (Long-term) Total	-	-	750.00	-	750.00
Advances Receivable - Short Term					
ILFS	0.10	-	-	-	0.10
IAL	-	271.37	-	-	271.37
PTMCM	-	183.59	-	-	183.59
OTHERS	-	44.56	3.52	-	48.08
Advances Receivable - Short Term Total	0.10	499.52	3.52	-	503.14
Current Liabilities					
ILFS	5.50	-	-	-	5.50
IFIN	-	186.00	-	-	186.00
ITUAL	-	422.91	-	-	422.91
OTHERS	-	249.30	63.46	-	312.76
Current Liabilities Total	5.50	858.21	63.46	-	927.17
Current Maturities of Long-term debt					
ILFS	41.29	-	-	-	41.29
Current Maturities of Long-term debt Total	41.29	-	-	-	41.29
Equity share Capital					
ILFS	1,714.50	-	-	-	1,714.50
IFIN	32.00	-	-	-	32.00
Equity share Capital with Premium Total	1,746.50	-	-	-	1,746.50
Inter-corporate deposits					
IFIN	-	222.83	-	-	222.83
OTHERS	-	21.21	-	-	21.21
Inter-corporate deposits Total	-	244.04	-	-	244.04
Interest accrued but not due on borrowings					
ILFS	9.56	-	-	-	9.56
IFIN	-	25.73	-	-	25.73
ITUAL	-	17.41	-	-	17.41
OTHERS	-	0.43	-	-	0.43
Interest accrued but not due on borrowings Total	9.56	43.57	-	-	53.13
Interest-accrued on loans given					
ILFS	12.01	-	-	-	12.01
SSTL	-	-	67.92	-	67.92
TRDCL	-	-	347.15	-	347.15
OTHERS	-	19.18	26.59	-	45.77
Interest-accrued Total	12.01	19.18	441.66	-	472.85
Investment in Covered Warrants					
ILFS	1,943.00	-	-	-	1,943.00
Investment in Covered Warrants Total	1,943.00	-	-	-	1,943.00
Long-term borrowings					

ILFS	1,258.40	-	-	-	1,258.40
ITUAL	-	603.80	-	-	603.80
Long-term borrowings Total	1,258.40	603.80	-	-	1,862.20
Long-Term loans and advances					
A4 CONCESSION	-	-	586.06	-	586.06
ILFS	1,123.40	-	-	-	1,123.40
IFIN	-	1,250.00	-	-	1,250.00
TRDCL	-	-	343.50	-	343.50
OTHERS	-	-	31.68	-	31.68
Long-Term loans and advances Total	1,123.40	1,250.00	961.24	-	3,334.64
Mobilisation Advance paid					
ITUAL	-	9.14	-	-	9.14
Mobilisation Advance paid Total	-	9.14	-	-	9.14

IL&FS TRANSPORTATION NETWORKS LIMITED

Annexure to Note 1(11) to the unaudited interim condensed consolidated financial statements for the quarter ended June 30, 2015 Related Party Disclosures. (contd.)

(b) Current quarter balances / transactions with above mentioned related parties (mentioned in note 1 (11)(a)(i) above)

₹in million					
Particulars	Holding Company	Fellow Subsidiaries	Associates	Key Management personnel and relatives	Total
Option Premium (Net of provision)					
ILFS	79.13	-	-	-	79.13
Option Premium (Net of provision) Total	79.13	-	-	-	79.13
Other Current Liabilities					
ILFS	150.00	-	-	-	150.00
Other Current Liabilities Total	150.00	-	-	-	150.00
Preference share Capital with Premium					
IFIN	-	2,000.00	-	-	2,000.00
IMICL	-	2,000.00	-	-	2,000.00
Preference share Capital with Premium Total	-	4,000.00	-	-	4,000.00
Provision for redemption premium on Preference Shares					
IFIN	-	44.04	-	-	44.04
IMICL	-	44.04	-	-	44.04
Provision for redemption premium on Preference Shares Total	-	88.08	-	-	88.08
Rent Deposit					
Mr K Ramchand-Managing Director	-	-	-	1.00	1.00
Mr Mukund Sapre-Executive Director	-	-	-	0.50	0.50
Mrs Rita Ramchand (wife of Mr K Ramchand)	-	-	-	0.50	0.50
Mrs Sangeeta Sapre (wife of Mr Mukund Sapre)	-	-	-	0.50	0.50
Mrs Vishpala Parthasarathy (wife of Mr Ravi Parthasarathy)	-	-	-	20.00	20.00
Rent Deposit Total	-	-	-	22.50	22.50
Retention Money Payable					
ITL	-	15.48	-	-	15.48
OTHERS	-	0.29	-	-	0.29
Retention Money Payable Total	-	15.77	-	-	15.77
Secured Deposit - Long-term					
ITCL	-	0.01	-	-	0.01
Secured Deposit - Long-term Total	-	0.01	-	-	0.01
Short-term Borrowings					
IFIN	-	5,729.50	-	-	5,729.50
Short-term Borrowings Total	-	5,729.50	-	-	5,729.50
Short-term loans and advances					
IMICL	-	155.65	-	-	155.65
SSTL	-	-	505.00	-	505.00
TRDCL	-	-	834.50	-	834.50
OTHERS	-	3.00	57.50	-	60.50
Short-term loans and advances Total	-	158.65	1,397.00	-	1,555.65
Trade Payables					
ITUAL	-	6.26	-	-	6.26
OTHERS	-	0.03	-	-	0.03

Trade Payables Total	-	6.29	-	-	6.29
Trade Receivables					
SSTL	-	-	2,589.32	-	2,589.32
OTHERS	-	-	241.27	-	241.27
Trade Receivables Total	-	-	2,830.60	-	2,830.60
Unamortised Expenses					
IFIN	-	369.77	-	-	369.77
IGFSL	-	73.48	-	-	73.48
OTHERS	-	55.89	-	-	55.89
Unamortised Expenses Total	-	499.14	-	-	499.14

IL&FS TRANSPORTATION NETWORKS LIMITED

Annexure to Note 1(11) to the unaudited interim condensed consolidated financial statements for the quarter ended June 30, 2015 Related Party Disclosures. (contd.)

(b) Current quarter balances / transactions with above mentioned related parties (mentioned in note 1 (11)(a)(i) above)

₹ in million					
Particulars	Holding Company	Fellow Subsidiaries	Associates	Key Management personnel and relatives	Total
<u>Transactions</u>					
Administrative and general expenses					
ILFS *	158.58	-	-	-	158.58
IFIN	-	45.92	-	-	45.92
OTHERS	-	59.28	0.28	-	59.56
Administrative and general expenses Total	158.58	105.20	0.28	-	264.06
Borrowings					
ITCL	-	1,100.00	-	-	1,100.00
Borrowings Total	-	1,100.00	-	-	1,100.00
Construction Cost					
ITL	-	48.91	-	-	48.91
ITUAL	-	79.14	-	-	79.14
Construction Cost Total	-	128.04	-	-	128.04
Finance charges					
IGFSL	-	75.20	-	-	75.20
OTHERS	-	10.73	-	-	10.73
Finance charges Total	-	85.92	-	-	85.92
Intangible assets under development					
ITCL	-	0.55	-	-	0.55
ILFS	0.01	-	-	-	0.01
Intangible assets under development Total	0.01	0.55	-	-	0.56
Inter-corporate deposits - matured					
IFIN	-	393.68	-	-	393.68
OTHERS	-	10.00	-	-	10.00
Inter-corporate deposits - matured Total	-	403.68	-	-	403.68
Inter-corporate deposits - placed					
IFIN	-	399.51	-	-	399.51
Inter-corporate deposits - placed Total	-	399.51	-	-	399.51
Interest Income					
ILFS	32.21	-	-	-	32.21
SSTL	-	-	16.79	-	16.79
TRDCL	-	-	38.17	-	38.17
OTHERS	-	9.56	2.91	-	12.47
Interest Income Total	32.21	9.56	57.86	-	99.63
Interest on Loans (Expense)					
ILFS	40.04	-	-	-	40.04
IFIN	-	147.82	-	-	147.82
OTHERS	-	34.33	-	-	35.67
Interest on Loans (Expense) Total	40.04	182.14	-	-	222.18
Lendings					
IFIN	-	3,050.00	-	-	3,050.00
OTHERS	-	33.80	242.50	-	276.30
Lendings Total	-	3,083.80	242.50	-	3,326.30
Operating Expenses (Other than Construction Cost)					
ILFS	12.69	-	-	-	12.69

OTHERS	-	0.29	-	-	0.29
Operating Expenses (Other than Construction Cost) Total	12.69	0.29	-	-	12.98
Other Income					
A4 CONCESSION	-	-	1.17	-	1.17
OTHERS	-	-	0.04	-	0.04
Other Income Total	-	-	1.22	-	1.22

IL&FS TRANSPORTATION NETWORKS LIMITED

Annexure to Note 1(11) to the unaudited interim condensed consolidated financial statements for the quarter ended June 30, 2015 Related Party Disclosures. (contd.)

(b) Current quarter balances / transactions with above mentioned related parties (mentioned in note 1 (11)(a)(i) above)

₹ in million					
Particulars	Holding Company	Fellow Subsidiaries	Associates	Key Management personnel and relatives	Total
Proposed Dividend on Preference Shares					
IFIN	-	50.97	-	-	50.97
IMICL	-	50.97	-	-	50.97
Proposed Dividend on Preference Shares Total	-	101.94	-	-	101.94
Proposed Dividend Paid					
IFIN	-	205.00	-	-	205.00
IMICL	-	205.00	-	-	205.00
Proposed Dividend Paid Total	-	410.00	-	-	410.00
Redemption on NCD					
ILFS	90.00	-	-	-	90.00
Redemption on NCD Total	90.00	-	-	-	90.00
Remuneration to director / KMP					
Mr K Ramchand-Managing Director	-	-	-	9.12	9.12
Mr Mukund Sapre-Executive Director	-	-	-	4.66	4.66
Mr Krishna Ghag-Company Secretary	-	-	-	1.18	1.18
Mr George Cherian-Chief Financial Officer	-	-	-	2.46	2.46
Remuneration to director / KMP Total	-	-	-	17.42	17.42
Rent Expense					
Mr K Ramchand-Managing Director	-	-	-	0.80	0.80
Mr Mukund Sapre-Executive Director	-	-	-	0.39	0.39
Mrs Rita Ramchand (wife of Mr K Ramchand)	-	-	-	0.99	0.99
Mrs Sangeeta Sapre (wife of Mr Mukund Sapre)	-	-	-	0.39	0.39
Mrs Vishpala Parthasarathy (wife of Mr Ravi Parthasarathy)	-	-	-	0.03	0.03
Rent Expense Total	-	-	-	2.60	2.60
Repayment of Borrowings					
ILFS	1.76	-	-	-	1.76
IFIN	-	1,550.00	-	-	1,550.00
Repayment of Borrowings Total	1.76	1,550.00	-	-	1,551.76
Revenue from Operations					
SSTL	-	-	300.00	-	300.00
OTHERS	-	-	36.13	-	36.13
Revenue from Operations Total	-	-	336.13	-	336.13

Footnote : - * Includes Deputation cost of Rs. 13.78 million charged by Holding Company "IL&FS"

Mr K Ramchand-Managing Director 9.12
Mr Mukund Sapre-Executive Director 4.66
13.78

IL&FS TRANSPORTATION NETWORKS LIMITED

Annexure to Note 1(11) to the unaudited interim condensed consolidated financial statements for the quarter ended June 30, 2015

Related Party Disclosures

ii) Previous Year / Quarter

(iv) Name of the Related Parties and Description of Relationship:

Nature of Relationship	Name of Entity	Abbreviation used
Holding Company	Infrastructure Leasing & Financial Services Limited	ILFS
Fellow Subsidiaries (Only with whom there have been transaction during the quarter / there was balance outstanding at the year end)	IL&FS Financial Services Limited	IFIN
	IL&FS Education & Technology Services Limited	IETS
	IL&FS Energy Development Company Limited	IEDCL
	IL&FS Environmental Infrastructure & Services Limited	IEISL
	IL&FS Renewable Energy Limited	IREL
	IL&FS Maritime Infrastructure Company Limited	IMICL
	IL&FS Airport Limited.	IAL
	IL&FS Capital Advisors Limited.	ICAL
	IL&FS Urban Infrastructure Managers Limited	IUIML
	PT Mantimin Coal Mining	PTMCM
	Chattisgarh Highways Development Company Limited	CHDCL
	IL&FS Securities Services Limited	ISSL
	IL&FS Township & Urban Assets Limited	ITUAL
	IL&FS Trust Company Limited	ITCL
	IL&FS Technology Limited (since January 30, 2015)	ITL
	IL&FS Global Financial Services Pte Limited	IGFSL
	IL&FS Global Financial Services (ME) Limited	IGFSL(ME)
	IL&FS Global Financial Services (HK) Limited	IGFSL(HK)
	IL&FS Global Financial Services (UK) Limited	IGFSL(UK)
Associates - Direct	ITNL Toll Management Services Limited	ITMSL
	Thiruvananthapuram Road Development Company Limited	TRDCL
	Warora Chandrapur Ballarpur Toll Road Limited	WCBTRL
Associates - Indirect	Srinagar Sonmarg Tunnelway Limited (since June 3, 2014)	SSTL
	Gujarat Road and Infrastructure Company Limited (since August 08, 2014)	GRICL
	Centro de Investigaciones de Curretros Andalucía S.A.	CICAN
	Labetec Ensayos Técnicos Canarios, S.A.	LABTEC
	CGI 8 S.A.	CGI-8
	Elsamex Road Technology Company Limited	ERT(China)
	Sociedad Concesionaria Autovía A-4 Madrid S.A	A4 CONCESSION
	VCS-Enterprises Limited	VCS
	Ramky Elsamex Ring Road Limited, Hyderabad	REHRR
	Zhejiang Elsamex Road Technology Co Ltd	
	Zhejiang Elsamex Road Construction Equipment Co Ltd	

Nature of Relationship	Name of Entity	Abbreviation used
	Emprsas Pame sa De CV	EPSD
Key Management Personnel ("KMP")	Mr K Ramchand-Managing Director	
	Mr Mukund Sapre-Executive Director	
	Mr George Cherian-Chief Financial Officer	
	Mr Krishna Ghag-Company Secretary	
Relatives of KMP	Mrs Rita Ramchand (wife of Mr K Ramchand)	
	Mrs Sangeeta Sapre (wife of Mr Mukund Sapre)	
	Mrs Vishpala Parthasarathy (wife of Mr Ravi Parthasarathy)	
KMP of Holding Company	Mr Ravi Parthasarathy - Director	
	Mr Hari Sankaran - Director	
	Mr Arun Saha - Director	

IL&FS TRANSPORTATION NETWORKS LIMITED

Annexure to Note 1(11) to the unaudited interim condensed consolidated financial statements for the quarter ended June 30, 2015 Related Party Disclosures. (contd.)

(d) Previous year / quarter balances / transactions with above mentioned related parties (mentioned in note 1 (11)(ii)(c) above)

					₹ in million
Particulars	Holding Company	Fellow Subsidiaries	Associates	Key Management personnel and relatives	Total
<u>Balances</u>					
Advance towards Share Application Money (Long-term)					
GRICL	-	-	750.00	-	750.00
Advance towards Share Application Money (Long-term) Total	-	-	750.00	-	750.00
Advances Recoverable					
ILFS	0.70	-	-	-	0.70
IAL	-	270.72	-	-	270.72
PTMCM	-	183.59	-	-	183.59
OTHERS	-	44.04	0.44	-	44.48
Advances Recoverable Total	0.70	498.35	0.44	-	499.49
Current Liabilities					
ILFS	58.97	-	-	-	58.97
IFIN	-	152.55	-	-	152.55
ITUAL	-	348.16	-	-	348.16
OTHERS	-	376.81	66.32	-	443.13
Current Liabilities Total	58.97	877.52	66.32	-	1,002.81
Current Maturities of Long-term debt					
ILFS	43.05	-	-	-	43.05
Current Maturities of Long-term debt Total	43.05	-	-	-	43.05
Equity share Capital					
ILFS	1,714.50	-	-	-	1,714.50
IFIN	32.00	-	-	-	32.00
Equity share Capital with Premium Total	1,746.50	-	-	-	1,746.50
Inter-corporate deposits					
IFIN	-	248.21	-	-	248.21
Inter-corporate deposits Total	-	248.21	-	-	248.21
Interest accrued but not due on borrowings					
ILFS	9.88	-	-	-	9.88
IFIN	-	3.77	-	-	3.77
ITUAL	-	17.41	-	-	17.41
Interest accrued but not due on borrowings Total	9.88	21.17	-	-	31.05
Interest-accrued on loans given					
ILFS	10.97	-	-	-	10.97
SSTL	-	-	52.81	-	52.81
TRDCL	-	-	336.36	-	336.36
OTHERS	-	13.80	12.91	-	26.71
Interest-accrued Total	10.97	13.80	402.08	-	426.85
Investment in Covered Warrants					
ILFS	1,943.00	-	-	-	1,943.00
Investment in Covered Warrants Total	1,943.00	-	-	-	1,943.00
Long-term borrowings					
ILFS	1,267.40	-	-	-	1,267.40
ITUAL	-	570.00	-	-	570.00
Long-term borrowings Total	1,267.40	570.00	-	-	1,837.40
Long-Term loans and advances					

A4 CONCESSION	-	-	555.68	-	555.68
ILFS	1,123.40	-	-	-	1,123.40
TRDCL	-	-	343.50	-	343.50
OTHERS	-	-	30.04	-	30.04
Long-Term loans and advances Total	1,123.40	-	929.21	-	2,052.61
Mobilisation Advance paid					
ITUAL	-	9.14	-	-	9.14
Mobilisation Advance paid Total	-	9.14	-	-	9.14
Option Premium (Net of provision)					
ILFS	79.13	-	-	-	79.13
Option Premium (Net of provision) Total	79.13	-	-	-	79.13

IL&FS TRANSPORTATION NETWORKS LIMITED

Annexure to Note 1(11) to the unaudited interim condensed consolidated financial statements for the quarter ended June 30, 2015 Related Party Disclosures. (contd.)

(d) Previous year / quarter balances / transactions with above mentioned related parties (mentioned in note 1 (11)(ii)(c) above)

					₹ in million
Particulars	Holding Company	Fellow Subsidiaries	Associates	Key Management personnel and relatives	Total
Other Current Liabilities					
ILFS	150.00	-	-	-	150.00
Other Current Liabilities Total	150.00	-	-	-	150.00
Preference share Capital with Premium					
IFIN	-	2,000.00	-	-	2,000.00
IMICL	-	2,000.00	-	-	2,000.00
Preference share Capital with Premium Total	-	4,000.00	-	-	4,000.00
Prepaid Expenses					
IGFSL	-	75.20	-	-	75.20
Prepaid Expenses Total	-	75.20	-	-	75.20
Provision for redemption premium on Preference Shares					
IFIN	-	37.81	-	-	37.81
IMICL	-	37.81	-	-	37.81
Provision for redemption premium on Preference Shares Total	-	75.62	-	-	75.62
Rent Deposit					
Mr K Ramchand-Managing Director	-	-	-	1.00	1.00
Mr Mukund Sapre-Executive Director	-	-	-	0.50	0.50
Mrs Rita Ramchand (wife of Mr K Ramchand)	-	-	-	0.50	0.50
Mrs Sangeeta Sapre (wife of Mr Mukund Sapre)	-	-	-	0.50	0.50
Mrs Vishpala Parthasarathy (wife of Mr Ravi Parthasarathy)	-	-	-	20.00	20.00
Rent Deposit Total	-	-	-	22.50	22.50
Secured Deposit - Long-term					
ITCL	-	0.01	-	-	0.01
OTHERS	-	0.00	-	-	0.00
Secured Deposit - Long-term Total	-	0.01	-	-	0.01
Short-term Borrowings					
IFIN	-	4,379.50	-	-	4,379.50
Short-term Borrowings Total	-	4,379.50	-	-	4,379.50
Short-term loans and advances					
SSTL	-	-	505.00	-	505.00
TRDCL	-	-	779.50	-	779.50
WCBTRL	-	-	245.00	-	245.00
OTHERS	-	158.65	-	-	158.65
Short-term loans and advances Total	-	158.65	1,529.50	-	1,688.15
Trade Payables					
ITUAL	-	6.04	-	-	6.04
OTHERS	-	0.03	-	-	0.03
Trade Payables Total	-	6.07	-	-	6.07
Trade Receivables					
SSTL	-	-	2,277.32	-	2,277.32
OTHERS	-	0.20	241.85	-	242.05
Trade Receivables Total	-	0.20	2,519.17	-	2,519.37
Unamortised Expenses					
IFIN	-	371.27	-	-	371.27
OTHERS	-	58.80	-	-	58.80
Unamortised Expenses Total	-	430.07	-	-	430.07

IL&FS TRANSPORTATION NETWORKS LIMITED

Annexure to Note 1(11) to the unaudited interim condensed consolidated financial statements for the quarter ended June 30, 2015 Related Party Disclosures. (contd.)

(d) Previous year / quarter balances / transactions with above mentioned related parties (mentioned in note 1 (11)(ii)(c) above)

₹ in million					
Particulars	Holding Company	Fellow Subsidiaries	Associates	Key Management personnel and relatives	Total
Transactions					
Administrative and general expenses					
IFIN	-	39.81	-	-	39.81
ILFS *	70.47	-	-	-	70.47
ITCL	-	1.67	-	-	1.67
Administrative and general expenses Total	70.47	41.48	-	-	111.95
Equity share Capital enhanced (with security premium)					
ILFS	3,645.00	-	-	-	3,645.00
IFIN	75.92	-	-	-	75.92
Equity share Capital with Premium Total	3,720.92	-	-	-	3,720.92
Director Remuneration					
Mr K Ramchand-Managing Director				9.47	9.47
Mr Mukund Sapre-Executive Director	-	-	-	3.88	3.88
Director Remuneration Total	-	-	-	13.34	13.34
Director Sitting Fees					
Mr Mukund Sapre				0.06	0.06
	-	-	-	0.06	0.06
Finance charges					
ILFS	1.18	-	-	-	1.18
ITCL	-	3.87	-	-	3.87
IUIML	-	0.36	-	-	0.36
Finance charges Total	1.18	4.23	-	-	5.41
Intangible assets under development					
ITCL	-	0.90	-	-	0.90
Intangible assets under development Total	-	0.90	-	-	0.90
Inter-corporate deposits - matured					
IFIN	-	45.00	-	-	45.00
ILFS	52.97	-	-	-	52.97
Inter-corporate deposits - matured Total	52.97	45.00	-	-	97.97
Inter-corporate deposits - placed					
IFIN	-	300.18	-	-	300.18
ILFS	31.68	-	-	-	31.68
Inter-corporate deposits - placed Total	31.68	300.18	-	-	331.86
Interest Income					
TRDCL	-	-	32.71	-	32.71
ILFS	32.60	-	-	-	32.60
OTHERS	-	2.64	5.18	-	7.82
Interest Income Total	32.60	2.64	37.89	-	73.13
Interest on Loans (Expense)					
IFIN	-	80.37	-	-	80.37
ILFS	63.37	-	-	-	63.37
ITUAL	-	10.88	-	-	10.88
Interest on Loans (Expense) Total	63.37	91.25	-	-	154.62
Investment made / purchased					
SSTL	-	-	0.34	-	0.34
Investment made / purchased Total	-	-	0.34	-	0.34

Lendings					
SSTL	-	-	12.50	-	12.50
TRDCL	-	-	75.00	-	75.00
Lendings Total	-	-	87.50	-	87.50
Mobilisation Advance recovered					
ITUAL	-	19.79	-	-	19.79
Mobilisation Advance recovered Total	-	19.79	-	-	19.79
Operating Expenses (Other than Construction Cost)					
ITUAL	-	189.60	-	-	189.60
ILFS	11.89	-	-	-	11.89
OTHERS	-	1.11	-	-	1.11
Operating Expenses (Other than Construction Cost) Total	11.89	190.71	-	-	202.60

IL&FS TRANSPORTATION NETWORKS LIMITED

Annexure to Note 1(11) to the unaudited interim condensed consolidated financial statements for the quarter ended June 30, 2015 Related Party Disclosures. (contd.)

(d) Previous year / quarter balances / transactions with above mentioned related parties (mentioned in note 1 (11)(ii)(c) above)

					₹ in million
Particulars	Holding Company	Fellow Subsidiaries	Associates	Key Management personnel and relatives	Total
Other Income					
A4 CONCESSION	-	-	30.96	-	30.96
ILFS	0.26	-	-	-	0.26
OTHERS	-	2.22	0.06	-	2.28
Other Income Total	0.26	2.22	31.01	-	33.49
Proposed Dividend on Preference Shares					
IFIN	-	51.11	-	-	51.11
IMICL	-	51.11	-	-	51.11
Proposed Dividend on Preference Shares Total	-	102.22	-	-	102.22
Proposed Dividend Paid					
IFIN	-	105.03	-	-	105.03
IMICL	-	105.03	-	-	105.03
Proposed Dividend Paid Total	-	210.05	-	-	210.05
Redemption on NCD					
ILFS	9.00	-	-	-	9.00
Redemption on NCD Total	9.00	-	-	-	9.00
Rent Expense					
Mr K Ramchand-Managing Director	-	-	-	0.87	0.87
Mr Mukund Sapre-Executive Director	-	-	-	0.13	0.13
Mrs Rita Ramchand (wife of Mr K Ramchand)	-	-	-	0.87	0.87
Mrs Sangeeta Sapre (wife of Mr Mukund Sapre)	-	-	-	0.13	0.13
Mrs Vishpala Parthasarathy (wife of Mr Ravi Parthasarathy)	-	-	-	0.03	0.03
Rent Expense Total	-	-	-	2.03	2.03
Rental Income					
IETS	-	1.51	-	-	1.51
Rental Income Total	-	1.51	-	-	1.51
Repayment of Borrowings					
IFIN	-	1,200.00	-	-	1,200.00
ILFS	1.76	-	-	-	1.76
Repayment of Borrowings Total	1.76	1,200.00	-	-	1,201.76
Revenue from Operations					
TRDCL	-	-	9.98	-	9.98
Revenue from Operations Total	-	-	9.98	-	9.98
Footnote : - * Includes Deputation cost of Rs. 13.35 million charged by Holding Company "IL&FS"					
Mr K Ramchand-Managing Director	9.47				
Mr Mukund Sapre-Executive Director	3.88				
	13.35				

STOCK MARKET DATA FOR THE EQUITY SHARES OF THE COMPANY

Our Equity Shares are currently listed on the BSE and NSE. Stated below is the stock market data for the Equity Shares for the periods indicated.

- The high, low and average closing prices recorded on the BSE and NSE for years 2013, 2014 and 2015 and the number of Equity Shares traded on the days the high and low prices were recorded are stated below:

Calendar Year	High (₹)	Date of High	Volume on date of High (Number of Equity Shares)	Low (₹)	Date of Low	Volume on date of Low (Number of Equity Shares)
BSE						
2013	227	09/01/2013	1,60,888	98.1	19/09/2013	37,244
2014	257	21/07/2014	1,01,094	103.55	20/02/2014	4,354
2015	229.1	02/03/2015	1,57,641	86.2	08/09/2015	56,151
NSE						
2013	228.9	18/01/2013	46,238	97.1	19/09/2013	3,10,212
2014	257.5	21/07/2014	5,63,179	103.35	20/02/2014	33,674
2015	229.75	02/03/2015	9,43,136	86.1	08/09/2015	2,64,400

Source: www.bseindia.com, www.nseindia.com

- The high and low prices and volume of Equity Shares traded on the respective dates on the BSE and NSE during the last six months is as follows:

Month, Year	High (₹)	Date of High	Volume on date of High (Number of Equity Shares)	Low (₹)	Date of Low	Volume on date of Low (Number of Equity Shares)
BSE						
April 2015	202.2	08/04/2015	41,280	163.15	28/04/2015	60,449
May 2015	175.2	05/05/2015	55,326	155	18/05/2015	35,991
June 2015	163.8	01/06/2015	1,73,028	137.25	16/06/2015	35,995
July 2015	155.7	20/07/2015	1,43,104	139	30/07/2015	11,06,087
August 2015	150	03/08/2015	63,749	87.05	25/08/2015	90,243
September 2015	104.0	18/09/2015	86,381	86.20	08/09/2015	56,151
NSE						
April 2015	202.5	08/04/2015	1,99,569	162.9	28/04/2015	1,52,983
May 2015	175.55	05/05/2015	1,53,788	155.35	18/05/2015	1,78,102
June 2015	163.55	01/06/2015	53,957	137.7	16/06/2015	74,166
July 2015	155.9	20/07/2015	9,39,818	139	30/07/2015	16,13,641
August 2015	149.8	04/08/2015	6,76,154	86.25	24/08/2015	6,43,417
September 2015	104.5	14/09/2015	2,21,719	86.10	08/09/2015	2,64,400

Source: www.bseindia.com, www.nseindia.com

In the event the high or low price of the Equity Shares are the same on more than one day, the day on which there has been higher volume of trading has been considered for the purposes of this section.

- The week end closing prices of the Equity Shares for last four weeks on the BSE and NSE is provided in the tables below:

BSE:

Week Ending	Closing (₹)*	High (₹)	Date of High	Low (₹)	Date of Low

September 11, 2015	101.35	103.30	11/09/2015	86.20	08/09/2015
September 18, 2015	96.40	104.00	18/09/2015	94.80	18/09/2015
September 25, 2015	96.00	97.55	24/09/2015	94.05	21/09/2015
October 02, 2015	99.10	102.00	01/10/2015	95.10	29/09/2015

Source: www.bseindia.com

*Closing price on the last trading day of the week

NSE:

Week Ending	Closing (₹)*	High (₹)	Date of High	Low (₹)	Date of Low
September 11, 2015	101.25	103.35	11/09/2015	86.10	08/09/2015
September 18, 2015	96.80	104.50	14/09/2015	94.55	18/09/2015
September 25, 2015	96.15	97.95	24/09/2015	94.10	21/09/2015
October 02, 2015	99.20	103.80	01/10/2015	94.85	29/09/2015

Source: www.nseindia.com

*Closing price on the last trading day of the week

In the event the high and low price of the Equity Shares are the same on more than one day, the day on which there has been higher volume of trading has been considered for the purposes of this section.

4. The closing market price of the Equity Shares on the BSE and NSE as on October 5, 2015 was ₹ 100.70 and ₹ 100.65, respectively.

ACCOUNTING RATIOS AND CAPITALIZATION STATEMENT

Accounting Ratios

Ratio (on a standalone basis)	As at March 31, 2014	As at March 31, 2015	As at June 30, 2015
Basic and Diluted Earnings per share (₹)	11.02	9.21	0.49
Return on net worth	8.75%	6.95%	0.38%
Net asset value per equity share (₹)	126.02	132.47	130.49

Ratio (on a consolidated basis)	As at March 31, 2014	As at March 31, 2015	As at June 30, 2015
Basic and Diluted Earnings per share (₹)	20.49	14.32	(0.84)
Return on net worth	9.35%	6.43%	(0.38%)
Net asset value per equity share (₹)	219.05	222.76	219.36

The ratios have been computed as under :-

Basic and diluted earning per share	$\frac{\text{Net profit / (loss) after tax attributable to equity shareholders}}{\text{Total number of weighted average equity shares outstanding at the end of the year/period}}$
Return on Net worth %	$\frac{\text{Net profit/ (loss) after tax attributable to equity shareholders}}{\text{Net worth at the end of the year/period}}$
Net assets value per equity share (₹)	$\frac{\text{Net worth at the end of the year/period}}{\text{Total number of weighted average equity share outstanding at the end of the year/ period}}$

Net worth = Equity Share Capital + Securities Premium Account + General Reserve + Debenture Redemption Reserve + Capital Reserve + Surplus in the Statement of Profit and Loss (Excluding Preference Share capital, Foreign Currency Translation Reserve, Foreign currency monetary item translation reserve, Cash flow hedge reserve and Capital Reserve on consolidation).

Capitalization Statement

The following table sets forth our Company's capitalization and total debt as of June 30, 2015 and as adjusted to give effect to the Issue:

(In ₹ million)		
Particulars (on a standalone basis)	As at June 30, 2015	As adjusted for the Issue
Borrowings		
Short term borrowings	23,733.26	23,733.26
Long term borrowings (including current maturity of long term debt)	56,784.62	56,784.62
Total borrowings	80,517.88	80,517.88
Shareholder Funds		
Equity share capital	2,467.20	3,289.60
Reserves and surplus (refer note 4)	29,727.75	36,306.95
Total Shareholders' Funds	32,194.95	39,596.55
Total debt/ equity ratio	2.50	2.03
Long term debt equity ratio	1.76	1.43

Particulars (on a consolidated basis)	As at June 30, 2015	As adjusted for the Issue
Borrowings		
Short term borrowings	29,373.89	29,373.89
Long term borrowings (including current maturities of long term debt)	218,948.43	218,948.43
Total borrowings	248,322.32	248,322.32

Shareholder Funds		
Equity share capital	2,467.20	3,289.60
Reserves and surplus (refer note 4)	51,653.30	58,232.50
Total Shareholders' Funds	54,120.50	61,522.10
Total debt/ equity ratio	4.59	4.04
Long term debt equity ratio	4.05	3.56

The ratios have been computed as under:

1. Current maturity of long term debt has been considered under long term debt.

$$2. \text{ Total Debt / Equity Ratio} = \frac{\text{Total Debt}}{\text{Total Shareholders' Fund / Equity}}$$

$$3. \text{ Long Term Debt / Equity Ratio} = \frac{\text{Long Term Debt}}{\text{Total Shareholders' Fund / Equity}}$$

4. Total Shareholders' Fund / Equity = Equity Share Capital + Securities Premium Account + General Reserve + Debenture Redemption Reserve + Capital Reserve + Surplus in the Statement of Profit and Loss (Excluding Foreign Currency Translation Reserve, Foreign Currency Monetary Item Translation Reserve, Cash Flow Hedge Reserve and Capital Reserve on Consolidation)

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND DEFAULTS

Except as stated below, there are no (i) outstanding litigations, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, show cause notices or legal notices pending against our Company and our Subsidiaries, whose outcome could have a materially adverse effect on our business, operations or financial position; (ii) pending criminal liability, cases involving moral turpitude on the part of our Company, and its Subsidiaries, proceedings involving material violations of statutory regulations by the Company and its Subsidiaries or economic offences where proceedings have been initiated against our Company and its Subsidiaries and in the immediately preceding 10 years or proceedings initiated in the past by SEBI against our Promoter.

In this regard, please note that in determining whether there is any outstanding litigation against our Company and/ or our Subsidiaries other than litigation involving moral turpitude, criminal liability, material violations of statutory regulations or proceedings relating to economic offences that would have a material adverse effect on our business, the materiality threshold has been determined as per Clause XII sub-clause C in Part E of Schedule VIII of the SEBI (ICDR) Regulations, which stipulates that disclosure of outstanding litigation is required where (a) the aggregate amount involved in such individual litigation is likely to exceed 1% of the total revenue of our Company or 1% of the net worth of our Company, as per the last completed financial year; (b) the decision in one case is likely to affect the decision in similar cases, even though the amount involved in single case individually may not exceed 1% of the total revenue of our Company or 1% of the net worth of our Company, as per the last completed financial year, if similar cases put together collectively exceed such threshold.

Any legal proceeding involving potential financial liability of over ₹350 million (within the 1% Revenue and 1% net worth threshold computed on a standalone basis) is considered to be material and has been disclosed in this Letter of Offer. Further we have also disclosed certain other litigation which we consider material in this Letter of Offer.

For details in relation to contingent liabilities not been provided for in the financial statements of the Company, see the section titled “*Financial Information*” at page 99.

Unless stated to the contrary, the information provided below is as of the date of this Letter of Offer.

A. Involving the Company

I. By the Company

Civil

1. Our Company filed a petition on October 12, 2012 before the Company Law Board, Northern Region Bench, New Delhi against Regional Airport Holdings International Limited (“**RAHI**”), RAHI Aviation Holdings Private Limited (“**RAH**”), Mr. Umesh Kumar Baveja, Gulbarga Airport Developers Private Limited (“**GADPL**”) and Shimoga Airport Developers Private Limited (“**SADPL**”) under, *inter alia*, Sections 397 and 398 of the Companies Act, 1956, alleging various acts of oppression and mismanagement by RAH and Mr. Baveja in respect of the affairs of RAHI and consequently GADPL and SADPL. RAHI is a company promoted by RAH and Mr. Umesh Kumar Baveja. RAHI holds 22% equity stake in GADPL and SADPL which are special purpose vehicles undertaking the development of airports in Gulbarga and Shimoga respectively, in the State of Karnataka.

Pursuant to a shareholders’ agreement dated March 12, 2010 entered into between RAH and the Company (with RAHI as a confirming party), the Company subscribed to 40% of the equity share capital of RAHI and remitted subscription amount of ₹200 million towards 20,00,000 shares of ₹10 each at a premium of ₹90 each. As on date, no shares of RAHI have been allotted to the Company and the consideration for the subscription is shown as advance towards share application money in the books of accounts of the Company.

A payment of ₹30.80 million was made by the Company on behalf of GADPL, to settle overdue interest payable by GADPL, at the request of certain lenders of GADPL. GADPL has, however, not acknowledged payment of the said amount. Pursuant to a letter dated April 5, 2013, to the Company by IL&FS Airports

Limited (“**IAL**”), a group company, the said amount is shown as receivable from IAL under the head ‘Short Term Loans and Advances’ in the balance sheet of the Company as of the nine-month period ended December 31, 2013.

By orders dated April 10, 2013 and May 10, 2013, the Company Law Board directed RAHI, RAH and Mr. Baveja to allow an audit to be conducted of RAHI by an auditor and also directed RAHI to provide our Company the right to inspect the financial statements and accounts of GADPL and SADPL (“**CLB Orders**”). In June 8, 2013, Mr. Baveja, RAHI and RAH filed an appeal before the High Court of Delhi against the CLB Orders (“**Delhi High Court Appeal**”). The Delhi High Court Appeal was dismissed by the Delhi High Court pursuant to order dated September 30, 2013 (“**Delhi High Court Order**”). GADPL and SADPL also filed appeals before the High Court of Andhra Pradesh (Company Appeal No. 8 of 2013, Company Appeal No. 9 of 2013, Company Appeal No. 10 of 2013 and Company Appeal No. 11 of 2013) against the CLB Orders (the “**GADPL and SADPL Appeals**”). On June 4, 2013, the High Court of Andhra Pradesh granted a stay of the CLB Orders so far as they relate to GADPL for a period of four weeks (the “**GADPL and SADPL Appeals**”). The GADPL and SADPL Appeals have been dismissed by the High Court of Andhra Pradesh pursuant to an order dated November 29, 2013.

Mr. Baveja, RAHI and RAH subsequently filed a Special Leave Petition in the Supreme Court of India challenging the decision of the High Court of Delhi (Special Leave Petition No. 37002 of 2013). The Supreme Court has issued notice in the Special Leave Petition and intends to hear the matter but has not stayed the operation of the order of the Delhi High Court.

On October 8, 2012, our Company was served with a petition filed by RAH before the High Court of Delhi (Arbitration Petition No. 384 of 2012) for appointment of an arbitrator to adjudicate the disputes between RAH and our Company pursuant to the arbitration clause in the shareholders agreement entered into between the parties (the “**Arbitration Petition**”). Our Company has challenged the maintainability of the Arbitration Petition. The matter is currently pending.

2. In July 2013, RAH also filed a petition before the High Court of Delhi under Section 9 of the Arbitration Act, 1996 against our Company (Original Miscellaneous Petition No. 708 of 2013) seeking our Company to deposit a sum of ₹15,000 million or provide a bank guarantee in this amount to secure RAH’s claim pending the commencement of arbitration proceedings and for our Company not to alienate, transfer or encumber its immovable properties until such security is provided. RAH has also sought *ad interim* relief seeking our Company to disclose details of its immovable properties and restraining our Company from creating any encumbrances on such properties. Our Company has filed its reply to the petition. The matter is currently pending.
3. On August 17, 2014, the Company filed a writ petition (38978 of 2014) before the High Court of Karnataka against the Government and Karnataka, SADPL and another to restrain the Government of Karnataka from invoking bank guarantees to the extent of ₹123.70 million and seeking monies under the bank guarantees given by the Company for allotment of land to SADPL for the Shimoga airport project. Our Company also filed a writ petition (30578 of 2014) before the High Court of Karnataka against the Government and Karnataka, GADPL and another to restrain the Government of Karnataka from invoking bank guarantees to the extent of ₹96.90 million and seeking monies under the bank guarantees given by the Company for allotment of land to GADPL for the Gulbarga airport project.

Criminal proceedings

4. Our Company filed a criminal complaint on March 24, 2014 against Mr. Sandeep Mendiratta, Mr. Umesh Baveja and others for allegedly defrauding the Company by inducing it to invest in RAHI by misrepresenting to the Company regarding, *inter alia*, their experience in developing airport projects and the viability of the Gulbarga and Shimoga airport projects and for allegedly siphoning off money from GADPL and SADPL. FIR was registered against Sandeep Mendiratta, Umesh Baveja other by the Company in BKC police station on 13 May 2014. The complaint is currently pending.

B. Involving the Subsidiaries

I. By the Subsidiaries

Civil proceedings

RMRGL, IL&FS Rail Limited (“IL&FS Rail”)

5. RMRGL and IL&FS Rail filed a writ petition (criminal) (W.P. No. 24064/2014) before the High Court of Punjab and Haryana against the Assistant Director, Industrial Health and Safety, Gurgaon and others. RMRGL and IL&FS Rail have alleged that illegal and unlawful inspections were carried out by the respondents at their project sites and consequently a compliant (6 of 2013) was filed before the Chief Judicial Magistrate, Gurgaon alleging violation of provisions of the Building and Other Construction Workers (Regulation of Employment and Conditions of Services Act, 1996 (“**BOCW Act**”). RMRGL and IL&FS have filed the writ petition questioning the authority of the respondents to conduct the inspection under the BOCW Act and have sought to quash the complaint no. 6 of 2013. The matter is currently pending.

Rapid Metro Rail Gurgaon South Limited (“RMRGSL”), IL&FS Rail

6. RMRGSL and IL&FS Rail filed a writ petition (criminal) (W.P. No. 24054/2014) before the High Court of Punjab and Haryana against the Assistant Director, Industrial Health and Safety, Gurgaon and others. RMRGSL and IL&FS Rail have alleged that illegal and unlawful inspections were carried out by the respondents at their project sites and consequently a compliant (513 of 2014) was filed before the Chief Judicial Magistrate, Gurgaon alleging violation of provisions of the BOCW Act. RMRGSL and IL&FS have filed the writ petition questioning the authority of the respondents to conduct the inspection under the BOCW Act and have sought to quash the complaint no. 513 of 2014. The matter is currently pending.

MP Border Checkposts Development Company Limited (“MPCDCL”)

7. ICICI Bank Limited filed a recovery proceeding (O.A. 125 of 2014) before the Debt Recovery Tribunal -1, New Delhi against Spanco Limited, MPCDCL and others in relation to, *inter alia*, recovery of ₹1,293.04 million from Spanco Limited, in relation to default in repayment of certain facilities granted to Spanco Limited, including working capital facilities. In the said recovery proceeding, ICICI Bank has filed a separate application (I.A. No. 543 of 2014) against various entities, including MPCDCL, seeking to recover the receivables owed by the entities, including MPCDCL, to Spanco Limited. Spanco Limited is a shareholder of MPCDCL and the claimant has sought for the repayment of ₹566.85 million allegedly due from MPCDCL to Spanco Limited and has sought to acquire the shareholding of Spanco Limited in MPCDCL, towards recovery of the debts owed by Spanco Limited to ICICI Bank. The Debt Recovery Tribunal (“**DRT**”) passed an order directing MPBCDCL to not pay any dividends to Spanco, and to direct all the payments to ICICI/DRT. The matter is currently pending.

Elsamex Internacional, S.L.U. (Dominican Republic)

8. Following the dismissal of José Francisco Rodríguez Sanz as a delegate of Elsamex Internacional, S.L. (“EISL”), in the Dominican Republic, and after the appointment of a new manager of Consorcio De Obras Civiles, S.R.L. (Conciviles) (“CDOCS”), many irregularities, obstacles and difficulties were detected in conducting a financial audit of the operations of CDOCS due to the absence of records, information and documents, and certain operational, financial and accounting activities were not being registered or duly informed by José Francisco Rodríguez Sanz. The consortium discovered a large fraud that was taking place in the company by the previous manager.

After the review of the accounting and financial operations of CDOCS, serious irregularities appeared, including the existence of a credit assignment agreement signed with Constructora Serconsa, S.A, dated April 26 2012 for the amount of two hundred ninety five million Dominican Pesos (RD\$295,000,000.00) in relation to the Contrato Roadwork Agreement . It was alleged that the credit assignment agreement was made without any title that allows validation and also that Constructora Serconsa, S.A did not provide any compensation to justify entering into such a credit assignment agreement. EISL and CDOCS, filed a civil lawsuit on September 10, 2013 in order to nullify the credit assignment agreement against Constructora Serconsa, S.A. The matter is currently pending.

9. Also, after the review of the accounting and financial operations of CDOCS, serious irregularities appeared, including the existence of a credit assignment agreement signed with Inversiones Skygate, S.R.L, dated August 8, 2012 in the amount of One Hundred Million Dominican Pesos (RD\$100,000,000.00) in relation to the Contrato Sports Agreement for the implementation of projects with international financing on the

category “sports”. It was alleged that the credit assignment agreement was made without any title that allows validation and also that Inversiones Skygate, S.R.L did not provide any compensation to justify entering into such a credit assignment agreement. EISL and CDOCS, filed a civil lawsuit in order to nullify the credit assignment agreement, against Inversiones Skygate, S.R.L. The matter is currently pending.

10. Further, after the review of the accounting and financial operations of CDOCS, serious irregularities appeared, including the existence of a credit assignment agreement signed with Construcciones Y Diseños Rmn, S.R.L., dated August 10, 2010 in the amount of Two Hundred Forty Two Million Eight Hundred Seventy Four Thousand Eight Hundred Twelve Dominican Pesos With Twenty One Cents (RD\$242,874,812.21) in relation to the agreement identified as Contrato Sports Agreement. It was alleged that the credit assignment agreement was made without any title that allows validation and also that Construcciones Y Diseños Rmn, S.R.L did not provide any compensation to justify entering into such a credit assignment agreement. Elsamex Internacional, S.L, and CDOCS, filed a civil lawsuit in order to nullify the credit assignment agreement, against Construcciones Y Diseños RMN, S.R.L. The matter is currently pending.
11. After the review of the accounting and financial operations of CDOCS, serious irregularities appeared, including the existence of two credit assignment agreements signed with Grupo De Contrataciones Y Contratas, S.A. (“**Grucon**”), dated April 20, 2012 and May 16, 2012 amounting to RD\$188,371,376.57 in relation to the Contrato Roadwork Agreement and Contrato Sports Agreement. It was alleged that the credit assignment agreement was made without any title that allows validation and also that Grucon did not provide any compensation to justify entering into such a credit assignment agreement. ESIL and CDOCS filed a civil lawsuit in order to nullify the credit assignment agreements. The matter is currently pending.
12. After the review of the accounting and financial operations of CDOCS, serious irregularities appeared, including the existence of a credit assignment agreement signed with Trabajo Y Representaciones De Ingeniería Electromecánica, S.R.L, (“**TRIEM**”) amounting to RD\$61,868,703.62 in relation to the Contrato Sports Agreement. It was alleged that the credit assignment agreement was made without any title that allows validation and also that TRIEM did not provide compensation to justify entering into such a credit assignment agreement. ESIL and CDOCS filed a civil lawsuit in order to nullify the credit assignment agreements. The matter is currently pending.
13. After the review of the accounting and financial operations of CDOCS, serious irregularities appeared, including the existence of a credit assignment agreement signed with MI Gamma Obras Civiles (“**MI Gamma**”) dated April 26, 2012 amounting to RD\$18,137,472.73 in relation to the Contrato Roadworks Agreement. It was alleged that the credit assignment agreement was made without any title that allows validation and also that MI Gamma did not provide compensation to justify entering into such a credit assignment agreement. ESIL and CDOCS filed a civil lawsuit in order to nullify the credit assignment agreements. The matter is currently pending.
14. After the review of the accounting and financial operations of CDOCS, serious irregularities appeared, including the existence of a credit assignment agreement signed with Constructora Jordaca, S.A. (“**Constructora Jordaca**”) amounting to RD\$106,904,085.24 in relation to the Contrato Sports Agreement. It was alleged that the credit assignment agreement was made without any title that allows validation and also that Constructora Jordaca did not provide any compensation to justify entering into such a credit assignment agreement. ESIL and CDOCS filed a civil lawsuit in order to nullify the credit assignment agreements. The matter is currently pending.
15. After the review of the accounting and financial operations of CDOCS, serious irregularities appeared, including payment of RD\$30,000,000 to Constructora Marrero Viñas & Asociados without any credit that justifies it, which made it an undue payment and an obligation without cause. ESIL and CDOCS filed a civil lawsuit to restore the undue payment. The matter is currently pending.

Elsamex SA (Haiti)

16. Elsamex S.A. entered into a contract with Bureau de l’Ordennateur National des FED (“**BON**”) for the construction of a certain national highway in Haiti. BON terminated the contract alleging that Elsamex S.A. did not execute the works properly. Elsamex S.A. filed claims for damages caused due to certain delay and disruptions caused during the project. The total amount claimed from BON is 21.9 million Euros for harm caused due to termination of contract. Elsamex S.A. has also requested for arbitration proceedings to be

initiated in this regard. BON has also instituted a writ in court alleging that the termination of the contract was justified. All the matters are pending currently.

Pune Sholapur Road Development Company Limited (“PSRDCL”)

17. PSRDCL has commenced an arbitration proceeding against NHAI claiming an amount of ₹577.36 crore vide letter dated August 20, 2015, on account of failure to perform obligations under the concession agreement dated September 30, 2009 which resulted in inordinate delay in execution of the project for 4 laning of Pune-Sholapur section of NH-9. The arbitrators for the proceeding are yet to be appointed and the matter is currently pending.

Moradabad Bareilly Expressway Limited (“MBEL”)

18. MBEL has commenced arbitration proceedings against NHAI under concession agreement dated February 19, 2010, claiming an amount of ₹898.70 crore vide letter dated June 25, 2015, due to inter alia alleged delay by NHAI in handing over the project land and also on account of NHAI granting the provisional completion certificate for a lesser stretch of the Moradabad to Bareilly section of NH-24, which resulted in loss to MBEL towards toll revenue. The arbitrators for the proceeding are yet to be appointed and the matter is currently pending.

Criminal proceedings

Elsamex Internacional, S.L.U. (Dominican Republic)

19. ESIL appointed Jose Francisco Rodríguez Sanz as a delegate or representative in the Dominican Republic and the manager of CDOCS, a joint venture between ESIL and two companies. José Francisco was dismissed as the delegate and manager of CDOCS in May 22, 2012 due to some irregularities in filing of reports with ESIL. Following the dismissal of José Francisco and after the appointment of a new manager of CDOCS many irregularities, obstacles and difficulties were detected in conducting a financial audit of the operations of CDOCS due to the absence of records, information and documents, and certain operational, financial and accounting activities were not being registered or duly informed by Jose Francisco. ESIL and CDOCS filed a criminal complaint against José Francisco for money laundering and criminal breach of trust. The case is under investigation currently and is pending.

II. Against the Subsidiaries

Criminal proceedings

Elsamex S.A (Spain)

20. Pacadar filed a criminal complaint against Elsamex S.A., Mr. Ravi Parthasarathy (in his capacity as a director on the board of directors of Elsamex S.A.) and another before the Examining Magistrate’s Court No. 24 alleging that the signatures of some of the directors of Elsamex S.A. were forged on invoices issued by a supplier to Elsamex S.A. in relation to work undertaken by Elsamex S.A. for Pacadar for a project. It was alleged that these invoices were later submitted in court as evidence in a civil proceeding instituted by Elsamex against Pacadar for recovery of certain sums in relation to contract works carried out by Elsamex for Pacadar. The total estimated claim made was 1,265,020.17 € along with penalty and damages.

Chenani Nashri Tunnelway Limited (“CNTL”)

21. A first information report was filed by Davinder Kumar Sharma on July 25, 2015 for creating nuisance/obstruction by dumping waste on state land without acquisition or permission from the competent authority. The Executive Magistrate 1st Class, Chenani passed an order dated June 23, 2015, directing CNTL to remove the waste from state land within a week, or appear in court to show cause as to why the order should not be enforced. The matter is currently pending.

Civil proceedings

Jharkhand Road Projects Implementation Company Limited (“JRPICL”)

22. Lohardaga Educational & Cultural Society filed a public interest litigation dated August 28, 2012 (“**PIL**”) before the Jharkhand High Court seeking *inter alia* to quash a letter dated August 1, 2011 issued by the Road Construction Department of the State of Jharkhand awarding a contract for construction of a four lane road at Adityapur-Kandra highway (“**Project**”) to Jharkhand Road Projects Implementation Company Limited (“**JRPICL**”), to restraint JRPICL from continuing with the Project and to direct the Central Vigilance Commission to enquire into the award of the Project. The PIL alleged that the manner in which the Project was awarded was arbitrary and not as per the rules laid down in this regard. Our Company had filed its reply on February 1, 2013. The matter is currently pending.
23. Sadbhav Engineering Limited (“**SEL**”) has commenced an arbitration proceeding against JRPICL in relation to certain disputes arising out of two ‘contract agreements’ dated October 16, 2009, pursuant to which JRPICL had engaged SEL to undertake the construction works of the Ranchi Ring Road Project. SEL has, in its statement of claim filed before the arbitral tribunal (comprising of three arbitrators and presided by Justice (Retd.) Deepak Verma), claimed an aggregate amount of ₹2,380.2 million under various heads, including, increased cost of execution of project, interest charges on delayed payments, contract variations, bonus etc. JRPICL has, separately, filed a counter claim against SEL for an amount of ₹442.40 million, towards, inter alia, loss of bonus and failure to complete certain ‘punch list’ items by SEL. The matter is currently pending.

MP Border Checkposts Development Company Limited (“MPBCDCL”)

24. Sushil Levi filed a public interest litigation dated January 21, 2015 (“**PIL**”) before the High Court of Madhya Pradesh against the State of Madhya Pradesh, MPBCDCL and others, seeking *inter alia* to quash the order dated December 18, 2014 issued by the Principal Secretary, Transport, Madhya Pradesh (“**Order**”) for delegating the management of checking and service fee collection at the M.P. Border Check Posts to a private company without authorization. A stay order dated January 28, 2015 was passed against the Order, pending the final hearing of the petition. The matter is currently pending.

Elsamex Internacional, S.L.U. (Columbia)

Elsamex Internacional, S.L.U. (Columbia) (“**Elsamex Columbia**”) entered into a joint venture with three other parties to act as co-contractors in the construction of roads. Elsamex Columbia holds 75 per cent. of this joint venture. The name of the joint venture company is Temporal Union of Road Corridors of Columbia. Fiscal Trials and the Coercitive Jurisdiction of Nariño Departmental Management of the General Account Controller of the Republic initiated a preliminary fiscal inquiry on April 23, 2009 in order to obtain confirmation about the existence of the alleged irregularities against the contractor Temporal Union of Road Corridors of Colombia and the Auditor Consultecnicos S.A. On October 30, 2009, the preliminary investigation was concluded and instead a new fiscal responsibility process was initiated (“**Fiscal Responsibility**”) for alleged damages to the Treasury and to declare Temporal Union of Road Corridors of Colombia as alleged suspects among others. The amount for which this fiscal responsibility was alleged is around Peso 8,250,729,088.97. On August 11, 2010, Nariño Territorial Jurisdiction was appointed as competent authority to carry out inspection of the work and act as supervisor of the contract and to perform a reassessment of existing damage. The matter is currently pending.

Elsamex Internacional, S.L.U. (Dominican Republic)

25. Following the dismissal of José Francisco Rodríguez Sanz as a delegate of EISL, in the Dominican Republic, and after the appointment of a new manager of CDOCS, many irregularities, obstacles and difficulties were detected in conducting a financial audit of the operations of CDOCS due to the absence of records, information and documents, and because of that information revealed that the operational, financial and accounting activities were not being registered or duly informed by the previous manager. In order to solve legal disputes that arose with the discoveries made in these companies, the parties signed a settlement agreement (“**Settlement Agreement**”) and general shareholders agreement (“**General Shareholders Agreement**”), dated August 29, 2013, entered into between José Francisco and EISL and CDOCS and which according to José Francisco was breached. Jose Francisco Rodriguez Sanz filed a civil lawsuit before the First Instance Court of the National District against EISL, CDOCS and others for damages and breach of contract up to the tune of RD\$350,000,000 claiming that the Settlement Agreement and General Shareholders Agreement was breached, and that these companies were making false accusations and defaming him. The matter is currently pending.

26. Following the dismissal of José Francisco Rodríguez Sanz as a delegate of EISL, in the Dominican Republic, and after the appointment of a new manager of CDOCS, many irregularities, obstacles and difficulties were detected in conducting a financial audit of the operations of CDOCS due to the absence of records, information and documents, and because of that information revealed that the operational, financial and accounting activities were not being registered or duly informed by José Francisco, including many credit assignments on which there was no valid title. TRIEM, one of the parties to whom the credit assignment was granted, claims the existence of alleged actions taken without authorization and exceeding their duties by EISL and CDOCS, which seek the restoration of the credit assignments previously made, which allegedly has caused serious damage, since they have not been able to receive the alleged credit given, in addition to the lack of liquidity and moral damage to the reputation of TRIEM. The total claim made is RD\$250,000,000. The matter is currently pending.
27. Following the dismissal of José Francisco Rodríguez Sanz as a delegate of EISL, in the Dominican Republic, and after the appointment of a new manager of CDOCS, many irregularities, obstacles and difficulties were detected in conducting a financial audit of the operations of CDOCS due to the absence of records, information and documents, and because of that information revealed that the operational, financial and accounting activities were not being registered or duly informed by the previous manager, including many credit assignments on which there were no valid title.

Inversiones Skygate, one of the shareholders of CDOCS, instituted a suit before the presidency of the Civil and Commercial Chambers of First Instance Court of the National District, alleging that certain actions were taken by, among others, EISL and CDOCS without authorization and beyond their authority which allegedly caused them serious damage, since it have not been able to receive a alleged credit assignment given in its favor, as shareholders of CDOCS. Therefore, they seek to be ordered the appointment of a provisional judicial administrator for CDOCS, in order to avoid damages allegedly caused by the current manager.

Inversiones Skygate also instituted a suit before the Second Courtroom of Civil and Commercial Chambers of First Instance Court of the National District seeking restoration of credit assignments previously made, which has allegedly caused serious damage, since Inversiones Skygate has not been able to receive an alleged credit given in its favour, in addition to the lack of liquidity and damage to its reputation. The amount claimed is RD\$ 150,000,000. The matters are currently pending.

Tax proceedings

North Karnataka Expressway Limited (“NKL”)

28. The Assistant Commissioner of Income Tax (“ACIT”), Mumbai passed an order dated December 23, 2010 under Section 263 read with Section 143(3) of the Income Tax Act, 1961, against NKL disallowing ₹ 599.93 million for the assessment year 2005-06 *inter alia* on the ground that depreciation has been wrongly claimed on the toll road constructed on Build operate and transfer (“BOT”) basis (“ACIT Order”). NKL filed an appeal on January 18, 2011 before the Commissioner of Income Tax (Appeals), (“CIT-A”) against the ACIT Order. The CIT-A passed an order dated April 11, 2012 partly allowing the matter and disallowing the depreciation claimed by NKL (“CIT-A Order”). NKL has filed an appeal before the Income Tax Appellate Tribunal (“ITAT”), Mumbai on June 25, 2012 against the CIT-A Order and the department has filed an appeal on July 13, 2012 before the ITAT, Mumbai against the CIT-A Order. There is also an appeal against the Order passed under section 263 pending before Supreme Court of India. The matter is currently pending.
29. The ACIT, Mumbai passed an order dated December 30, 2008 under Section 143(3) against NKL disallowing ₹539.28 million for the assessment year 2006-07 *inter alia* on the ground that depreciation has been wrongly claimed on the toll road constructed on BOT basis (“ACIT Order”). NKL filed an appeal on January 27, 2009 before the CIT-A, Mumbai against the ACIT Order. The CIT-A passed an order dated April 11, 2012 disallowing the depreciation claimed by NKL (“CIT-A Order”). NKL has filed an appeal before the ITAT, Mumbai on June 25, 2012 against the CIT-A Order. The matter is currently pending.

C. Involving material affiliates

Warora Chandrapur Ballarpur Toll Road Company Limited

30. Priyadarshan Chandrashekhar Madkholkar filed a public interest litigation before the High Court of Bombay against the Union of India through the Ministry of Road Transport and Highways, New Delhi, Warora Chandrapur Ballarpur Toll Road Company Limited and others in relation to alleged irregularities in the construction, development and maintenance of various roads and bridges in the State of Maharashtra. The petitioners have sought for, among others, the setting up of a high power committee to enquire into various projects in the State of Maharashtra and direct the Ministry of Road Transport and Highways to take over certain road projects in the State of Maharashtra.

Road Infrastructure Development Company of Rajasthan Limited

31. IVRCL Limited (“**IVRCL**”) filed a arbitration claims on April 20, 2014 and April 25, 2014 for before the arbitral tribunal consisting of A.D. Narain, A.V. Rangaraju and K.C. Sharma against Road Infrastructure Development Company of Rajasthan Limited (“**RIDCOR**”) in relation to the contract entered into between IVRCL and RIDCOR for the maintenance of Alwar to Sikandra road (“**AS**”) and Pachpadra to Ramji Ki Gol road (“**PR 2**”) in Rajasthan. IVRCL has claimed an aggregate amount of ₹762.98 million for the PR 2 stretch and ₹456.86 million for the AS stretch for various claims including for the escalation of the price of bitumen and other non-bituminous items and refund of interest deducted over advances. RIDCOR has filed replies to the claim statements on May 30, 2014. RIDCOR also filed a counter claims in June 2014 against IVRCL claiming an amount of ₹369.27 million in PR 2 stretch and of ₹189.15 million in AS stretch along with costs of arbitration. The matters are currently pending.

Noida Toll Bridge Company Limited (“NTBCL”)

32. Federation of Noida Residents Welfare Association filed a public interest litigation (60214 of 2012) on November 16, 2012 against NTBCL, New Okhla Industrial Development Authority (“**NOIDA**”) and others before the High Court of Allahabad in relation to the ‘user fee’ collected by NTBCL for operating the Delhi Noida Direct flyway (“**DND Flyway**”) on the grounds that NTBCL has already recovered the cost of the project. The petitioner has sought, among other things, a direction to NOIDA to restraint NTBCL from collecting toll on the DND Flyway and a direction to the Director General of Police, Lucknow and S.S.P., Gautam Budh Nagar to ensure that there is no traffic blockage on the DND Flyway. NTBCL filed a reply to the petition on January 22, 2013. The matter is currently pending.
33. Hardas filed a civil suit before the Civil Judge Senior Division, GautamBudh Nagar, Uttar Pradesh, against (1) State of Uttar Pradesh, (2) Adhishashi Abhiyanta Head Work Khand, Agara, (3) New Okhala Industrial Development Authority (“**NOIDA**”), (4) IL&FS, and NTBCL. The suit is filed for a declaration from the Court to declare the concession agreement dated November 2, 1997 between NOIDA and IL&FS as void and contrary to the judgment of the Supreme Court in “Hinchal Twarivs Kamala Devi and Others”. IL&FS have filed the written statement on August 12, 2013. On October 21, 2013 the Civil Judge passed an order rejecting the preliminary objections raised by the defendants on jurisdiction of the Court and cause of action. NTBCL has filed an appeal against the order dated August 12, 2013 before the District Court. The matter is currently pending.
34. NTBCL filed a criminal complaint (571 of 1999) against NCR Land Developers Limited and others before the Chief Metropolitan Magistrate, Delhi for alleged defamatory and incorrect statements made by the accused against NTBCL to SEBI and various government authorities in relation to its initial public offering in 1998. The matter is currently pending.

Sociedad Concesionaria Autovía A-4 Madrid, S.A (Spain) (“Sociedad A-4”)

35. Sociedad A-4 entered into a contract with the Ministry of Public Works for the construction of certain roads in Spain. A dispute arose between Sociedad A-4 and Ministry of Public Works on March 5, 2014 whereby the Ministry of Public works sought to impose a penalty due to regularization in the certifications of works amounting to 6.8 million euros for correcting the quality level of the work undertaken for the construction of the road. The matter is currently pending.

Ramky Elsamex Hyderabad Ring Road Limited (“Ramky Elsamex”)

36. Ramky Elsamex filed an arbitration petition against the Hyderabad Metropolitan Development Authority (“**HMDA**”) and Hyderabad Growth Corridor Limited before the Arbitral Tribunal comprising of Mr. Gopal

Rao and others. Ramky Elsamex has claimed an amount of ₹1,042.11 million along with interest for non – payment of dues by the defendants for work performed by Ramky Elsamex in relation to design, construction, development and maintenance of an eight lane expressway in Hyderabad. Vide the order of the arbitrators on January 24, 2015, the arbitration proceedings were terminated due to a disagreement in the fee payable to the arbitrators. Ramky Elsamex is in the process of filing a petition for the appointment of a sole arbitrator in the matter. The proceedings are currently pending.

N.A.M. Expressway Limited (“NEL”)

37. The District Registrar & Collector, Hyderabad, issued a notice under the Indian Stamp Act, 1899, dated March 4, 2013, to NEL, for paying a sum of ₹ 100 towards stamp duty for the concession agreement for design, construction, finance, operation, and maintenance of four laning of Narketpally-Addanki-Medarametla Road (SH No. 2) from KM 0.00 to 212.500, instead of the payable duty of ₹62.834 Crore. NEL filed a reply dated August 2013 requesting withdrawal of notice on the ground that the concession agreement was not a lease agreement, and therefore the stamp duty of ₹62.834 Crore would not be applicable.

D. Regulatory actions taken against our Company and its Subsidiaries in the last three years

There have been no inquiries, inspections or investigations initiated or conducted or prosecutions filed, disposed off or fine imposed or compounding application filed under the Companies Act, 1956 or Companies Act, 2013 or any previous company law in relation to the Company and Subsidiaries in the last three years.

E. Material frauds committed against the Company in the last three years

There are no material frauds committed against our Company in the last three years.

F. Litigation involving the Promoter

Except as stated below, there are no past proceedings initiated by SEBI:

38. The SEBI had issued an ex parte ad-interim order dated April 27, 2006 under Sections 11, 11B and 11(4) of the SEBI Act and Section 19 of the Depositories Act, 1996 in the matter of investigation into initial public offerings restraining the IL&FS Depository Participant from opening fresh demat accounts. Pursuant to an order dated July 28, 2006, the SEBI directed the withdrawal of the ex parte order. An enquiry officer was appointed by the SEBI, who had issued a notice dated January 23, 2007 seeking explanation as to why action should not be taken against IL&FS. IL&FS submitted a proposal pursuant to its letter dated December 24, 2007 seeking settlement of the pending proceeding upon payment of Rs. 0.10 million towards the terms of consent. Pursuant to an order dated July 22, 2008, IL&FS’s proposal was accepted and the show cause notice of the enquiry officer was disposed off.

The following irregularities, deficiencies and lapses were observed during the inspection of operations of IL&FS as a Depository Participant:

- Opening beneficiary accounts without obtaining proper identity and address proof of the client;
- Such accounts were opened with improper and incomplete documentation;
- Such accounts were closed based on incomplete application.
- Delayed closing of such accounts whereas investors were charged till the date of closure.
- Omission to mention or incorrect mentioning of ISIN on demat request form.
- Mention of extra account holders in demat request form thereby delaying dematerialisation and rejection by the registrar or the issuer company.
- Accepting ‘Demat Instruction Slip’ (“DIS”) without time-stamping, without date of acceptance, non-mention of ISIN on DIS. There were also a difference in the execution date and actual execution and difference in the quantity mentioned in DIS and the system.
- Investor complaints were not recorded and the complaints register was not maintained; correspondence relating to the same was only filed after June 2000.
- Even after this period, the date and time of receipt of grievance was not recorded. In its absence, the question of whether grievances were addressed within 30 days cannot be determined in terms of Regulation 20(2)(e) of Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended (the “DP Regulations”).

39. The SEBI had issued a show cause notice on May 6, 2004 asking IL&FS Depository Participant as to the reason why “cease and desist” proceedings under Section 11D of the SEBI Act for the lapses observed during the inspection of Depository Participant operations should not be initiated against IL&FS. A reply was sent by IL&FS on June 7, 2004 admitting certain short comings and compliances to be completed. After a personal hearing given to IL&FS on July 21, 2006, the SEBI passed an order dated August 22, 2006 holding that it would not be appropriate to issue an order at this stage and directed IL&FS to refrain from committing any further violations. The SEBI further in its order directed IL&FS to desist from repeating any of the aforesaid lapses.

The SEBI passed an ad interim ex parte order dated April 27, 2006 whereby IL&FS was directed not to open fresh demat accounts until it received further directions since it violated ‘KYC’ norms. Subsequently, proceedings under Section 11 of SEBI Act were initiated against IL&FS and the enquiry officer issued a show cause notice against IL&FS on January 23, 2007.

However, on December 24, 2007, IL&FS proposed settlement through a consent order. The High Powered Advisory Committee, after examining the consent terms, recommended vide letter dated July 10, 2008, a settlement by IL&FS paying Rs. 0.1 million. The SEBI passed the consent order on July 22, 2008 and accepted the abovementioned amount without any admission or denial of the guilt of IL&FS without precluding SEBI’s power to reopen proceedings against IL&FS if the representations made during such consent proceedings were later found untrue or if there was a breach of any conditions of undertakings/waivers filed during current consent proceedings.

40. The SEBI had issued a notice on October 6, 2004 under Rule 4 of the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 for an inspection of books of accounts, documents, records, infrastructure and procedures of IL&FS conducted in September, 2003. The primary allegation against IL&FS was related to violation of Regulations 41 and 42(1) of the DP Regulations and violation of the SEBI Circular No. SMDRP/POLICY/CIR-36/2000 dated August 4, 2000 (the “SEBI Account Circular”).

Violation of Regulation 41 of the DP Regulations was alleged due to certain irregularities arising from failure of IL&FS to enter into agreements with beneficial owners before acting as a participant on their behalf as mentioned below:

- a. Failure to enter into an agreement with four clients;
- b. Failure to obtain necessary documentary proof of identity of a client;
- c. Failure to enter into an agreement with certain margin trading clients.

Non-compliance of the SEBI Account Circular was alleged on the basis that IL&FS failed to open ‘BO’ accounts without following account opening procedures for five clients. Violation of Regulation 42(1) of the DP Regulations was alleged due to co-mingling of securities of certain beneficial owners.

SEBI attributed certain amount of liability to IL&FS for failure to properly carry out its duties as a Depository Participant. However, no data could be found to quantify the loss caused to an investor or group of investors, nor were there quantifiable figures on record with regard to default by IL&FS. SEBI opined that although penalty need not be imposed in terms of the quantum specified in Section 15B of the SEBI Act, a token penalty was required to be imposed. Hence, SEBI passed an order dated July 15, 2005 in the adjudication proceedings held consequent to which IL&FS paid a penalty of Rs. 0.02 million on August 8, 2005.

GOVERNMENT APPROVALS

Our Company, Subsidiaries, Joint Ventures and Material Affiliates have received the necessary consents, licenses, permissions and approvals from the government and various governmental agencies required for us to undertake our current business activities and except as stated below, there are no material approvals and renewals required to be obtained by our Company, Subsidiaries, Joint Ventures and Material Affiliates for carrying on our present business operations which are currently pending:

A. Pending Approvals in relation to the Company

Approvals relating to intellectual property rights

S. No.	Approval sought	Authority to whom application is addressed	Reference/ Application Number	Date of application
1.	Registration for the Logo “ENJOY THE RIDE” for Class 35	Trade Marks Registry, Mumbai	2434862	November 29, 2012
2.	Registration for the Logo “ENJOY THE RIDE” for Class 36	Trade Marks Registry, Mumbai	2434863	November 29, 2012
3.	Registration for the Logo “ENJOY THE RIDE” for Class 37	Trade Marks Registry, Mumbai	2434864	November 29, 2012
4.	Registration for the Logo “ENJOY THE RIDE” for Class 39	Trade Marks Registry, Mumbai	2434865	November 29, 2012
5.	Registration for the Logo “ENJOY THE RIDE” for Class 42	Trade Marks Registry, Mumbai	2434866	November 29, 2012
6.	Registration for the Logo “enjoy the ride” for Class 35	Trade Marks Registry, Mumbai	2434869	November 29, 2012
7.	Registration for the Logo “enjoy the ride” for Class 36	Trade Marks Registry, Mumbai	2434870	November 29, 2012
8.	Registration for the Logo “enjoy the ride” for Class 37	Trade Marks Registry, Mumbai	2434871	November 29, 2012
9.	Registration for the Logo “enjoy the ride” for Class 39	Trade Marks Registry, Mumbai	2434872	November 29, 2012
10.	Registration for the Logo “enjoy the ride” for Class 42	Trade Marks Registry, Mumbai	2434873	November 29, 2012
11.	Patent application for system for highway accident reduction	Controller of Patents, Patent Office, Mumbai	3113/MUM/2015	August 17, 2015

Approvals relating to business operations

- (a) Registration as a contractor under the provisions of the CLRA by the Company in relation to the project undertaken by ITNL Road Infrastructure Development Company Limited.

B. Pending Approvals in relation to the Subsidiaries, Joint Ventures and Material Affiliates

The Ministry of Labour and Employment vide its letter dated July 17, 2014, has clarified that under the provisions of section 2(1)(g) of the Contract Labour (Regulation and Abolition) Act, 1970 (“**CLRA**”), NHAI and not the concessionaire shall be the principal employer in relation to the projects undertaken. Therefore, the Indian Subsidiaries are required, in their capacity as the concessionaire, to register as the contractor under the provisions of the CLRA and to file necessary documents with the authorities in their respective states.

Given below is a list of material approvals that the Subsidiaries, Joint Ventures and Material Affiliates (i) have applied for and are pending receipt; and (ii) are in the process of applying for:

Approvals applied for and pending

1. Jorabat Shillong Expressway Limited

- (a) Application dated September 7, 2015 for trade license

2. ***Elsamex Maintenance Services Limited***

- (a) Registration under the provisions of the CLRA for maintenance services provided for the project undertaken by MP Border Checkposts Development Company Limited at the following locations: (i) Sendhwa Khetia and (ii) Sagar Lalitpur.

3. ***Karyavattom Sports Facilities Limited***

- (a) No objection certificates for fire and rescue services

Approvals being applied for:

1. ***Jharkhand Road Projects Implementation Company Limited***

- (a) Registration under the shops and establishment act

2. ***N.A.M Expressway Limited***

- (a) Registration under the shops and establishment act

3. ***Badarpur Tollway Operations Management Limited***

- (a) Registration under the shops and establishment act

4. ***Grusamar Albania SHPK***

- (a) Registration with the Registrar of Companies of Tirana
- (b) Registration for tax identification number
- (c) License from the ministry of transportation and telecommunications

5. ***Alcantarilla Fotovoitaica S.L.U.***

- (d) Registration with the Registrar of Companies of Madrid
- (e) Registration for tax identification number
- (f) License from the ministry of employment and social security

MATERIAL DEVELOPMENTS

- A. In accordance with circular no. F.2/5/SE/76 dated February 5, 1977 issued by the Ministry of Finance, Government of India, as amended by Ministry of Finance, Government of India through its circular dated March 8, 1977 and in accordance with sub-item (B) of item X of Part E of Schedule VIII of the SEBI Regulations, the information required to be disclosed for the period between the last date of the balance sheet and the profit and loss account provided to the shareholders (i.e., for Fiscal 2015), and up to the end of the last but one month preceding date of the Letter of Offer (i.e., August 31, 2015), is provided below:

1. *Working results of our Company for the period from April 1, 2015 to August 31, 2015:*

The unaudited working results our Company for the period from April 1, 2015 to August 31, 2015 are as follows:

(In ₹ million)		
Serial No.	Particulars	Amount
1.	Sales / Turnover	15,158.10
2.	Other income	2,038.72
3.	Total Income	17,196.82
4.	PBDIT	5,083.36
5.	Interest/Finance charges (net)	4,101.11
6.	PBDT	982.25
7.	Provision for depreciation	51.74
8.	Provision for tax	216.62
9.	Profit after tax	713.89

2. *Material changes and commitments, affecting the financial position of our Company for the period from April 1, 2015 to August 31, 2015:*

Except as stated hereinbelow, there are no material changes and commitments, which are likely to affect the financial position of our Company for the period from April 1, 2013 to August 31, 2015:

- i) During period from April 1, 2015 to August 31, 2015, the Company made a total investment of ₹ 1,688.03 million.
- ii) During period from April 1, 2015 to August 31, 2015, the Company has assigned loans aggregating to ₹3,300 million which were given by the Company to its group companies.
- iii) During period from April 1, 2015 to August 31, 2015, the Company issued 3,500 rated listed unsecured redeemable non-convertible debentures of ₹1,000,000/- each amounting to ₹3,500 million. The Company also issued 1,000 rated unlisted unsecured redeemable non-convertible debentures of ₹1,000,000/- each amounting to ₹1,000 million.
- iv) During period from April 1, 2015 to August 31, 2015, the Company issued commercial Papers with maturity value of ₹6,500 million (net of CP redeemed).
- v) During period from April 1, 2015 to August 31, 2015, the Company paid the dividend of ₹ 1,187.79 million (including tax on dividend of ₹ 200.91 million) for the year 2014-15 after it received the approval for the same in the AGM held on August 26, 2015.
- vi) During period from April 1, 2015 to August 31, 2015, ITNL Offshore Two Pte. Limited, a wholly owned Subsidiary of our Company issued RMB 690 million, 7.50% Reg S only senior unsecured notes which are due 2018. These notes have been listed on the Singapore Stock Exchange.

- B. Except as stated in the sub-section above titled “Material Developments – Material Changes and commitments, affecting the financial position of our Company for the period from April 1, 2015 to August 31, 2015”, there are no material developments since June 30, 2015 (i.e. last date up to which financial information is incorporated in this Letter of Offer)

- C. Our Company filed its audited financial results for the Fiscal 2015 with the BSE and the NSE in accordance with the requirements of the Listing Agreements. For details, see the section titled “*Financial Information*” at page 99.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Pursuant to a resolution under Sections 62 of the Companies Act, 2013, and other provisions of the Companies Act passed by a committee of our Board of Directors on September 25, 2015, it has been decided to make the rights offer to the Eligible Equity Shareholders of our Company with a right to renounce. The Committee of Directors in their meeting held on September 25, 2015 have determined the Issue Price as ₹ 90 per Equity Share and the Rights Entitlement as 1 Equity Share(s) for every 3 Equity Share(s) held on the Record Date. The Issue Price has been arrived at in consultation with the Lead Manager.

Prohibition by SEBI, RBI or governmental authorities

Our Company, our Directors, our Promoter and the members of our Promoter Group have not been restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

Our Company, our Directors, our Promoter, the members of our Promoter Group, our Group Companies, the persons in control of our Company, and the companies with which our Directors, Promoter or persons in control are associated as directors or promoters or persons in control have not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI.

Except for Iridium India Telecom Limited, a member of our Promoter Group, none of our Company, our Promoter, our Group Companies or relatives (as per the Companies Act, 2013) of our Promoter or Group Companies have been identified as wilful defaulters by the RBI or any other governmental authorities.

Association with securities markets

Except as stated below, none of the Directors of the Company are associated with the securities markets in any manner:

Name of Director	Company with which the Director is associated
Mr. Deepak Satwalekar	Franklin Templeton Asset Management (India) Private Limited
Mr. Ravi Parthasarathy	IL&FS Capital Advisors Limited IL&FS Financial Services Limited IL&FS Investment Managers Limited
Mr. Vibhav Kapoor	IL&FS Capital Advisors Limited IL&FS Financial Services Limited IL&FS Investment Managers Limited IL&FS Portfolio Management Services Limited IL&FS Securities Services Limited
Mr. Hari Sankaran	IL&FS Financial Services Limited
Mr. Arun Kumar Saha	IL&FS AMC Trustee Limited IL&FS Capital Advisors Limited IL&FS Financial Services Limited IL&FS Investment Managers Limited IL&FS Trust Company Limited IL&FS Securities Services Limited

Further, except for our Directors, Mr. Vibhav Kapoor and Mr. Arun Kumar Saha, against whom SEBI had initiated proceedings and imposed penalties in their capacity as directors of IL&FS Securities Services Limited in the years 2004, 2005 and 2006, no action has been initiated by SEBI against any of our other Directors.

Eligibility for the Issue

Our Company is an existing listed company registered under the Companies Act, 1956 whose Equity Shares are listed on BSE and NSE. We are eligible to make the Issue in terms of Chapter IV of the SEBI Regulations.

Compliance with Regulation 4(2) of the SEBI Regulations

Our Company is in compliance with the conditions specified in Regulation 4(2), to the extent applicable. Further, in relation to compliance with Regulation 4(2)(d) of the SEBI Regulations, Company undertakes to make an application to the Stock Exchanges for listing of the Securities to be issued pursuant to this Issue.

Compliance with Regulation 10 of the SEBI Regulations

Our Company satisfies the following conditions specified in Regulation 10 and accordingly, our Company is eligible to make this Issue by way of a ‘fast track issue’:

1. The Equity Shares have been listed on BSE and NSE, each being a recognised stock exchange having nationwide trading terminals, for a period of at least three years immediately preceding the date of this Letter of Offer; Complied with
2. The average market capitalisation of the public shareholding of our Company is at least ₹ 2,500 million; Complied with
3. The annualised trading turnover of the Equity Shares during the six calendar months immediately preceding the month of this Letter of Offer with the Designated Stock Exchange has been at least 2% of the weighted average number of Equity Shares listed during the such six months period; Complied with
4. Our Company has redressed at least 95% of the complaints received from the investors till the end of the quarter immediately preceding the month of the date of this Letter of Offer; Complied with
5. Our Company has been in compliance with the Listing Agreement for a period of at least three years immediately preceding the date of this Letter of Offer; Complied with
6. The impact of auditor qualifications, if any, on the audited accounts of our Company in respect of Fiscal 2014 does not exceed 5% of the net profit after tax for Fiscal 2015; Complied with
7. No show-cause notices have been issued or prosecution proceedings initiated by the SEBI or pending against our Company or the Promoter or whole time directors as of the date of this Letter of Offer; Complied with. SEBI has not initiated any proceedings or issued any show cause notices which are currently pending against our Company, Promoter and whole time directors. In relation to the past proceedings initiated by SEBI against our Promoter, please see “Outstanding Litigation and Defaults” on page 380.
8. Our Company, or Promoter or members of the Promoter Group or Director have not settled any alleged violation of securities laws through the consent or settlement mechanism with SEBI during three years immediately preceding the reference date; Complied with
9. The entire shareholding of the Promoter Group is held in dematerialised form as on the date of this Letter of Offer. Complied with
10. The Promoter and members of the Promoter Group shall mandatorily subscribe to their Rights Entitlement and shall not renounce their rights, except to the extent of renunciation within the promoter group or for the purpose of complying with minimum public shareholding norms prescribed under Rule 19A of the Securities Contracts (Regulation) Rules, 1957; Noted for compliance
11. The Equity Shares have not been suspended from trading as a disciplinary measure during last three years immediately preceding the reference date; Complied with
12. The annualized delivery-based trading turnover of the Equity Shares during six calendar months immediately preceding this Letter of Offer has been at least ten per cent of the weighted average number of equity shares listed during such six months’ period; Complied with
13. there has been no conflict of interest between the Lead Manager and our Company or its group or associate company in accordance with applicable regulations; Complied with and noted for compliance

Compliance with Part E of Schedule VIII of SEBI Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part E of Schedule VIII of the SEBI Regulations as explained below:

- (a) Our Company has been filing periodic reports, statements and information with the Stock Exchanges in compliance with the Listing Agreements for the last three years immediately preceding the date of filing of the Letter of Offer with SEBI;
- (b) The reports, statements and information referred to in sub-clause (a) above are available on the website of BSE and NSE which are recognised stock exchanges with nationwide trading terminals; and
- (c) Our Company has an investor grievance-handling mechanism which includes meeting of the Shareholders’ and Investors’ Grievance Committee at frequent intervals, appropriate delegation of

power by the Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE LETTER OF OFFER TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. THE LEAD MANAGER, JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE LETTER OF OFFER, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED OCTOBER 6, 2015 WHICH READS AS FOLLOWS:

- “1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC., AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE LETTER OF OFFER PERTAINING TO THE SAID ISSUE;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER,**

WE CONFIRM THAT:

- (A) THE LETTER OF OFFER FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
 - (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE, AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ ISSUED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
 - (C) THE DISCLOSURES MADE IN THE LETTER OF OFFER ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE COMPANIES ACT, 2013, THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
- 3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.**

4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITER TO FULFIL THEIR UNDERWRITING COMMITMENTS. – NOT APPLICABLE
5. WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN WILL NOT BE DISPOSED OR SOLD OR TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE LETTER OF OFFER WITH SEBI UNTIL THE DATE OF COMMENCEMENT OF THE LOCK-IN PERIOD AS STATED IN THE LETTER OF OFFER.- NOT APPLICABLE
6. WE CERTIFY THAT CLAUSE 33 OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE CLAUSE HAVE BEEN MADE IN THE LETTER OF OFFER/ LETTER OF OFFER.- NOT APPLICABLE
7. WE UNDERTAKE THAT SUB-REGULATION 4 OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITOR'S CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. - NOT APPLICABLE
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS WILL BE MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956* AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE LETTER OF OFFER. WE FURTHER CONFIRM THAT THE AGREEMENT TO BE ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION.- NOTED FOR COMPLIANCE. ALL MONIES RECEIVED FROM THE OFFER SHALL BE CREDITED/ TRANSFERRED TO A SEPARATE BANK ACCOUNT AS PER SECTION 40(3) OF THE COMPANIES ACT, 2013
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE LETTER OF OFFER THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE EQUITY SHARES IN DEMAT OR PHYSICAL MODE. – NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE OFFER HAVE TO BE ISSUED IN DEMATERIALISED FORM ONLY.
11. WE CERTIFY THAT ALL APPLICABLE DISCLOSURES MANDATED IN THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.

12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE LETTER OF OFFER:
- (A) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND
- (B) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE. NOTED FOR COMPLIANCE
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, RISK FACTORS, PROMOTERS EXPERIENCE ETC. – COMPLIED WITH
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE LETTER OF OFFER WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY. – COMPLIED WITH
16. WE ENCLOSE STATEMENT ON ‘PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)’, AS PER THE FORMAT SPECIFIED BY THE BOARD THROUGH CIRCULAR – NOT APPLICABLE
17. WE CERTIFY THAT THE PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED, IN ACCORDANCE WITH ACCOUNTING STANDARD 18, IN THE FINANCIAL STATEMENTS OF OUR COMPANY INCLUDED IN THIS LETTER OF OFFER
18. WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y (1) (A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THESE REGULATIONS (IF APPLICABLE). NOT APPLICABLE
19. WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE LETTER OF OFFER HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
20. WE CONFIRM THAT THE COMPANY IS ELIGIBLE TO MAKE FAST TRACK ISSUE IN TERMS OF REGULATION 10 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009. THE FULFILMENT OF THE ELIGIBILITY CRITERIA AS SPECIFIED IN THAT REGULATION, BY THE COMPANY, HAS ALSO BEEN DISCLOSED IN THE LETTER OF OFFER. COMPLIED WITH. SEBI HAS NOT INITIATED ANY PROCEEDINGS OR ISSUED ANY SHOW CAUSE NOTICES WHICH ARE CURRENTLY PENDING AGAINST OUR COMPANY, PROMOTER AND WHOLE TIME DIRECTORS. IN RELATION TO THE PAST PROCEEDINGS INITIATED BY SEBI AGAINST OUR PROMOTER, PLEASE SEE “OUTSTANDING LITIGATION AND DEFAULTS” ON PAGE 380.
21. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE COMPANY HAVE BEEN MADE IN THE LETTER OF OFFER AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE COMPANY OR RELATING TO THE ISSUE, UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES /

ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH THE PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN. – COMPLIED WITH AND NOTED FOR COMPLIANCE

- 22. WE CONFIRM THAT THE ABRIDGED LETTER OF OFFER CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009. – COMPLIED WITH**
- 23. WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE COMPANY.**
- 24. WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO TO SUBREGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, THE CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE LETTER OF OFFER. – NOT APPLICABLE.**

THE FILING OF THIS LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER SECTION 34 OR SECTION 36 OF THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI, FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THE LETTER OF OFFER.

Disclaimer from the Company and the Lead Manager

Our Company and the Lead Manager accept no responsibility for statements made other than in this Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company and anyone placing reliance on any other source of information would be doing so at his own risk.

Investors who invest in the Issue will be deemed to have represented to our Company, the Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares, and are relying on independent advice/ evaluation as to their ability and quantum of investment in the Issue.

The Lead Manager and our Company shall make all information available to the Eligible Equity Shareholders and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Letter of Offer with SEBI.

Disclaimer with respect to jurisdiction

This Letter of Offer has been prepared under the provisions of Indian Laws and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai only.

Selling restrictions

The distribution of this Letter of Offer and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer may come are required to inform themselves about and observe such restrictions. Our Company is making the Issue to the Eligible Equity Shareholders of our Company and will dispatch the Letter of Offer/ Abridged Letter of Offer and CAF to the Eligible Equity Shareholders who have provided an Indian address. Any person who acquires Rights Entitlements or Rights Issue Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer/ Abridged

Letter of Offer, that he/it will acquire such Rights Issue Equity Shares in compliance with the US Securities Act and the rules and regulations thereunder, and the laws of the jurisdiction in which the person is located.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer has been filed with SEBI for observations. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Letter of Offer must be treated as sent for information only and should not be copied or redistributed. Accordingly, persons receiving a copy of this Letter of Offer should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer in any other jurisdiction where to do so would or might contravene local securities laws or regulations. If this Letter of Offer is received by any person in any such territory, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlements referred to in this Letter of Offer. Neither the delivery of this Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to this date.

Filing

This Letter of Offer is being filed with the Designated Stock Exchange as per the provisions of the SEBI Regulations. Further, in terms of Regulation 6(4) of the SEBI Regulations, our Company will simultaneously while filing this Letter of Offer with the Designated Stock Exchange, file a copy of this Letter of Offer with SEBI.

Consents

Consents in writing of our Directors, Company Secretary and Compliance Officer, the Auditors, the Lead Manager, the legal counsel, the Registrar to the Issue, Bankers to the Company, Escrow Collection Bank and experts to act in their respective capacities have been obtained and such consents have not been withdrawn up to the date of this Letter of Offer. M/s Deloitte Haskins & Sells LLP, Chartered Accountants, the Auditors of our Company, have given their written consent for the inclusion of the reports on the consolidated and standalone financial statements in the form and context in which the reports will appear in this Letter of Offer, and for the inclusion of the statement of tax benefit in the form and context in which they appear in this Letter of Offer, and such consents and reports have not been withdrawn up to the date of this Letter of Offer.

Expert Opinion

Except as stated below, the Company has not obtained any expert opinions:

The Company has received from the Auditors, Deloitte Haskins & Sells LLP, Chartered Accountants to include their name as "experts" under the Companies Act, 2013 and in their capacity as the auditor of the Company and in respect of their reports on the standalone and consolidated financial statements as at and for the year ended March 31, 2015 dated May 15, 2015, the review reports dated August 10, 2015 on the and the limited reviewed standalone and consolidated financial results for the quarter and the three months ended June 30, 2015 and the statement of tax benefits and issued by them and included in this Letter of Offer.

Designated Stock Exchange

The Designated Stock Exchange for the purposes of the Issue will be the NSE.

Disclaimer Clause of the BSE

"BSE Limited (the "**Exchange**") has given vide its letter dated September 30, 2015 permission to this Company to use the Exchange's name in this Letter of Offer as one of the stock exchanges on which this Company's securities are proposed to be listed. The Exchange has scrutinised this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not, in any manner:

- i. warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; or

- ii. warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
- iii. take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this letter of offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever."

Expenses of the Issue

The total expenses of the Issue are estimated to be approximately ₹ 69.49 million. The expenses of the Issue include, among others, fees of the Lead Manager, fees of the Registrar to the Issue, fees of the other advisors, printing and stationery expenses, advertising, travelling and marketing expenses and other expenses.

The estimated Issue expenses are as under:

Particulars	Estimated Expenses (In ₹ million)	% of Estimated Issue size	% of Estimated Issue expenses
Fee to Intermediaries (Lead Manager, Legal Counsel, Registrar to the Issue)	33,625,000	0.45%	48.39%
Advertising, traveling and marketing expenses	2,259,000	0.03%	3.25%
Printing, postage and stationery expenses	3,467,399	0.05%	4.99%
Miscellaneous and other expenses	30,137,175	0.41%	43.37%
Total	69,488,574	0.94%	100.00%

Investor Grievances and Redressal System

Our Company has adequate arrangements for redressal of Investor complaints. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

Our Company has a Shareholders'/ Investors' Grievance Committee which meets as and when required, to deal and monitor redressal of complaints from shareholders. Link Intime India Private Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Compliance Officer.

Investor Grievances arising out of the Issue

Any investor grievances arising out of the Issue will be handled by the Registrar to the Issue. The Company typically takes 10- 15 days for disposal of various types of investor grievances.

Our agreement with the Registrar to the Issue provides for retention of records with the Registrar for a period of at least one year from the last date of dispatch of letters of Allotment and refund orders to enable the Registrar to the Issue to redress grievances of Investors.

All grievances relating to the Issue may be addressed to the Registrar to the Issue giving full details such as folio no., name and address, contact telephone/ cell numbers, email id of the first applicant, number and type of shares applied for, CAF serial number, amount paid on Application and the name of the bank and the branch where the Application was deposited, along with a photocopy of the acknowledgement slip. In case of renunciation, the same details of the Renouncee should be furnished.

The average time taken by the Registrar to the Issue for attending to routine grievances will be seven working days from the date of receipt. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavour of the Registrar to the Issue to attend to them as expeditiously as possible. We undertake to resolve the investor grievances in a time bound manner.

Investors may contact the Registrar to the Issue at:

Link Intime India Private Limited

Pannalal Silk Mills Compound,
L.B.S Marg, Bhandup (West),
Mumbai 400 078, India.
Telephone: +91 22 6171 5400
Facsimile: +91 22 2596 0329
Email: itnl.rights2015@linkintime.co.in
Website: www.linkintime.co.in
Investor Grievance ID: itnl.rights2015@linkintime.co.in
Contact Person : Mr. Dinesh Yadav
SEBI Registration Number: INR000004058
CIN: U67190MH1999PTC118368

Investors may contact the Compliance Officer at the below mentioned address and/ or Registrar to the Issue at the above mentioned address in case of any pre-Issue/ post -Issue related problems such as non-receipt of allotment advice/share certificates/ demat credit/refund orders etc.

Address of our Compliance Officer:

Mr. Krishna Ghag

Company Secretary and Compliance Officer
'The IL&FS Financial Centre'
Plot No. C 22, G Block, Bandra-Kurla Complex
Bandra (East)
Mumbai 400 051, India
Telephone: + 91 22 2653 3333
Facsimile: + 91 22 2652 3979
E-mail: itnlinvestor@ilfsindia.com

IMPORTANT INFORMATION FOR INVESTORS – ELIGIBILITY

This Issue and the Equity Shares have not been and will not be registered under the Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) ("U.S. Persons") except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

This Issue and the Equity Shares have not been and will not be registered, listed or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Eligible Investors

The rights or Equity Shares are being offered and sold only to persons who are outside the United States and are not U.S. Persons, nor persons acquiring for the account or benefit of U.S. Persons, in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. All persons who acquire the rights or Equity Shares are deemed to have made the representations set forth immediately below.

Equity Shares and Rights Offered and Sold in this Issue

Each purchaser acquiring the rights or Equity Shares, by its acceptance of this Letter of Offer and of the rights or Equity Shares, will be deemed to have acknowledged, represented to and agreed with us, the Lead Manager that it has received a copy of the Abridged/ Letter of Offer and such other information as it deems necessary to make an informed investment decision and that:

- (1) the purchaser is authorised to consummate the purchase of the rights or Equity Shares in compliance with all applicable laws and regulations;
- (2) the purchaser acknowledges that the rights and Equity Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and, accordingly, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;
- (3) the purchaser is purchasing the rights or Equity Shares in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the Securities Act;
- (4) the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the rights or Equity Shares, is a non-U.S. Person and was located outside the United States at each time (i) the offer was made to it and (ii) when the buy order for such rights or Equity Shares was originated, and continues to be a non-U.S. Person and located outside the United States and has not purchased such rights or Equity Shares for the account or benefit of any U.S. Person or any person in the United States or entered into any arrangement for the transfer of such rights or Equity Shares or any economic interest therein to any U.S. Person or any person in the United States;
- (5) the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;
- (6) the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any “directed selling efforts” as defined in Regulation S under the Securities Act in the United States with respect to the rights or the Equity Shares; and
- (7) the purchaser acknowledges that the Company, the Lead Manager, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such rights or Equity Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any of such rights or Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

SECTION VII - OFFERING INFORMATION

TERMS OF THE ISSUE

The Equity Shares proposed to be issued are subject to the terms and conditions contained in the Letter of Offer, the CAF enclosed with the Letter of Offer, the Memorandum and Articles of Association, the provisions of the Companies Act, FEMA, the SEBI Regulations, any other regulations, guidelines, notifications and regulations for issue of capital and for listing of securities issued by SEBI, RBI, GOI and/ or other statutory authorities and bodies from time to time, and the terms and conditions as stipulated in the Allotment advice or letters of Allotment or share certificate and rules as may be applicable and introduced from time to time. All rights/ obligations of Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to Renouncees as well.

Please note that in accordance with the provisions of the SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011 all QIBs and Non-Institutional Investors and Non Retail Individual Investors complying with the eligibility conditions prescribed under the SEBI circular no. SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009 must mandatorily invest through the ASBA process. Applicants that are QIBs Non-Institutional Investors and Non Retail Individual Investors whose Application Money exceeds ₹ 2,00,000 can participate in the Issue only through the ASBA Process. ASBA Investors should note that the ASBA process involves Application procedures that may be different from the procedure applicable to non-ASBA process. ASBA Investors should carefully read the provisions applicable to such Applications before making their Application through the ASBA process. For more information, see the section titled “*Terms of the Issue – Applications by ASBA Investors*” on page 410.

Further, in terms of the SEBI circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on own account using ASBA facility, SCSBs should have a separate account in their own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public issues/ rights issues and clear demarcated funds should be available in such account for ASBA applications. SCSBs applying in the Issue using the ASBA facility shall be responsible for ensuring that they have a separate account in their own name with any other SCSB having clear demarcated funds for applying in the Issue and that such separate account shall be used as the ASBA Account for the application, for ensuring compliance with the applicable regulations.

All rights/obligations of the Eligible Shareholders in relation to application and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

Authority for the Issue

This Issue to our Eligible Equity Shareholders with a right to renounce is being made pursuant to a resolution passed by a committee of our Board of Directors on August 26, 2015.

Basis for the Issue

The Equity Shares are being offered for subscription for cash to those existing equity shareholders of our Company whose names appear, as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held in the electronic form, and on the register of members of our Company in respect of Equity Shares held in the physical form at the close of business hours on the Record Date, i.e., October 8, 2015, fixed in consultation with the Designated Stock Exchange.

Ranking of Equity Shares

The Equity Shares shall be subject to the Memorandum and Articles of Association. The Equity Shares allotted in the Issue shall rank *pari passu* with the existing Equity Shares in all respects, including payment of dividends, provided that voting rights and dividend payable shall be in proportion to the paid-up value of the Equity Shares held.

Mode of Payment of Dividend

We shall pay dividends (in the event of declaration of such dividends) to our equity shareholders as per the provisions of the Companies Act and our Articles of Association.

Principal Terms and Conditions of the Issue

Face Value

Each Equity Share shall have the face value of ₹ 10.

Issue Price

Each Equity Share is being offered at a price of ₹ 90 (including a premium of ₹ 80 per Equity Share).

Terms of payment

Full amount of ₹ 90 shall be payable at the time of making the Application.

The payment towards Equity Shares offered will be applied as under:

- (a) ₹ 10 towards share capital; and
- (b) ₹ 80 towards securities premium account.

Where an applicant has applied for additional Equity Shares and is allotted lesser number of Equity Shares than applied for, the excess Application Money paid shall be refunded. The monies would be refunded within 15 days from the Issue Closing Date. In the event that there is a delay of making refunds beyond such period as prescribed by applicable laws, our Company shall pay interest for the delayed period at rates prescribed under applicable laws.

Rights Entitlement

As your name appears as a beneficial owner in respect of Equity Shares held in the electronic form or appears in the register of members as an equity shareholder of our Company as on the Record Date, you are entitled to the number of Equity Shares as set out in Part A of the CAF enclosed with the Letter of Offer

Our Company is making this Issue on a rights basis to the Eligible Shareholders of our Company and will dispatch this Letter of Offer/ Abridged Letter of Offer and CAF only to Eligible Shareholders who have provided an Indian address to our Company. The distribution of this Letter of Offer/Abridged Letter of Offer and the issue of Securities on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Any person who acquires Rights Entitlements or Securities will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer/Abridged Letter of Offer/CAF, that such person is not and that at the time of subscribing for the Securities or the Rights Entitlements, will not be, in any restricted jurisdiction.

Rights Entitlement Ratio

The Equity Shares are being offered on a rights basis to the existing equity shareholders of our Company in the ratio of 1 Equity Share for every 3 Equity Shares held as on the Record Date.

As your name appears as a beneficial owner in respect of Equity Shares held in the electronic form or appears in the register of members as an equity shareholder of our Company as on the Record Date, you are entitled to the number of Equity Shares as set out in Part A of the CAF enclosed with the Letter of Offer.

An Eligible Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an Application to subscribe to the Issue on plain paper. For further details, see the section titled “*Terms of the Issue – Application on Plain Paper*” on page 424.

Fractional Entitlements

For Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is equal to or less than 3 Equity Shares or is not in multiples of 3, the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares.

Those Eligible Equity Shareholders holding less than 3 Equity Shares, i.e, holding up to 2 Equity Shares, and therefore entitled to zero Equity Shares under this Issue shall be dispatched a CAF with zero entitlement. Such Eligible Equity Shareholders are entitled to apply for additional Equity Shares and would be given preference in allotment of one additional Equity Share if, such Eligible Equity Shareholders have applied for the additional Equity Shares. However, they cannot renounce the same in favor of any third parties. CAF with zero entitlement will be non-negotiable/ non-renounceable.

An illustration stating the Rights Entitlement for number of Equity Shares is set out below

No. of Equity Shares held as on Book Closure Date	Rights Entitlement
1	0.33
2	0.67
3	1

The distribution of the Letter of Offer and the issue of the Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. We are making the issue of the Equity Shares on a rights basis to the Equity Shareholders and the Letter of Offer, Abridged Letter of Offer and the CAFs will be dispatched only to those Equity Shareholders who have a registered address in India or who have provided an Indian address. Any person who acquires Rights Entitlements or the Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer, that it is not and that at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States and in other restricted jurisdictions.

Notices

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English national daily newspaper with wide circulation, one Hindi national daily newspaper with wide circulation and one regional language newspaper with wide circulation at the place where our Registered Office is situated and/ or will be sent by ordinary post or registered post or speed post to the registered address of the Equity Shareholders in India as updated with the Depositories/ registered with the Registrar and Transfer Agent from time to time.

Listing and trading of the Equity Shares proposed to be issued

Our Company's existing Equity Shares are currently traded on the BSE (scrip code 533177) and NSE (symbol IL&FSTRANS). The fully paid-up Equity Shares proposed to be issued pursuant to the Issue shall, in terms of the circular (no. CIR/MRD/DP/21/2012) by SEBI dated August 2, 2012, be Allotted under a temporary ISIN which shall be kept blocked till the receipt of final listing and trading approval from the Stock Exchanges. Upon receipt of such listing and trading approval, the Equity Shares proposed to be issued pursuant to the Issue shall be debited from such temporary ISIN and credited in the existing ISIN of the Company and be available for trading.

All steps for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares allotted pursuant to the Issue shall be taken within seven working days of the finalization of the Basis of Allotment. Our Company has made applications to the BSE and the NSE seeking "in-principle" approval for the listing of the Equity Shares proposed to be issued pursuant to the Issue in accordance with Clause 24(a) of the Listing Agreement and BSE and NSE have issued their approvals pursuant to their letters dated September 30, 2015. Our Company will also apply to the Stock Exchanges for final approval for the listing and trading of the

Equity Shares. No assurance can be given regarding the active or sustained trading in the Equity Shares or that the price at which the Equity Shares offered under the Issue will trade after listing on the Stock Exchanges.

If permissions to list, deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchanges, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Letter of Offer. If such money is not repaid beyond eight days after our Company becomes liable to repay it, i.e., the date of refusal of an application for such a permission from a Stock Exchange, or on expiry of 15 days from the Issue Closing Date in case no permission is granted, whichever is earlier, then our Company and every Director who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest as per applicable law.

Rights of the Equity Shareholder

Subject to applicable laws, Equity Shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability of shares; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and the Memorandum and Articles of Association.

GENERAL TERMS AND CONDITIONS OF THE ISSUE FOR ASBA INVESTORS AND NON – ASBA INVESTORS

Market Lot

The Equity Shares are tradable only in dematerialised form. The market lot for the Equity Shares in dematerialised mode is one Equity Share.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue, our Company shall refund the entire subscription amount within the prescribed time. In the event that there is a delay of making refunds beyond such period as prescribed by applicable laws, our Company shall pay interest for the delayed period at rates prescribed under applicable laws.

The above is subject to the terms mentioned under the section titled ‘*Terms of the Issue - Basis of Allotment*’ on page 426.

Joint-Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint-holders with benefits of survivorship subject to provisions contained in the Articles of Association.

Nomination facility

In terms of Section 72 of the Companies Act, 2013, nomination facility is available in case of Equity Shares. An applicant can nominate, by filling the relevant details in the CAF in the space provided for this purpose.

A sole Eligible Equity Shareholder or first Eligible Equity Shareholder, along with other joint Eligible Equity Shareholders being individual(s) may nominate any person(s) who, in the event of the death of the sole holder or all the joint-holders, as the case may be, shall become entitled to the Equity Shares. A Person, being a nominee, becoming entitled to the Equity Shares by reason of the death of the original Eligible Equity Shareholder(s), shall be entitled to the same advantages to which he would be entitled if he were the registered holder of the Equity Shares. Where the nominee is a minor, the Eligible Equity Shareholder(s) may also make a nomination to

appoint, in the prescribed manner, any person to become entitled to the Equity Share(s), in the event of death of the said holder, during the minority of the nominee. A nomination shall stand rescinded upon the sale of the Equity Share by the person nominating. A transferee will be entitled to make a fresh nomination in the manner prescribed. When the Equity Share is held by two or more persons, the nominee shall become entitled to receive the amount only on the demise of all the holders. Fresh nominations can be made only in the prescribed form available on request at our Registered Office or such other person at such addresses as may be notified by our Company. The applicant can make the nomination by filling in the relevant portion of the CAF.

Only one nomination would be applicable for one folio. Hence, in case the Eligible Equity Shareholder(s) has already registered the nomination with our Company, no further nomination needs to be made for Equity Shares to be allotted in this Issue under the same folio. However, new nominations, if any, by the Eligible Equity Shareholder(s) shall operate in supersession of the previous nomination, if any.

In case the Allotment of Equity Shares is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be allotted in the Issue. Nominations registered with respective DP of the applicant would prevail. If the applicant requires to change the nomination, they are requested to inform their respective DP.

Offer to Non Resident Eligible Equity Shareholders/ Applicants

Applications received from NRs for Allotment shall be *inter alia*, subject to the conditions imposed from time to time by the RBI under FEMA, in the matter of receipt and refund of Application Money, Allotment, issue of letters of Allotment/ Allotment advice/ share certificates, payment of interest, dividends, etc. General permission has been granted to any person resident outside India to purchase shares offered on a rights basis by an Indian company in terms of FEMA and Regulation 6 of notification No. FEMA 20/2000-RB dated 3 May 2000. Our Board of Directors may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment of Equity Shares, payment of dividend etc. to the Non Resident Eligible Equity Shareholders. The Equity Shares purchased on a rights basis by non-residents shall be subject to the same conditions including restrictions in regard to the repatriability as are applicable to the original equity shares against which equity shares are issued on a right basis.

By virtue of Circular No. 14 dated September 16, 2003 issued by the RBI, OCBs have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Accordingly, OCBs shall not be eligible to subscribe to the Equity Shares. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated nonresident entities.

The Letter of Offer and CAF shall only be dispatched to Non Resident Eligible Equity Shareholders with registered addresses in India.

Option to subscribe

Applicants to the Equity Shares issued through this Issue shall be Allotted the securities in dematerialised (electronic) form at the option of the applicant. Our Company, along with the Registrar and Transfer Agent, has signed tripartite agreements dated May 12, 2005 and October 16, 2009, with each of NSDL and CDSL respectively, which enables our Equity Share to be held and traded in a dematerialised form, instead of in the form of physical certificates. Our Company has appointed Link Intime India Private Limited as the Registrar to the Issue, which has connectivity with both Depositories, and can therefore, allot the Equity Shares in dematerialised form.

Intention and extent of participation by the Promoter and the members of the Promoter Group in the Issue

Our Promoter, IL&FS and certain members of our Promoter Group namely IFIN holding Equity Shares, have confirmed that they intend to fully subscribe to their Rights Entitlement in the Issue subject to the terms of this Letter of Offer and applicable law. IL&FS and IFIN have confirmed that they intend to subscribe to the full extent of their Rights Entitlement in the Issue.

In addition to subscription to their Rights Entitlements, IL&FS and IFIN have further confirmed that they intend to subscribe to additional Equity Shares for any unsubscribed portion in the Issue, subject to aggregate shareholding of IL&FS and IFIN not exceeding 75% of the issued, outstanding and fully paid up equity share capital of the Company after the Issue. The subscription to and acquisition of such additional Equity Shares by IL&FS and IFIN will be in accordance with the Takeover Regulations. IL&FS and IFIN have provided undertakings dated September 29, 2015 and September 14, 2015 to this effect, respectively.

As such, other than meeting the requirements indicated in the section titled “*Objects of the Issue*” on page 62, there is no other intention/purpose for the Issue, including any intention to delist the Company, even if, as a result of any Allotments in the Issue to the Promoter, or the members of the Promoter Group, their shareholding in the Company exceeds their current shareholding. The Promoter, and/or members of the Promoter Group shall subscribe to, and/or make arrangements for the subscription of, such unsubscribed portion as per the relevant provisions of law and in compliance with the Listing Agreement.

Our Company expects to complete the Allotment within a period of 15 days from the Issue Closing Date in accordance with the Listing Agreement with the Stock Exchanges. Our Company shall retain no oversubscription.

Procedure for Application

The CAF for the Equity Shares would be printed in black ink for all Eligible Equity Shareholders. In case the original CAF is not received by the Eligible Equity Shareholder or is misplaced by the Eligible Equity Shareholder, the Eligible Equity Shareholder may request the Registrar to the Issue, for issue of a duplicate CAF, by furnishing the registered folio number, DP ID Number, Client ID Number and their full name and address. In case the signature of the Eligible Equity Shareholder(s) does not match with the specimen registered with the Company or the DP, the Application is liable to be rejected.

Neither the Company nor the Registrar to the Issue shall be responsible for delay in the receipt of the CAF/duplicate CAF attributable to postal delays or if the CAF/duplicate CAF are misplaced in the transit. The request for a duplicate CAF should reach the Registrar to the Issue within seven days from the Issue Opening Date. Eligible Equity Shareholder(s) should note that those who are making the Application in such duplicate CAF should not utilize the original CAF for any purpose, including renunciation, even if the original CAF is received or found subsequently. If any Investor violates any of these requirements, they shall face the risk of rejection of both Applications.

Please note that in accordance with the provisions of the SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011 all QIBs and Non-Institutional Investors and Non Retail Individual Investors complying with the eligibility conditions prescribed under the SEBI circular no. SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009 must mandatorily invest through the ASBA process. Applicants that are QIBs Non-Institutional Investors and Investors whose Application Money exceeds ₹ 2,00,000 can participate in the Issue only through the ASBA Process. ASBA Investors should note that the ASBA process involves Application procedures that may be different from the procedure applicable to non-ASBA process. ASBA Investors should carefully read the provisions applicable to such Applications before making their Application through the ASBA process.

How to Apply?

Resident Eligible Equity Shareholders

Applications should be made only on the CAF enclosed with the Letter of Offer. The CAF should be complete in all respects, as explained in the instructions indicated in the CAF. An Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an Application to subscribe to the Issue on plain paper. For further details, see the section titled “*Terms of the Issue – Application on Plain Paper*” on page 424. Applications will not be accepted by the Lead Manager or by the Registrar to the Issue or by our Company at any offices, except in the case of postal Applications as per instructions given in this Letter of Offer. ASBA Investors shall be required to indicate either in (i) Part A of the CAF, or (ii) a plain paper Application, as to their desire to avail of the ASBA option of payment.

Non Resident Eligible Equity Shareholders

Non Resident Indian applicants can obtain the CAF from the Registrar to the Issue. Applications received from Non Resident Eligible Equity Shareholders for the Issue shall, *inter alia*, be subject to the conditions as may be imposed from time to time by the RBI under FEMA, in the matter of receipt and refund of Application Money, Allotment, issue of letters of Allotment/ Allotment advice payment of interest, dividends etc.

APPLICATIONS BY ASBA INVESTORS

This section is for the information of the ASBA investors proposing to subscribe to the Issue through the ASBA process. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Letter of Offer. Eligible Equity Shareholders who are eligible to apply under the ASBA process are advised to make their independent investigations and to ensure that the CAF is correctly filled up, specifying the number of the bank account maintained with the Self Certified Syndicate Bank (“SCSB”) in which the Application Money will be blocked by the SCSB.

The Lead Manager, our Company, its directors, affiliates, associates and their respective directors and officers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs, the amount payable on Application has been blocked in the relevant ASBA Account.

Self Certified Syndicate Banks

The list of banks which have been notified by SEBI to act as SCSBs for the ASBA process is provided on <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>. For details on Designated Branches of SCSBs collecting the CAF, please refer the above mentioned SEBI link.

Eligible Equity Shareholders who are eligible to apply under the ASBA process

The option of applying for Equity Shares through the ASBA process is available only to Eligible Equity Shareholders of our Company on the Record Date.

In terms of the SEBI circular no. SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009 (“**December 2009 Circular**”), to qualify as ASBA Investors, Eligible Equity Shareholders:

- are required to hold Equity Shares in dematerialised form as on the Record Date and apply for (i) their Rights Entitlement or (ii) their Rights Entitlement and Equity Shares in addition to their Rights Entitlement in dematerialised form;
- should not have renounced their Right Entitlement in full or in part;
- should not be Renouncees (paragraphs (a), (b) and (c) are collectively referred to as the “**ASBA Investor Eligibility Criteria**”); and
- should apply through blocking of funds in bank accounts maintained with SCSBs.

Please note that in accordance with the provisions of the SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011 all QIBs and Non-Institutional Investors and Non Retail Individual Investors complying with the eligibility conditions prescribed under the SEBI circular no. SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009 must mandatorily invest through the ASBA process. Applicants that are QIBs Non-Institutional Investors and Investors whose Application Money exceeds ₹ 2,00,000 can participate in the Issue only through the ASBA Process. ASBA Investors should note that the ASBA process involves Application procedures that may be different from the procedure applicable to non-ASBA process. ASBA Investors should carefully read the provisions applicable to such Applications before making their Application through the ASBA process.

A Retail Individual Investor applying for a value of up to ₹ 0.2 million in the Issue can participate in the Issue through either the ASBA process or the non – ASBA process.

CAF

The Registrar will dispatch the CAF to all Eligible Equity Shareholders as per their Rights Entitlement on the Record Date. Those Eligible Equity Shareholders who must apply or who wish to apply through the ASBA process and have complied with the parameters mentioned above will have to select this mechanism in Part A of the CAF and provide necessary details.

Application in electronic mode will only be available with such SCSBs who provide such facility. The Eligible Equity Shareholder shall submit the CAF to the SCSB for authorising such SCSB to block an amount equivalent to the amount payable on the Application in the said bank account maintained with the same SCSB.

Please note that no more than five Applications (including CAF and plain paper) can be submitted per bank account in the Issue. ASBA Investors are also advised to ensure that the CAF is correctly filled up, stating therein the bank account number maintained with the SCSB in which an amount equivalent to the amount payable on Application as stated in the CAF will be blocked by the SCSB.

Acceptance of the Issue under the ASBA process

ASBA Investors may accept the Issue and apply for the Equity Shares either in full or in part, by filling Part A of the respective CAFs sent by the Registrar, selecting the ASBA process option in Part A of the CAF and submit the same to the SCSB before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by the Board of Directors in this regard.

Mode of payment under the ASBA process

An ASBA Investor agrees to block the entire amount payable on Application with the submission of the CAF, by authorising the SCSB to block an amount, equivalent to the amount payable on Application, in a bank account maintained with the SCSB.

After verifying that sufficient funds are available in the bank account details of which are provided in the CAF, the SCSB shall block an amount equivalent to the amount payable on Application mentioned in the CAF until it receives instructions from the Registrar to the Issue. Upon receipt of intimation from the Registrar to the Issue, the SCSBs shall transfer such amount as per the Registrar to the Issue's instruction from the bank account maintained with the SCSB, as mentioned by the Eligible Equity Shareholder in the CAF. This amount will be transferred in terms of the SEBI Regulations, into a separate bank account maintained by our Company as per the provisions of section 40(3) of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue and the Lead Manager.

The ASBA Investor would be required to block the entire amount payable on their Application at the time of the submission of the CAF. The SCSB may reject the Application at the time of acceptance of CAF if the bank account with the SCSB, details of which have been provided by the Eligible Equity Shareholder in the CAF, does not have sufficient funds equivalent to the amount payable on Application mentioned in the CAF. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application only on technical grounds.

Options available to the ASBA Investors

A summary of options available to Eligible Equity Shareholders is presented below. ASBA Investors may exercise any of the following options with regard to the Equity Shares, using the respective CAFs received from Registrar:

Option Available	Action Required
Accept whole or part of your Rights Entitlement without renouncing the balance.	Fill in and sign Part A of the CAF (All joint holders must sign)
Accept your Rights Entitlement in full and apply for additional Equity Shares	Fill in and sign Part A of the CAF including Block III relating to the acceptance of entitlement and Block IV relating to additional Equity Shares (All joint holders must sign)

ASBA Investors will need to select the ASBA process option in the CAF and provide required details. However, in cases where this option is not selected, but the CAF is tendered to the SCSBs with the relevant details required under the ASBA process option and the SCSBs block the requisite amount, then

that CAF would be treated as if the Eligible Equity Shareholder has selected to apply through the ASBA process.

Additional Equity Shares under the ASBA process

An ASBA Investor is eligible to apply for additional Equity Shares over and above the number of Equity Shares that it is entitled to, provided that it is eligible to apply for Equity Shares under applicable law and has applied for all the Equity Shares (as the case may be) offered without renouncing them in whole or in part in favour of any other person(s). Applications for additional Equity Shares shall be considered and Allotment shall be made at the sole discretion of the Board, in consultation with the Designated Stock Exchange and in the manner prescribed under “*Terms of the Issue - Basis of Allotment*” on page 426.

If you desire to apply for additional Equity Shares please indicate your requirement in the place provided for additional Equity Shares in Part A of the CAF.

Renunciation under the ASBA process

ASBA Investors can neither be Renouncees, nor can renounce their Rights Entitlements in part.

ELIGIBLE EQUITY SHAREHOLDERS UNDER THE ASBA PROCESS MAY PLEASE NOTE THAT THE EQUITY SHARES OF OUR COMPANY UNDER THE ASBA PROCESS CAN BE ALLOTTED ONLY IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE EQUITY SHARES ARE HELD BY SUCH ASBA INVESTOR ON THE RECORD DATE.

Issuance of Intimation Letters for ASBA Investors

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send the controlling branches, a list of the ASBA Investors who have been allocated Equity Shares in the Issue, along with:

- The number of Equity Shares to be allotted against each successful ASBA Application;
- The amount to be transferred from the ASBA Account to the separate account opened by the Company for the Issue, for each successful ASBA Application;
- The date by which the funds referred to in above paragraph, shall be transferred to separate account opened by the Company for Rights Issue; and
- The details of rejected ASBA Applications, if any, along with reasons for rejection to enable SCSBs to unblock the respective ASBA Accounts.

General instructions for ASBA Investors

- Please read the instructions printed on the CAF carefully.
- Applications should be made on the printed CAFs and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/ or which are not completed in conformity with the terms of the Letter of Offer, Abridged Letter of Offer are liable to be rejected. The CAF must be filled in English.
- The CAF/ plain paper application in the ASBA process should be submitted at a Designated Branch of the SCSB and whose bank account details are provided in the CAF and not to the Escrow Collection Bank (assuming that such Escrow Collection Bank is not a SCSB), to our Company or Registrar or a Lead Manager to the Issue.
- All applicants, and in the case of Application in joint names, each of the joint applicants, should mention his/ her PAN number allotted under the IT Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, CAFs without PAN will be considered incomplete and are liable to be rejected.
- All payments will be made by blocking the amount in the bank account maintained with the SCSB. Cash payment or payment by cheque/ demand draft/ pay order is not acceptable-for ASBA Investors. In case payment is affected in contravention of this, the Application may be deemed invalid and the Application money will be refunded and no interest will be paid thereon.
- Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression

must be attested by a Notary Public or a Special Executive Magistrate under his/ her official seal. The Eligible Equity Shareholders must sign the CAF as per the specimen signature recorded with our Company and/ or Depositories.

- In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with the Depository/ our Company. In case of joint applicants, reference, if any, will be made in the first applicant's name and all communication will be addressed to the first applicant.
- All communication in connection with Application for the Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar to the Issue prior to the date of Allotment in the Issue quoting the name of the first/ sole applicant Eligible Equity Shareholder and CAF number.
- Only the person or persons to whom the Equity Shares have been offered shall be eligible to participate under the ASBA process.
- Only persons outside restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Equity Shares under applicable securities laws are eligible to participate.
- Only the Eligible Equity Shareholders holding shares in demat form, and who comply with all the parameters for being an ASBA Investor, are eligible to participate through ASBA process.
- SCSBs making ASBA Applications on their own account are required to have a separate ASBA Account in their own name with any other SEBI registered SCSB. Such ASBA Account should be used solely for the purpose of making applications in rights issues and clear demarcated funds should be available in such account for ASBA Applications.

Do's for ASBA Investors:

- Ensure that the ASBA process option is selected in part A of the CAF and necessary details are filled in. In case of non-receipt of the CAF, the Application can be made on plain paper with all necessary details as required under the paragraph "*Terms of the Issue - Application on plain paper*" on page 424.
- Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated.
- Ensure that the CAFs are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the CAF.
- Ensure that there are sufficient funds (equal to {number of Equity Shares as the case may be applied for} multiplied by {the Issue Price, as the case may be}) available in the bank account maintained with the SCSB mentioned in the CAF before submitting the CAF to the respective Designated Branch of the SCSB.
- Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on Application mentioned in the CAF, in the bank account maintained with the respective SCSB, of which details are provided in the CAF and have signed the same.
- Ensure that you receive an acknowledgement from the SCSB for your submission of the CAF in physical form.
- Except for CAFs submitted on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, each applicant should mention their PAN allotted under the IT Act.
- Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF.
- Ensure that the Demographic Details are updated, true and correct, in all respects.
- Ensure that the account holder in whose bank account the funds are to be blocked has signed authorizing such funds to be blocked.
- Ensure that you apply through the ASBA process if you are a QIB or a Non – Institutional Investor and satisfy the eligibility requirements for being an ASBA Investor in terms of the December 2009 Circular.
- For ASBA Applications by SCSBs on own account, ensure that a separate ASBA Account in its own name is opened with any other SCSB.

Don'ts for ASBA Investors:

- Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.
- Do not apply on duplicate CAF after you have submitted a CAF to a Designated Branch of the SCSB.
- Do not pay the amount payable on Application in cash, by money order or by postal order.
- Do not send your physical CAFs/ plain paper applications to the Lead Manager/ Registrar to the Issue/ Escrow Collection Bank (assuming that such Escrow Collection Bank is not a SCSB)/ to a branch of the SCSB which is not a Designated Branch of the SCSB/ Bank; instead submit the same to a Designated Branch of the SCSB only.
- Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.
- Do not apply if the ASBA Account has been used for five applicants.
- Do not instruct respective banks to release the funds blocked under the ASBA process.

Grounds for Technical Rejection under ASBA process

Applications under the ASBA process are liable to be rejected on the following grounds:

- Application on a Split Application Form.
- Application for Allotment of Rights Entitlements or additional shares which are in physical form.
- DP ID and Client ID mentioned in CAF not matching with the DP ID and Client ID records available with the Registrar.
- Renounees applying under the ASBA process.
- Sending an ASBA Application on plain paper to the Registrar to the Issue.
- Sending CAF to a Lead Manager / the Registrar to the Issue/ the Registrar and Transfer Agent/ a Escrow Collection Bank (assuming that such Escrow Collection Bank is not a SCSB)/ to a branch of a SCSB which is not a Designated Branch of the SCSB/ Bank.
- Insufficient funds are available with the SCSB for blocking the amount.
- Funds in the bank account with the SCSB whose details are mentioned in the CAF having been frozen pursuant to regulatory orders.
- Submission of more than five CAFs per ASBA Account.
- Account holder not signing the CAF or declaration mentioned therein.
- QIBs, Non-Institutional Investors and Investors applying for Securities in this Issue for value of more than ₹ 2,00,000 who hold Securities in dematerialised form and is not a Renouncer not applying through the ASBA process.
- Application by an Eligible Shareholder whose cumulative value of Securities applied for is more than ₹ 2,00,000 but has applied separately through split CAFs of less than ₹ 2,00,000 and has not done so through the ASBA process.
- Multiple CAFs, including cases where an Eligible Shareholder submits CAFs along with a plain paper application.
- CAFs that do not include the certification set out in the CAF to the effect that the subscriber does not have a registered address (and is not otherwise located) in restricted jurisdictions and is authorized to acquire the rights and the securities in compliance with all applicable laws and regulations.
- Applications by persons not competent to contract under the Indian Contract Act, 1872, as amended, except applications by minors having valid demat accounts as per the demographic details provided by the Depositories.
- CAFs which have evidence of being executed in/ dispatched from restricted jurisdiction or executed by or for the benefit of a “U.S. Person” (as defined in Regulation S).
- Submitting the GIR number instead of the PAN.
- Applications by Eligible Shareholders ineligible to make applications through the ASBA process, made through the ASBA process.
- For ASBA Applications by SCSBs on own account, ensure that a separate ASBA Account in its own name is opened with any other SCSB.

Depository account and bank details for ASBA Investors

IT IS MANDATORY FOR ALL THE ELIGIBLE EQUITY SHAREHOLDERS WHO COMPLY WITH THE PARAMETERS FOR BEING AN ASBA INVESTOR TO RECEIVE THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL SUCH ELIGIBLE EQUITY SHAREHOLDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT’S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION

NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE CAF. SUCH ELIGIBLE EQUITY SHAREHOLDERS MUST ENSURE THAT THE NAME GIVEN IN THE CAF IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE CAF IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE CAF.

Such Eligible Equity Shareholders should note that on the basis of name of these Eligible Equity Shareholders, Depository Participant's name and identification number and beneficiary account number provided by them in the CAF, the Registrar to the Issue will obtain from the Depository, the Demographic Details. Hence, Eligible Equity Shareholders should carefully fill in their Depository Account details in the CAF.

These Demographic Details would be used for all correspondence with such Eligible Equity Shareholders including mailing of the letters intimating unblocking of bank account of the respective Eligible Equity Shareholder. The Demographic Details given by the Eligible Equity Shareholders in the CAF would not be used for any other purposes by the Registrar to the Issue. Hence, Eligible Equity Shareholders are advised to update their Demographic Details as provided to their Depository Participants.

By signing the CAFs/ plain paper ASBA Applications, ASBA Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Letters intimating Allotment and unblocking of funds would be mailed to the Indian addresses of the ASBA Investors as per the Demographic Details received from the Depositories. The Registrar to the Issue will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity Shares are not allotted to such shareholders. ASBA Investors may note that delivery of letters intimating unblocking of the funds may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Eligible Equity Shareholder in the CAF would be used only to ensure dispatch of letters intimating unblocking of the funds.

Note that any such delay shall be at the sole risk of the ASBA Investors and none of the Company, the SCSBs or the Lead Manager shall be liable to compensate the ASBA Investors for any losses caused due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, (a) names of the Eligible Equity Shareholders (including the order of names of joint holders), (b) the DP ID and (c) the beneficiary account number, then such Applications are liable to be rejected.

APPLICATIONS BY NON – ASBA INVESTORS

Eligible Equity Shareholders who are eligible to apply under the non – ASBA process

The option of applying for Equity Shares through the non – ASBA process is available only to Eligible Equity Shareholders of our Company on the Record Date as well as Renouncees. **Applicants that are QIBs Non-Institutional Investors and Investors whose Application Money exceeds ₹ 2,00,000 can participate in the Issue only through the ASBA Process.**

Furthermore, a Retail Individual Investor applying for a value of up to ₹ 0.2 million in the Issue can participate in the Issue through either the ASBA process or the non – ASBA process.

Instructions for options for non – ASBA Investors

The CAF consists of four parts:

- Part A: Form for accepting the Equity Shares offered and for applying for additional Equity Shares;
- Part B: Form for renunciation;
- Part C: Form for Application by Renouncee(s); and
- Part D: Form for request for Split Application Forms.

The summary of options available to the Eligible Equity Shareholder who applies through the non – ASBA process is presented below. You may exercise any of the following options with regard to the Equity Shares offered, using the enclosed CAF:

Option Available	Action Required
Accept whole or part of your Rights Entitlement without renouncing the balance.	Fill in and sign Part A (<i>all joint holders must sign</i>)
Accept your Rights Entitlement in full and apply for additional Equity Shares	Fill in and sign Part A including 'Block III' relating to the acceptance of Rights Entitlement and 'Block IV' relating to additional Equity Shares (<i>all joint holders must sign</i>)
Renounce your Rights Entitlement in full to one person, (<i>Joint Renouncees are considered as one</i>).	Fill in and sign Part B (<i>all joint holders must sign</i>) indicating the number of Equity Shares renounced and hand it over to the Renouncee. The Renouncees must fill in and sign Part C (<i>all joint Renouncees must sign</i>)
Accept a part of your Rights Entitlement and renounce the balance to one or more Renouncee(s) OR Renounce your Rights Entitlement to all the Equity Shares offered to you to more than one Renouncee	Fill in and sign Part D (<i>all joint holders must sign</i>) requesting for Split Application Forms. Send the CAF to the Registrar to the Issue so as to reach them on or before the last date for the receipt of requests for Split Application Forms. Splitting will be permitted only once. On receipt of the Split Application Form take action as indicated below. For the Equity Shares you wish to accept, if any, fill in and sign Part A. For the Equity Shares you wish to renounce, fill in and sign Part B indicating the number of Equity Shares renounced and hand it over to the Renouncees. Each of the Renouncees should fill in and sign Part C for the Equity Shares accepted by them.
Introduce a joint holder or change the sequence of joint holders	This will be treated as a renunciation. Fill in and sign Part B and the Renouncees must fill in and sign Part C.

Please note that:

- Part A of the CAF must not be used by any person(s) other than the Eligible Equity Shareholders. If used, this will render the Application invalid.
- Request for Split Application Form should be made for a minimum of one Equity Share or in multiples thereof and one Split Application Form for the balance Equity Shares, if any.
- Request by the Eligible Equity Shareholder(s) for the Split Application Form should reach the Registrar to the Issue on or before October 23, 2015.
- Only the person, to whom the Letter of Offer and/ or Abridged Letter of Offer has been addressed to and not the Renouncee(s) shall be entitled to renounce and to apply for Split Application Forms. CAF once split cannot be split again.
- Eligible Equity Shareholders may not renounce in favour of persons or entities in restricted jurisdictions including the United States or to or for the account or benefit of U.S. Person (as defined in Regulation S) who would otherwise be prohibited from being offered or subscribing for Equity Shares or Rights Entitlement under applicable securities law.
- While applying for or renouncing their Rights Entitlement, joint Eligible Equity Shareholders must sign the CAF in the same order and as per specimen signatures recorded with our Company/ the Depositories.
- Split Application Forms(s) will be sent to the applicant(s) by post at the applicant's risk.

Acceptance of the offer to participate in the Issue through the non – ASBA process

You may accept the offer to participate and apply for the Equity Shares offered through the Issue, either in full or in part by filling of Part A of the CAF and submit the same along with the Application Money payable to the Escrow Collection Bank or any of the collection branches as mentioned on the reverse of the CAF before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by our Board thereof in this regard. Non – ASBA Investors located at centers not covered by the branches of collecting banks can send their CAF together with the cheque drawn at par at Mumbai or demand draft/ pay order payable at Mumbai to the Registrar to the Issue by registered post. Such Applications sent to anyone other than the

Registrar to the Issue are liable to be rejected. Please note that all Applicants that are QIBs Non-Institutional Investors and Non Retail Individual Investors whose Application Money exceeds ₹ 2,00,000 can participate in the Issue only through the ASBA Process..

An Eligible Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an Application to subscribe to the Issue on plain paper. For further details, see the section titled “*Terms of the Issue – Application on Plain Paper*” on page 424.

Renunciation for non – ASBA Investors

Any renunciation (i) from a resident Indian Eligible Equity Shareholder to a Non Resident, or (ii) from a Non Resident Eligible Equity Shareholder to a resident Indian, or (iii) from a Non Resident Eligible Equity Shareholder to a Non Resident is subject to the renouncer (s)/ Renouncee(s) obtaining the necessary approvals, including from RBI under the FEMA and such permissions should be attached to the CAF. Applications not accompanied by the aforesaid approvals are liable to be rejected.

As an Eligible Equity Shareholder, you have the right to renounce your Rights Entitlement for the Equity Shares in full or in part in favour of one or more persons. Your attention is drawn to the fact that our Company shall not allot and/ or register any Equity Shares in favour of the following Renouncees:

- More than four persons including joint holders;
- Partnership firm(s) or their nominee(s);
- Minors (except applications by minors having valid demat accounts as per the demographic details provided by the Depositories);
- A Hindu Undivided Family (however, you may renounce your Rights Entitlements to the Karta of an Hindu Undivided Family acting in his capacity of a Karta);
- Any trust or society (unless the same is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorised under its constitutions to hold equity shares of a company), not being an existing shareholder of the Company;
- Any person or entity in the United States or to, or for the account or benefit of, a “U.S. Person” (as defined in Regulation S); or
- Any person situated or subject to jurisdiction where the offering in terms of the Letter of Offer could be illegal or requires compliance with securities laws.

The right of renunciation is subject to the express condition that our Board shall be entitled in its absolute discretion to reject the Application from the Renouncee(s) without assigning any reason thereof. Renouncee(s) shall not be entitled to further renounce the entitlement in favour of any other person.

Procedure for renunciation

The procedure for renunciation is as follows:

To renounce the entire Rights Entitlement in favour of one Renouncee

If you wish to renounce the Rights Entitlement indicated in Part A of the CAF, in whole, please complete Part B of the CAF. In case of joint holding, all joint holders must sign Part B of the CAF. The person in whose favour renunciation has been made should complete and sign Part C of the CAF. In case of Renouncees, all joint Renouncees must sign this part of the CAF.

To renounce in part/ or renounce the whole to more than one person(s)

If you wish to either accept the Rights Entitlement in part and renounce the balance or renounce the entire Rights Entitlement in favour of two or more Renouncees, the CAF must be first split into requisite number of forms.

Please indicate your requirement of Split Application Forms in the space provided for this purpose in Part D of the CAF and return the entire CAF to the Registrar to the Issue so as to reach them latest by the close of business hours on the last date of receiving requests for Split Application Forms. On receipt of the required number of Split Application Forms from the Registrar to the Issue, the procedure as mentioned in paragraph above shall have to be followed.

In case the signature of the Eligible Equity Shareholder(s), who has renounced the Equity Shares, does not agree with the specimen registered with our Company, the Application is liable to be rejected.

Renouncee(s)

The person(s) in whose favour the Equity Shares are renounced should fill in and sign Part C of the CAF and submit the entire CAF on or before the Issue Closing Date along with the Application Money.

Change and/ or introduction of additional holders

If you wish to apply for Equity Shares jointly with any other person(s), not exceeding three persons, who is/ are not already a joint holder with you, it shall amount to renunciation and the procedure as stated above for renunciation shall have to be followed. Even a change in the sequence of the name of joint holders shall amount to renunciation and the procedure, as stated above shall have to be followed.

However, this right of renunciation is subject to the express condition that our Board of Directors shall be entitled in its absolute discretion to reject the Application from the Renouncee(s) without assigning any reason thereof.

Additional Equity Shares

You may apply for additional Equity Shares over and above your Rights Entitlement, provided that you have applied for your entire Rights Entitlement without renouncing them in whole or in part in favor of any other person(s). Applications for additional Equity Shares shall be considered and Allotment shall be in the manner prescribed under the section titled “*Terms of the Issue - Basis of Allotment*” on page 426. If you desire to apply for additional Equity Shares, please indicate your requirements in the place provided for additional Equity Shares in Part A of CAF. The Renouncees applying for all the Equity Shares renounced in their favor may also apply for additional Equity Shares by indicating the details of additional Equity Shares applied for in the place provided for additional Equity Shares in Part C of CAF.

Non Resident investors who are not existing Equity Shareholders of the Company may not apply for Equity Shares in addition to their Rights Entitlement, i.e., Non Resident Renouncees cannot apply for additional shares.

Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.

Payment options for Non – ASBA Investors

Mode of payment for Resident Eligible Equity Shareholders/ Applicants

- Non – ASBA Investors who are resident in centers with the bank collection centres shall draw cheques/ drafts accompanying the CAF, crossed account payee only and marked “***ITNL– Rights Issue-R***”.
- Resident Non – ASBA Investors residing at places other than places where the bank collection centres have been opened by our Company for collecting Applications, are requested to send their Applications together with Demand Draft/ Pay Order net of bank and postal charges, payable at Mumbai, crossed account payee only and marked “***ITNL – Rights Issue-R***” directly to the Registrar to the Issue by registered post so as to reach them on or before the Issue Closing Date. Our Company or the Registrar to the Issue or the Lead Manager will not be responsible for postal delays or loss of Applications in transit, if any. Applicable banking and postal charges in this regard shall be borne by the Company.

Mode of payment for Non – Resident Eligible Equity Shareholders/ Applicants

Payment by Non – Residents must be made by demand draft payable at Mumbai/cheque, net of bank and postal charges, payable drawn on a bank account maintained at Mumbai or funds remitted from abroad in any of the following ways and crossed account payee only and marked “***ITNL – Rights Issue-NR***” directly to the Registrar to the Issue by registered post so as to reach them on or before the Issue Closing Date. Our Company or the Registrar to the Issue or the Lead Manager will not be responsible for postal delays or loss of Applications in transit, if any. Applicable banking and postal charges in this regard shall be borne by the Company.

Application with repatriation benefits

- By Indian Rupee drafts purchased from abroad and payable at Mumbai or funds remitted from abroad (submitted along with Foreign Inward Remittance Certificate);
- By cheque/ draft on a Non Resident External Account (NRE) or FCNR Account maintained in India; or
- By Rupee draft purchased by debit to NRE/ FCNR Account maintained elsewhere in India and payable in Mumbai; or FPIs registered with SEBI must remit funds from special Non Resident rupee deposit account.
- Non Resident investors applying with repatriation benefits should draw crossed account payee cheques/ drafts in favour of the Escrow Collection Bank and marked “**ITNL – Rights Issue-NR**” payable at Mumbai for the full Application Money.
- In the case of NRIs who remit their application money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account, details of which should be furnished in the appropriate columns in the CAF. In the case of NRIs who remit their application money through Indian Rupee Drafts from abroad, refunds and other disbursements, if any will be made in U.S Dollars at the rate of exchange prevailing at such time subject to the permission of RBI. Our Company will not be liable for any loss on account of exchange rate fluctuation for converting the Rupee amount into U.S. Dollar or for collection charges charged by the applicant’s bankers.

Application without repatriation benefits

- As far as Non Residents holding shares on non-repatriation basis is concerned, in addition to the modes specified above, payment may also be made by way of cheque drawn on Non Resident (Ordinary) Account maintained in India or Rupee Draft purchased out of NRO Account maintained elsewhere in India but payable at Mumbai. In such cases, the Allotment of Equity Shares will be on non-repatriation basis.
- All cheques/ demand drafts submitted by non-residents applying on a non-repatriation basis should be drawn in favour of the Escrow Collection Bank and marked “**ITNL – Rights Issue-R**” payable at Mumbai and must be crossed ‘account payee only’ for the full Application Money. The CAF duly completed together with the amount payable on Application must be deposited with the Collecting Bank indicated on the reverse of the CAF before the close of banking hours on or before the Issue Closing Date. A separate cheque or bank draft must accompany each CAF.
- Applicants may note that where payment is made by drafts purchased from NRE/ FCNR/ NRO accounts as the case may be, an Account Debit Certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/ FCNR/ NRO account should be enclosed with the CAF. Otherwise the Application shall be considered incomplete and is liable to be rejected.
- New demat account shall be opened for holders who have had a change in status from resident Indian to NRI.

Note:

- In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to IT Act.
- In case Equity Shares are allotted on non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India.
- The CAF duly completed together with the amount payable on Application must be deposited with the Collecting Bank indicated on the reverse of the CAF before the close of banking hours on or before the Issue Closing Date. A separate cheque or bank draft must accompany each CAF.

In case of an Application received from Non Residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines/ rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

The Reserve Bank of India has issued standard operating procedure in terms of paragraph 2(a) of RBI circular number DPSS.CO.CHD.No./133/04.07.05/2013-14 dated July 16, 2013, detailing the procedure for processing CTS 2010 and Non-CTS 2010 instruments in the three CTS grid locations. As per this circular, processing of non-CTS cheques shall be done only on three days of the week.

In order to enable to ensure listing of Equity Shares issued and allotted pursuant to this Issue in a timely manner, investors are advised to use CTS cheques or use ASBA facility to make payment.

Investors using non-CTS cheques are cautioned that applications accompanied by such cheques are liable to be rejected due to any clearing delays beyond 6 working days from the date of the closure of the Issue.

Availability of duplicate CAF

In case the original CAF is not received, or is misplaced by an applicant, the Registrar to the Issue will issue a duplicate CAF on the request of the applicant who should furnish the registered folio number/ DP and Client ID number and his/ her full name and address to the Registrar to the Issue. Please note that the request for duplicate CAF should reach the Registrar to the Issue at least seven days prior to the Issue Closing Date. Please note that those who are making the Application in the duplicate form should not utilize the original CAF for any purpose including renunciation, even if it is received/ found subsequently. If the applicant violates any of these requirements, he/ she shall face the risk of rejection of both the Applications. Neither the Registrar to the Issue nor the Lead Manager or our Company, shall be responsible for postal delays or loss of duplicate CAFs in transit, if any.

Duplicate CAFs will also be available at the website of the Registrar to the Issue, a hyper – link to which link will also be provided on the website of the Company.

General instructions for Non – ASBA Investors

- (a) Please read the instructions printed on the enclosed CAF carefully.
- (b) Application should be made on the printed CAF, provided by our Company or a plain paper Application and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/ or which are not completed in conformity with the terms of this Letter of Offer are liable to be rejected and the money paid, if any, in respect thereof will be refunded without interest and after deduction of bank commission and other charges, if any. The CAF must be filled in English and the names of all the applicants, details of occupation, address, father's/ husband's name must be filled in block letters.
- (c) The CAF together with cheque/ demand draft should be sent to the Escrow Collection Bank or to the Registrar to the Issue, and not to our Company, the Lead Manager. Resident applicants residing at places other than cities where the branches of the Escrow Collection Bank have been authorised by our Company for collecting Applications, will have to make payment by crossed account payee cheques payable at Mumbai or demand drafts/ pay orders payable at Mumbai and marked "**ITNL – Rights Issue-R**" and send their CAFs to the Registrar to the Issue by registered post/ speed post. If any portion of the CAF is/ are detached or separated, such Application is liable to be rejected.
- (d) Each of the applicants should mention his/ her PAN allotted under the IT Act along with the Application for the purpose of verification of the number. Except in case of Applications on behalf of the Central or State Government and the officials appointed by the courts and by Investors residing in Sikkim, **CAFs without the PAN details will be considered incomplete and are liable to be rejected.**
- (e) Investors holding Equity Shares in physical form, are advised to provide information as to their savings/ current account number, the nine digit MICR number and the name of the bank, branch with whom such account is held in the CAF to enable the Registrar to the Issue to print the said details in the refund orders, if any, after the names of the payees. Applications not containing such details are liable to be rejected.
- (f) All payment should be made by cheques/ demand draft only. Cash payment is not acceptable. In case payment is effected in contravention of this, the Application may be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.
- (g) Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/ her official seal. The

Eligible Equity Shareholders must sign the CAF or the plain paper Application as per the specimen signature recorded with our Company.

- (h) In case of an Application under a power of attorney or by a body corporate or by a society, a certified true copy of the relevant power of attorney or relevant resolution or authority to the signatory to make the relevant investment under this Issue and to sign the Application and a certified true copy of the memorandum and articles of association and/ or bye-laws of such body corporate or society must be lodged with the Registrar to the Issue giving reference of the serial number of the CAF. In case these papers are sent to any other entity besides the Registrar to the Issue or are sent after the Issue Closing Date, then the Application is liable to be rejected.
- (i) In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with our Company. Further, in case of joint applicants who are Renouncees, the number of applicants should not exceed three. In case of joint applicants, reference, if any, will be made in the first applicant's name and all communication will be addressed to the first applicant.
- (j) Application(s) received from Non Residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Equity Shares shall, *inter alia*, be subject to conditions, as may be imposed from time to time by the RBI under FEMA in the matter of refund of Application Money, Allotment of Equity Shares, subsequent issue and Allotment of Equity Shares, interest, dispatch of share certificates, etc. In case a Non Resident Eligible Equity Shareholder has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF.
- (k) All communication in connection with Application for the Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar to the Issue prior to the Allotment Date quoting the name of the first/ sole applicant Eligible Equity Shareholder, folio numbers and CAF number. Please note that any intimation for change of address of Eligible Equity Shareholders, after the Allotment Date, should be sent to the Registrar and Share Transfer Agent, in the case of Equity Shares held in physical form and to the respective Depository Participant, in case of Equity Shares held in dematerialised form.
- (l) Split Application Forms cannot be re-split.
- (m) Only the person or persons to whom Equity Shares have been offered and not Renouncee(s) shall be entitled to obtain Split Application Forms.
- (n) Applicants must write their CAF number at the back of the cheque/ demand draft.
- (o) A separate cheque/ demand draft must accompany each CAF. Outstation cheques/ demand drafts or post-dated cheques and postal/ money orders will not be accepted and Applications accompanied by such cheques/ demand drafts/ money orders or postal orders will be rejected. The Registrar will not accept payment against Application if made in cash. (For payment against Application in cash please refer point (f) above).
- (p) No receipt will be issued for Application Money received. The Escrow Collection Bank/ Registrar to the Issue will acknowledge receipt of the same by stamping and returning the acknowledgment slip at the bottom of the CAF.
- (q) Our Company shall not allot and/ or register any Equity Shares in favour of any person situated or subject to any jurisdiction where the offering in terms of this Letter of Offer could be illegal or requires compliance with applicable securities laws.
- (r) The distribution of this Letter of Offer and issue of Equity Shares under the Issue and Rights Entitlements to persons in certain jurisdictions outside India may be restricted by legal requirements in those jurisdictions. Persons in the United States and such other jurisdictions are instructed to disregard the Letter of Offer and not to attempt to subscribe for Rights Issue Equity Shares.

Do's for non-ASBA Investors:

- (a) Check if you are eligible to apply, i.e. you are an Eligible Shareholder on the Book Closure Date;
- (b) Read all the instructions carefully and ensure that the cheque/ draft option is selected in part A of the CAF and necessary details are filled in;
- (c) In the event you hold Equity Shares in dematerialised form, ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Equity Shares will be allotted in the dematerialised form only;
- (d) Ensure that your Indian address is available to our Company and the Registrar and Transfer Agent, in case you hold Equity Shares in physical form or the depository participant, in case you hold Equity Shares in dematerialised form;
- (e) Ensure that the value of the cheque/ draft submitted by you is equal to the (number of Equity Shares applied for) X (Issue Price of Equity Shares, as the case may be) before submission of the CAF;
- (f) Ensure that you receive an acknowledgement from the collection centres of the collection bank for your submission of the CAF in physical form;
- (g) Ensure that you mention your PAN allotted under the IT Act with the CAF, except for Applications on behalf of the Central and State Governments, residents of Sikkim and officials appointed by the courts;
- (h) Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF; and
- (i) Ensure that the Demographic Details are updated, true and correct, in all respects.

Don'ts for non-ASBA Investors:

- (a) Do not apply on duplicate CAF after you have submitted a CAF to a collection centre of the Escrow Collection Bank;
- (b) Do not pay the amount payable on Application in cash, by money order or by postal order;
- (c) Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;
- (d) Do not submit an Application accompanied with stockinvest; or
- (e) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.

Please note that pursuant to the applicability of the directions issued by SEBI vide its circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011, all Applicants that are QIBs Non-Institutional Investors and Non Retail Individual Investors whose Application Money exceeds ₹2,00,000 can participate in the Issue only through the ASBA Process.

Grounds for Technical Rejections for non-ASBA Investors

Investors are advised to note that Applications are liable to be rejected on technical grounds, including the following:

- Amount paid does not tally with the Application Money payable;
- Bank account details (for refunds) are not given and the same are not available with the Depository Participant (in the case of Equity Shares held in dematerialised form) or the Registrar and Transfer Agent (in the case of Equity Shares held in physical form);
- Age of the first applicant not given (in case of Renounees);
- Except in case of Applications on behalf of the Central or State Government and the officials appointed by the courts and by Investors residing in Sikkim, PAN details not given;
- PAN in CAF not matching the PAN in the DP ID;
- In case of CAF under power of attorney or by limited companies, corporate, trust, etc., relevant documents are not submitted;
- If the signature of the existing shareholder does not match with the one given on the CAF and for Renounees if the signature does not match with the records available with their depositories;
- If the applicant desires to have Equity Shares in electronic form, but the CAF does not have the applicant's depository account details;
- CAF is not submitted by the applicants within the time prescribed as per the CAF and this Letter of Offer;
- CAF not duly signed by the sole/ joint applicants;

- CAF by OCBs unless accompanied by specific/general approval from the RBI permitting such OCBs to invest in the Issue;
- CAF accompanied by stockinvest/ outstation cheques/ post – dated cheques/ outstation money orders/ postal orders/ outstation demand drafts;
- CAFs that do not include the certifications set out in the CAF to the effect that, among other thing, the subscriber is not located in restricted jurisdictions and is authorized to acquire the Rights Entitlements and Equity Shares under the Issue in compliance with all applicable laws and regulations;
- CAFs which have evidence of being executed in/dispatched from restricted jurisdictions;
- In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the applicants (including the order of names of joint holders), the DP ID and the beneficiary's identity;
- CAFs by ineligible Non Residents (including on account of restriction or prohibition under applicable local laws) and where last available address in India has not been provided;
- Renouncee Application either from R to NR, NR to R and Nr to NR not accompanied by the RBI approvals are liable to be rejected
- Additional shares applied for by Non Resident Renouncees
- Multiple Applications, including where an applicant submits a CAF and a plain paper Application; and
- Duplicate Applications;
- In case the GIR number is submitted instead of the PAN;
- Applications by Renouncee(s) who are persons not competent to contract under the Indian Contract Act, 1872, including minors; and
- Non – ASBA Applications made by QIBs and Non – Institutional Investors who satisfy the ASBA Investor Eligibility Criteria.
- The Application by an Eligible Equity Shareholder whose cumulative value of Equity Shares applied for is more than ₹ 2,00,000 but has applied separately through Split CAFs for less than ₹ 2,00,000 and has not done so through the ASBA process.

Please read this Letter of Offer and the instructions contained therein and in the CAF carefully before filling in the CAF. The instructions contained in the CAF are an integral part of the Letter of Offer and must be carefully followed. The CAF is liable to be rejected for any non-compliance of the provisions contained in the Letter of Offer or the CAF.

Payment of refunds to Non – ASBA Investors

Our Company will issue and dispatch refund orders within a period of 15 days from the Issue Closing Date. If such money is not repaid within the stipulated time period or such other period as may be prescribed under applicable laws, our Company shall pay that money with interest at the rates prescribed by applicable laws for the delayed period in this regard.

Printing of Bank Particulars on Refund Orders

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the Investor's bank account are mandatorily required to be given for printing on the refund orders. Bank account particulars, where available, will be printed on the refund orders/refund warrants which can then be deposited only in the account specified. Our Company will in no way be responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.

The payment of refund to Non – ASBA Investors, if any, would be done through any of the following modes:

1. NECS – Payment of refund would be done through NECS for Investors having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories/ the records of the Registrar and Transfer Agent. The payment of refunds is mandatory for Investors having a bank account at any centre where NECS facility has been made available by the RBI (subject to availability of all information for crediting the refund through NECS), except where the Investor, being eligible, opts to receive refund through NEFT, direct credit or RTGS.

2. National Electronic Fund Transfer (“**NEFT**”) – Payment of refund shall be undertaken through NEFT wherever the Investor’s bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
3. Direct Credit – Investors having bank accounts with the Refund Banker(s), in this case being, Indus Ind Bank Limited shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company.
4. RTGS – Investors whose refund amount exceeds ₹ 0.2 million, have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the CAF. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investors’ bank receiving the credit would be borne by the Investor.
5. For all other Investors, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched through Speed Post/ Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn and will be payable at par.
6. In case of any category of Investors specified by SEBI, crediting of refunds to the Investors in any other electronic manner permissible under the banking laws of India for the time being in force which is permitted by SEBI from time to time.

Option to receive Equity Shares in Dematerialised Form

Except for ASBA Investors, Investors shall be Allotted Equity Shares in dematerialised (electronic) form at the option of the Investor. Our Company, along with the Registrar and Transfer Agent, has signed tripartite agreements dated May 12, 2005 and October 16, 2009 with NSDL and CDSL, respectively, which enables the Investors to hold and trade in securities in a dematerialised form, instead of holding the securities in the form of physical certificates. Our Company has appointed Link Intime India Private Limited as the Registrar to the Issue, which has connectivity with both Depositories, and can therefore, credit the Equity Shares Allotted in dematerialised form.

In this Issue, Allottees who have opted for Equity Shares in dematerialised form will receive their Equity Shares in the form of an electronic credit to their beneficiary account with a Depository Participant. Investors will have to give the relevant particulars for this purpose in the appropriate place in the CAF or the plain paper application, as the case may be. Applications, which do not accurately contain this information, will receive securities in physical form. No separate Applications for securities in physical and/ or dematerialised form should be made. If such Applications are made, the Application for physical securities will be treated as multiple Applications and is liable to be rejected. In case of partial Allotment, Allotment will be done in demat option for the shares sought in demat and balance, if any, may be allotted in physical shares.

OTHER GENERAL INSTRUCTIONS

Application on plain paper

An Eligible Equity Shareholder who has neither received the original CAF nor is in a position to obtain a duplicate CAF and who is applying under the ASBA process may make an application to subscribe to the Issue on plain paper. Eligible Shareholders shall submit the plain paper application to the Designated Branch of the SCSB for authorizing such SCSB to block an amount equivalent to the amount payable on the application in the said bank account maintained with the same SCSB. Applications on plain paper from any address outside India will not be addressed.

Applications on plain paper, duly signed by the applicants including joint holders, in the same order as per specimen recorded with our Company, must reach the office of the Registrar to the Issue before the Issue Closing Date and should contain the following particulars:

- Name of Company, being “IL&FS Transportation Networks Limited”;
- Name and address of the Eligible Equity Shareholder including joint holders;
- Registered Folio Number/ DP and Client ID No.;
- Share certificate numbers and distinctive numbers of Equity Shares (if Equity Shares are held in physical form);
- Number of Equity Shares held as on Record Date;
- Number of Equity Shares entitled as per Rights Entitlement;
- Number of Equity Shares applied for as per Rights Entitlement;
- Number of additional Equity Shares applied for, if any;
- Total number of Equity Shares applied for;
- Total amount paid at the rate of ₹ 90 per Equity Share;
- Particulars of cheque/ demand draft/ pay order;
- Savings/ current account number and name and address of the bank where the Eligible Equity Shareholder will be depositing the refund order (in case of Equity Shares held by such Eligible Equity Shareholders in physical form). In case of Equity Shares allotted in dematerialised form, the bank account details will be obtained from the information available with the Depositories;
- Details of PAN, except in case of Applications on behalf of the Central or State Government and the officials appointed by the courts and by Investors residing in Sikkim, irrespective of the total value of the Equity Shares being applied for pursuant to the Issue;
- Signature of Eligible Equity Shareholders to appear in the same sequence and order as they appear in the records of our Company;
- If the payment is made by a draft purchased from NRE/FCNR/NRO account, as the case may be, an account debit certificate from the bank issuing the draft, confirming that the draft has been issued by debiting the NRE/FCNR/NRO account.
- For ASBA Investors, the Application on plain paper should contain details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB.
- Additionally, by subscribing to any Equity Shares offered in the Issue, you are deemed to have represented, warranted, acknowledged and agreed to us, the Lead Manager, as follows:

“I/We understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Equity Shares or Rights Entitlement in the United States. Accordingly, I/we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/we understand that neither us, nor the Registrar, the Lead Manager or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Manager or any other person acting on behalf of us have reason to believe is, a resident of the United States or “U.S. Person” (as defined in Regulation S) or is ineligible to participate in the Issue under the securities laws of their jurisdiction.

I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement and/or the Equity Shares is/are, outside the United States, (ii) am/are not a “U.S. Person” (as defined in Regulation S), and (iii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S.

I/We acknowledge that we, the Lead Manager, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.”

Please note that those who are making the Application otherwise than on original CAF shall not be entitled to renounce their rights and should not utilize the original CAF for any purpose including renunciation even if it is received subsequently. If an applicant violates any of these requirements, he/ she shall face the risk of rejection of both the Applications. Our Company will refund such Application Money to such applicant without any interest thereon.

A Resident Non – ASBA Investor and a Non Resident Non – ASBA Investors applying on non-repatriation basis, who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an Application to subscribe to the Issue on plain paper, along with a crossed account payee cheque payable at Mumbai or demand draft/ pay order (after deducting banking and postal charges) payable at Mumbai and marked ***ITNL – Rights Issue-R*** and send the same by registered post directly to the Registrar to the Issue, so as to reach the Registrar to the Issue on or before the Issue Closing Date. The envelope should be superscribed “***ITNL – Rights Issue-R***”.

Non Resident Non – ASBA Investors applying on repatriation basis who have neither received the original CAF nor are in a position to obtain the duplicate CAF may make an Application to subscribe to the Issue on plain paper, along with a crossed ‘Account Payee Cheque’ payable at Mumbai or a demand draft/ pay order (after deducting banking and postal charges) payable at Mumbai and marked ***ITNL – Rights Issue- NR*** in favour of the Escrow Collection Bank and send the same by registered post directly to the Registrar to the Issue, so as to reach the Registrar to the Issue on or before the Issue Closing Date. The envelope should be superscribed “***ITNL – Rights Issue-NR***”.

Resident and Non Resident ASBA Investors who have neither received the original CAF nor is in a position to obtain the duplicate CAF may make an Application to subscribe to the Issue on plain paper and such ASBA Investors should send the same by registered post/ speed post directly to the relevant SCSB. Applications on plain paper will not be accepted from any address outside India. The envelope should be super-scribed “***ITNL – Rights Issue-R***” in case of Resident ASBA Investors or Non Resident ASBA Investors applying on non repatriable basis and “***ITNL – Rights Issue – NR***”. Non – ASBA Investors applying on repatriation basis and should be postmarked in India.

Applicants are requested to strictly adhere to these instructions. Failure to do so could result in the Application being liable to be rejected without our Company, the Lead Manager and the Registrar to the Issue incurring any liabilities to such applicants for such rejections.

Last date of Application

The last date for submission of the duly filled in CAF or the plain paper Application is October 29, 2015. Our Board or any committee thereof will have the right to extend the said date for such period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date.

If the CAF, or the plain paper Application together with the amount payable is not received by the Escrow Collection Bank/ Registrar to the Issue, on or before the close of banking hours on the aforesaid last date or such date as may be extended by our Board or any committee of our Board, the offer contained in the Letter of Offer shall be deemed to have been declined and our Board or any committee of our Board shall be at liberty to dispose of the Equity Shares hereby offered, as provided under the section titled “*Terms of the Issue - Basis of Allotment*” on page 426.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES ISSUED PURSUANT TO THIS ISSUE CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALISED FORM.

Basis of Allotment

Subject to the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the CAF, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to allot the Equity Shares in the following order of priority:

- (a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renouncee(s), who has/ have applied for Equity Shares renounced in their favour, in full or in part. Allotment to Non-Resident Renouncees shall be subject to the permissible foreign investment limits applicable to our Company under FEMA.
- (b) If the shareholding of any of the Eligible Equity Shareholders is less than 3 Equity Shares or is not in multiples of 3, the fractional entitlement of such holders shall be ignored. Eligible Equity Shareholders whose fractional entitlements are being ignored would be considered for Allotment of one additional Equity Share each if they apply for additional Equity Share(s). Allotment under this head shall be considered if there are any un-subscribed Equity Shares after Allotment under (a) above. If the number

of Equity Shares required for Allotment under this head is more than number of Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange. (For further details, see the section titled “*Terms of the Issue – Fractional Entitlements*” on page 406.)

- (c) Allotment to Eligible Equity Shareholders who having applied for the Rights Entitlement in full and have also applied for additional Equity Shares. The Allotment of such additional Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there is an under-subscribed portion after making Allotment in (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of the Issue and not as a preferential Allotment.
- (d) Allotment to the Renouncees, who having applied for the Equity Shares renounced in their favour have also applied for additional Equity Shares except for Non Resident Renouncees applying for additional shares, provided there is an under-subscribed portion after making full Allotment in (a), (b) and (c) above. The Allotment of such additional Equity Shares will be made on a proportionate basis at the sole discretion of our Board or any committee of our Board but in consultation with the Designated Stock Exchange, as a part of the Issue and not as a preferential allotment.
- (e) Allotment to any other person as our Board may in its absolute discretion deem fit provided there is surplus available after making Allotment under (a), (b), (c), and (d) above, and the decision of the Board in this regard shall be final and binding.

In the event of oversubscription, Allotment will be made within the overall size of the Issue.

Underwriting

The Issue is not underwritten.

Issue Schedule

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Issue Opening Date	October 15, 2015
Last date for receipt of requests for Split Application Forms	October 23, 2015
Issue Closing Date	October 29, 2015

Allotments Advice/ Refund Orders

Our Company will issue and dispatch letters of Allotment/ Allotment advice/ share certificates/ demat credit and/ or letters of regret or credit the allotted securities to the respective beneficiary accounts, if any, within a period of 15 days from the Issue Closing Date. In the event that there is a delay of making refunds beyond such period as prescribed by applicable laws, our Company shall pay interest for the delayed period at rates prescribed under applicable laws.

In case of those Investors who have opted to receive their Rights Entitlement in dematerialised form using electronic credit under the depository system, and advise regarding their credit of the Equity Shares shall be given separately. Investors to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 15 days of the Issue Closing Date.

In case of those Investors who have opted to receive their Rights Entitlement in physical form and our Company issues letters of Allotment or Allotment advice, the corresponding share certificates will be kept ready within two months from the Allotment Date thereof or such extended time as may be approved under Section 56 of the Companies Act, 2013 or other applicable provisions, if any. Allottees are requested to preserve such letters of Allotment/ Allotment advice, which would be exchanged later for the share certificates. For more information see the section titled ‘Terms of the Issue - Letters of Allotment/ Allotment advice/ Share Certificates/ Demat Credit’ below.

The letters of Allotment/ Allotment advice/ refund order would be sent by registered post/ speed post to the sole/ first applicant's registered address. Such refund orders would be payable at par at all places where the Applications were originally accepted. The same would be marked 'Account Payee only' and would be drawn in favour of the sole/ first applicant. Adequate funds would be made available to the Registrar to the Issue for this purpose.

Letters of Allotment/Allotment Advice/ Share Certificates/ Demat Credit

Letters of Allotment/ Allotment advice/ share certificates/ demat credit or letters of regret will be dispatched to the registered address of the first named applicant or respective beneficiary accounts will be credited within 15 days, from the date of closure of the subscription list. In case our Company issues letters of Allotment/ Allotment advice, the relative share certificates will be kept ready within two months from the Allotment Date thereof or such extended time as may be approved under Section 56 of the Companies Act, 2013 or other applicable provisions, if any. Allottees are requested to preserve such letters of Allotment/ Allotment advice (if any) to be exchanged later for share certificates. Dispatch of letters of Allotment/ Allotment advice (if any)/ share certificates/ demat credit to Non Resident Allottees will be subject to the any applicable approvals of the RBI. Our Company has appointed Link Intime India Private Limited as the Registrar to the Issue, which has connectivity with both Depositories, and can therefore, credit the Equity Shares Allotted in dematerialised form.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES OF OUR COMPANY CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALISED FORM.

Procedure for availing the facility for Allotment of Equity Shares in the electronic form is as under:

1. Open a beneficiary account with any DP (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as is registered in the records of our Company). In case of investors having various folios in our Company with different joint holders, the investors will have to open separate accounts for such holdings. **Those Eligible Equity Shareholders who have already opened such beneficiary account(s) need not adhere to this step.**
2. For Eligible Equity Shareholders already holding Equity Shares in dematerialised form as on the Record Date, the beneficial account number shall be printed on the CAF. For those who open accounts later or those who change their accounts and wish to receive their Equity Shares pursuant to this Issue by way of credit to such account, the necessary details of their beneficiary account should be filled in the space provided in the CAF. It may be noted that the Allotment of Equity Shares arising out of this Issue may be made in dematerialised form even if the original Equity Shares are not dematerialised. Nonetheless, it should be ensured that the depository account is in the name(s) of the Eligible Equity Shareholders and the names are in the same order as in the records of our Company.
3. Responsibility for correctness of information (including applicant's age and other details) filled in the CAF vis-à-vis such information with the applicant's DP, would rest with the Applicant. Applicants should ensure that the names of the applicants and the order in which they appear in CAF should be the same as registered with the applicant's DP.
4. If incomplete/ incorrect details are given under the heading 'Request for Shares in Electronic Form' in the CAF, the applicant will get Equity Shares in physical form.
5. Allotment to investors opting for dematerialised form would be directly credited to the beneficiary account as given in the CAF after verification. Allotment advice or letters of Allotment, refund order (if any) would be sent directly to the applicant by the Registrar to the Issue but the applicant's DP will provide to him the confirmation of the credit of such Equity Shares to the applicant's depository account.
6. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment in this Issue. In case these details are incomplete or incorrect, such applications by Renouncees are liable to be rejected. The Company may also instead decide to allot the Equity Shares in physical form to such Renouncees.

Impersonation

As a matter of abundant caution, attention of the investors is specifically drawn to the provisions of sub-section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who –

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under section 447.”

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term of not less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

Payment by Stockinvest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the stockinvest scheme has been withdrawn with immediate effect. Hence, payment through stockinvest would not be accepted in this Issue.

Disposal of Application and Application Money

The Escrow Collection Bank/ Registrar to the Issue receiving the CAF will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each CAF. Please note that no such acknowledgment will be issued by our Company.

In case an Application is rejected in full, the whole of the Application Money received will be refunded. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Equity Shares Allotted, will be refunded to the applicant within 15 days from the Issue Closing Date. In the event that there is a delay of making refunds beyond such period as prescribed under applicable laws, our Company shall pay interest for the delayed period at rates prescribed under applicable laws in this regard.

For further instruction, please read the CAF carefully.

Utilisation of Issue Proceeds

Our Board declares that:

- (a) The funds received against this Issue will be transferred to a separate bank account.
- (b) Details of all moneys utilised out of this Issue shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such moneys has been utilised.
- (c) Details of all such un-utilised moneys out of this Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such un-utilised moneys have been invested.

Our Company shall utilize funds collected in rights issue only after the finalization of the Basis of Allotment.

Undertakings by our Company

Our Company undertakes as follows:

- (a) The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.
- (b) All steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed will be taken within seven working days of finalization of Basis of Allotment.
- (c) The funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed in this Letter of Offer shall be made available to the Registrar to the Issue by our Company.
- (d) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicants within 15 days of the Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.
- (e) The letters of Allotment/ Allotment advice to the NRs shall be dispatched within the specified time.
- (f) Adequate arrangements shall be made to collect all ASBA Applications and to consider them similar to non ASBA Applications while finalizing the Basis of Allotment.
- (g) No further issue of securities affecting equity capital of our Company shall be made till the securities issued/ offered through this Letter of Offer Issue are listed or till the application money are refunded on account of non-listing, under-subscription etc.
- (h) At any given time there shall be only one denomination of equity shares of our Company.
- (i) Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

Restriction on Foreign Ownership of Indian Securities

Investment by FPIs

In terms of the SEBI FPI Regulations, the issue of Securities to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our post-Issue Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board followed by a special resolution passed by the shareholders of our Company. Further, Category II FPIs under the SEBI FPI Regulations which are unregulated broad based funds and Category III FPIs under the SEBI FPI Regulations shall not issue, subscribe or otherwise deal in such offshore derivative instruments directly or indirectly. In addition, FPIs are required to ensure that further issue or transfer of any offshore derivative instruments by or on behalf of it is made only to person regulated by an appropriate foreign regulatory authority.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. An FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or sub-account (other than a sub-account which is a foreign corporate or a foreign individual) may participate in the Issue, until the expiry of its registration as an FII or sub-account or until it obtains a certificate of registration as an FPI, whichever is earlier. If the registration of an FII or sub-account has expired or is about to expire, such FII or sub-account may subject to payment of conversion fees as applicable under the SEBI FPI Regulations, participate in the Issue. An FII or sub-account shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

Investment by NRIs

Investments by NRIs are governed by the Portfolio Investment Scheme under Regulation 5(3)(i) of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000. Applications will not be accepted from NRIs in restricted jurisdictions.

Please note that pursuant to the applicability of the directions issued by SEBI vide its circular no. CIR/CFD/ DIL/1/2011 dated April 29, 2011, all Applicants who are QIBs, Non-Institutional Investors or are

applying in this Issue for Securities for an amount exceeding ₹ 200,000 shall mandatorily make use of ASBA facility.

Procedure for Applications by Mutual Funds

A separate Application can be made in respect of each scheme of an Indian mutual fund registered with the SEBI and such Applications shall not be treated as multiple Applications. The Applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the Application is being made.

Application made by asset management companies or custodian of a mutual fund shall clearly indicate the name of the concerned scheme for which Application is being made.

Please note that pursuant to the applicability of the directions issued by SEBI vide its circular bearing number CIR/ CFD/ DIL/ 1/ 2011 dated April 29, 2011, all Applicants who are QIBs, Non-Institutional Investors or are applying in this Issue for Securities for an amount exceeding ₹ 200,000 shall mandatorily make use of ASBA facility.

Important

- Please read this Letter of Offer carefully before taking any action. The instructions contained in the accompanying CAF are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.

It is to be specifically noted that this Issue of Equity Shares is subject to the risk factors mentioned in the section titled “*Risk Factors*” on page 12.

- All enquiries in connection with this Letter of Offer or accompanying CAF and requests for Split Application Forms must be addressed (quoting the Registered Folio Number/ DP and Client ID number, the CAF number and the name of the first Eligible Equity Shareholder as mentioned on the CAF and superscribed “**ITNL – Rights Issue**” in case of Resident Investors or Non-Resident Investors applying on non repatriable basis or “**ITNL – Rights Issue – NR**” in case of non resident shareholders applying on repatriable basis on the envelope) to the Registrar to the Issue at the following address:

Link Intime India Private Limited

Pannalal Silk Mills Compound,
L.B.S Marg, Bhandup (West),
Mumbai 400 078, India.
Telephone: +91 22 6171 5400
Facsimile: +91 22 2596 0329
Email: itnl.rights2015@linkintime.co.in
Website: www.linkintime.co.in
Investor Grievance ID: itnl.rights2015@linkintime.co.in
Contact Person : Mr. Dinesh Yadav
SEBI Registration Number: INR000004058
CIN: U67190MH1999PTC118368

- This Issue will be kept open for a minimum period of 15 days. However, the Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date.

SECTION VIII – STATUTORY AND OTHER INFORMATION

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than two years before the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by the Company. Such contracts and documents for inspection as referred in paragraph (A) below, may be inspected at the Registered Office from 10.00 am to 4.00 pm on working days (excluding Saturdays) from the date of this Letter of Offer until the date of closure of the Issue.

A. Material Contracts

1. Issue agreement dated October 5, 2015 between our Company and Lead Manager.
2. Agreement dated September 29, 2015 between our Company and Link Intime India Private Limited.
3. Escrow Agreement dated October 5, 2015 amongst our Company, Lead Manager, the Registrar to the Issue and the Escrow Collection Bank.
4. Tripartite Agreement dated May 12, 2005 between our Company, our Registrar and Transfer Agent and NSDL to establish direct connectivity with the Depository.
5. Tripartite Agreement dated October 16, 2009 between our Company, our Registrar and Transfer Agent and CDSL to establish direct connectivity with the Depository.
6. Monitoring Agency agreement dated October 5, 2015 between our Company and IndusInd Bank Limited.

B. Material Documents

1. Memorandum of Association and Articles of Association of our Company.
2. Our certificate of incorporation dated November 29, 2000 and certificates of incorporation consequent upon change in name of our Company dated July 22, 2002, September 24, 2004 and October 18, 2005.
3. Annual Reports of our Company for the Fiscal 2015, Fiscal 2014, Fiscal 2013, Fiscal 2012 and Fiscal 2011.
4. Copy of a resolution passed by the Board of Directors on August 26, 2015 authorizing the Issue and related matters.
5. Copy of a resolution passed by a committee of our Board of Directors on September 25, 2015 finalizing the Issue Price, Record Date and the Rights Entitlement Ratio.
6. Consents of the Directors, the Company Secretary and Compliance Officer, Auditors, Lead Manager, legal counsel to the Issue, the Registrar to the Issue, Monitoring Agency, Escrow Collection Bank and Refund Bank to include their names in this Letter of Offer and to act in their respective capacities.
7. The report of M/s Deloitte Haskins & Sells, Chartered Accountants dated May 15, 2015 in relation to the audited standalone and consolidated financial statements of our Company for Fiscal 2015, as set out in this Letter of Offer.
8. The reports of M/s Deloitte Haskins & Sells LLP, Chartered Accountants dated August 10, 2015 in relation to the limited reviewed standalone and consolidated financial results for the quarter and the three months ended June 30, 2015, as set out in this Letter of Offer.
9. Statement of tax benefits dated September 28, 2015 issued by M/s Deloitte Haskins & Sells LLP, Chartered Accountants, as set out in this Letter of Offer.
10. Consent of M/s Deloitte Haskins & Sells LLP, Chartered Accountants for inclusion of their report on the audited standalone and consolidated financial statements for Fiscal 2015 and the report in relation

to the limited reviewed standalone and consolidated financial results for the quarter and the three months ended June 30, 2015, in the form and context in which they appear in this Letter of Offer, and for inclusion of the statement of tax benefit in the form and context in which they appear in this Letter of Offer.

11. Certificate dated October 4, 2015 from A.P.Shah & Associates, Chartered Accountants, confirming the Company has utilised the loan amounts for the purposes for which the loans were availed.
12. Due Diligence Certificate dated October 6, 2015 from the Lead Manager.
13. In-principle listing approvals dated September 30, 2015 from BSE and NSE, respectively.
14. Letter of Offer dated April 15, 2014 delivered to the Stock Exchanges.

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time, if so required in the interest of our Company or if required by the other parties, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, and the rules made thereunder. All the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government and any other competent authority in this behalf, have been duly complied with. We further certify that all the statements in this Letter of Offer are true and correct.

SIGNED BY THE MANAGING DIRECTOR

Sd/-

Mr. K. Ramchand

SIGNED BY THE CHIEF FINANCIAL OFFICER

Sd/-

Mr. George Cherian

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/- Mr Deepak Dasgupta, Chairman	Sd/- Mr. Mukund Gajanan Sapre
Sd/- Mr. Ravi Parthasarathy	Sd/- Mr. Hari Sankaran
Sd/- Mr. Arun K. Saha	Sd/- Mr. Vibhav Kapoor
Sd/- Mr. H.P. Jamdar	Sd/- Mr. Ramesh Chandra Sinha
Sd/- Mr Deepak Satwalekar	Sd/- Mr. Pradeep Puri
Sd/- Neeru Singh	

Place: Mumbai, Maharashtra

Date: October 6, 2015