FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

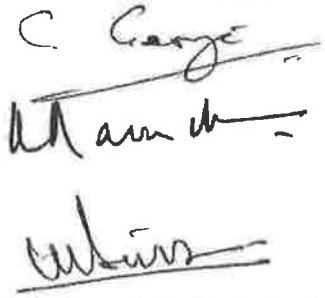
1.	Name of the Company:	IL&FS Transportation Networks Limited
2.	Annual stand-alone financial statements for the year ended	March 31, 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	□ Mr. George Cherian, Chief Financial Officer □ Mr. K. Ramchand, Managing Director □ Mr. R. C. Sinha, Chairman, Audit Committee	

Refer our Audit Report dated May 13, 2014
on the standalone financial statements of the Company
For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

Mr. Kalpesh J. Mehta
Partner
(Membership No. 48791)

FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the company	IL&FS Transportation Networks Limited
2.	Annual consolidated financial statements for the year ended	March 31, 2014
3.	Type of Audit observation	Emphasis of Matter paragraph (as reproduced below) **"Emphasis of Matter** 7. We draw attention to Note 13 and Note 19 to the consolidated financial statements, wherein significant elements of the consolidated financial statements have been determined based on management estimates (which in turn are based on technical evaluations by independent experts). These include: i. Intangible Assets and Intangible Assets under Development covered under service concession arrangements aggregating to carrying value of ₹132,871.21million (48.97% of the total assets), the useful lives and the annual amortisation thereof; ii. Provision for Overlay carried at ₹ 423.40 million in respect of intangible assets covered under service concession arrangements; and iii. Financial Assets covered under service concession arrangements, included as a part of Receivables against Service Concession Arrangements, carried at ₹ 80,666.64 million (29.73% of the total assets) and revenue recognised thereon based on the effective interest method which in turn is based on evaluations of the future operating and maintenance costs and the overlay / renewal costs and the timing thereof. Our opinion is not qualified in respect of this matter" For the relevant Notes in the Consolidated Financial Statements – Refer Annexure I
4.	Frequency of observation	Repetitive (since the year ended March 31, 2009)
5.	(i) Mr. George Cherian, Chief Financial Officer (ii) Mr. K. Ramchand, Managing Director (iii) Mr. R. C. Sinha, Chairman, Audit Committee	

Refer our Audit Report dated May 13, 2014
on the consolidated financial statements of the Company
For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm Registration No. 117366W/W-100018)



Mr. Kalpesh J. Mehta
Partner
(Membership No. 48791)

Foot Note:

(i) Depreciation on assets used during the construction period Rs.1.13 million (previous year Rs. 0.93 million) has been included in "Capital Work in Progress". 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**

Under the Service Concession Arrangements, where the Group has received the right to charge users of the public services, such rights are recognized and classified as "Intangible Assets". Such a 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 recognized and classified as intangible assets. Such an intangible asset is recognized by the Group at cost (which is the fair value of consideration received or receivable for the construction services delivered).

Accordingly, the fair value of consideration for construction services in respect of intangible assets covered under service concession arrangements of the Group, the useful lives of such intangible assets, the annual amortisation in respect thereof, and the provisions for overlay costs have been estimated by the Management having regard to the contractual provisions, the evaluations of the units of usage and other technical evaluations by independent experts, the key elements having been tabulated below:

₹ in million

Particulars	Upto / As at March 31, 2014	Upto / As at March 31, 2013
Margin on construction services recognised in respect of intangible assets (Rs. in million)	11,827.10	8,654.42
Carrying amounts of intangible assets (Rs. in million)	48,009.31	27,456.47
Units of usage (No. of vehicles)	82,199,673 to 1,554,733,739	32,671,845 to 1,554,733,739
Provision for overlay in respect of intangible assets (Rs in million)	423.40	776.29
Carrying amounts of intangible assets under development (Rs in million)	84,861.90	66,969.81
	For year ended	
	March 31, 2014	March 31, 2013
Amortisation charge in respect of intangible assets (Rs in million)	1,039.29	543.46

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

IL&FS Transportation Networks Limited

Annexure I to Form A (Consolidated Financial Statements)

Relevant extracts from the Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2014

"Note 13: Fixed assets

Rs in million

	Particulars	Gross Block (at cost)					Depreciation and Amortisation					Net Block
		Balance as at April 1, 2013	Adjustments / Reclassifications (Refer Foot Note iii)	Additions	Deletions	Balance as at March 31, 2014	Balance as at April 1, 2013	Adjustments / Reclassifications (Refer Foot Note iii)	Charge for the year (refer foot note i)	Deletions	Balance as at March 31, 2014	Balance as at March 31, 2014
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	4.26	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	183.42	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	22.96
	Furniture and fixtures	-	8.11	-	-	8.11	-	6.46	0.52	-	6.98	1.13
	Building and structures	186.95	20.52	-	-	207.47	29.76	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	2,905.68	48,009.31
	Trademarks and licences	1.93	0.36	-	-	2.29	1.93	0.36	-	-	2.29	-
	Others	206.47	258.52	23.13	-	488.42	121.84	22.87	88.09	-	232.80	255.62
	Total	**29,903.55**	**21,906.40**	**133.58**	**2.26**	**51,941.37**	**2,186.62**	**108.54**	**1,192.37**	**0.03**	**3,487.50**	**48,453.87**
	Grand total	**34,931.58**	**22,634.03**	**435.16**	**40.86**	**57,959.91**	**5,799.16**	**665.02**	**1,511.31**	**22.77**	**7,952.72**	**50,007.19**
c)	**Capital work-in-progress (refer foot note no. iv)**	**475.99**	**(367.24)**	**421.41**	**33.63**	**496.53**	-	-	-	-	-	**496.53**
d)	**Intangible assets under development (refer foot note no. ii and v)**	**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**





Note 19: Other current assets

Rs in million

Particulars		As at March 31, 2014		As at March 31, 2013	
(a)	Unbilled revenue	9.62		5.71	
(b)	Interest accrued	661.30		433.80	
(c)	Receivables against Service Concession Arrangement (refer foot note no. i)	2,879.33		1,964.24	
(d)	Unamortised borrowing costs	188.89		31.90	
(e)	Grant receivable	637.50	4,376.64	441.16	2,876.81
Total			**4,376.64**		**2,876.81**

Foot Note:

(i) Estimates under Service Concession Arrangement - Financial assets

Under the Service Concession Arrangements, 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 Arrangement".

Accordingly, the fair value of consideration for construction services and the effective interest rate in the case of financial assets of the Group covered under service concession arrangements included as a part of "Receivables against Service Concession Arrangement" have been estimated by the Management having regard to the contractual provisions, the evaluations of the future operating and maintenance costs and the overlay / renewal costs and the timing thereof by independent experts, the key elements having been tabulated below:





₹ in million

Particulars	As at March 31, 2014	As at March 31, 2013
Margin on construction and operation & maintenance and renewal services recognised in respect of Receivables against Service Concession Arrangement	6,103.43	5,494.74
Carrying amounts of Financial Assets included under Receivables against Service Concession Arrangement	80,666.64	65,556.50
Revenue recognised on Receivables against Service Concession Arrangement on the basis of effective interest method	20,545.29	14,405.59

IL&FS Transportation Networks Limited

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

ANNUAL REPORT **2013-14**

IL&FS | Transportation

OPTIMISM

A ROAD WITH NO DEAD ENDS



Forward-looking Statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise

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14TH ANNUAL GENERAL MEETING

Date: Thursday, August 21, 2014

Time: 10.30 am

Venue: Y. B. Chavan Auditorium
Next to Sachivalaya Gymkhana,
Gen. J. Bhosale Marg, Mumbai 400 021

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14 Diverse Non-road Project Portfolio
16 Global Project Portfolio
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OPTIMISM

A ROAD WITH NO DEAD ENDS

Hardships, disasters, economic meltdowns and a general gloom-and-doom have been a part and parcel of our economic history. Companies that have demonstrated confidence in their abilities and strength in their fundamentals have survived, and thrived. For every downturn has been marked by a renewed sense of optimism, and those who have remained positive, flourished

For India, and the infrastructure industry in particular, 2013-14 was a forgettable year. The gradual build up of the slowdown had its worst impact this year, coupled with uncertainty. This led to a below par growth, and almost zero movement on the core infrastructure sectors, determined as they are by government spending

ITNL did not lose hope. It continued working on its projects with focus and determination. It did not jettison its endeavours towards increased safety standards, or towards continuous innovation. It persevered, and continued on its diversified strategy, delivering landmark projects. And now, we move forward with a renewed sense of vigour, aided by a new sense of optimism

As an infrastructure hungry country, India will rapidly scale up its physical public infrastructure, and modernise the existing one, in a quest to become a world economic force. This is an inevitable reality

At ITNL, we are confident of playing an important role in that journey. And this explains, why optimism is a part of our business strategy

Five-year Financial Highlights

(Consolidated)



Bridge on the river Kosi in Moradabad-Bareilly project

REVENUE
(₹ in million)

CAGR △ **28.60%**

2013-14	**68,025**
2012-13	67,888
2011-12	57,294
2010-11	41,274
2009-10	24,873

OPERATING MARGINS
(%)

2013-14	**30.9**
2012-13	29.2
2011-12	27.7
2010-11	29.9
2009-10	35.3

EBITDA
(₹ in million)

CAGR △ **24.42%**

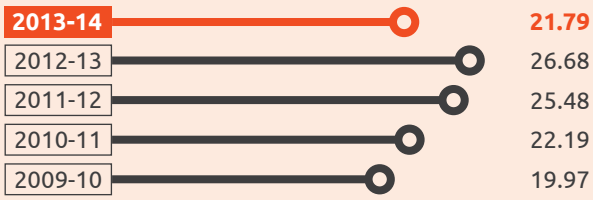
2013-14	**21,051**
2012-13	19,818
2011-12	15,894
2010-11	12,335
2009-10	8,785

PROFIT AFTER TAX
(₹ in million)

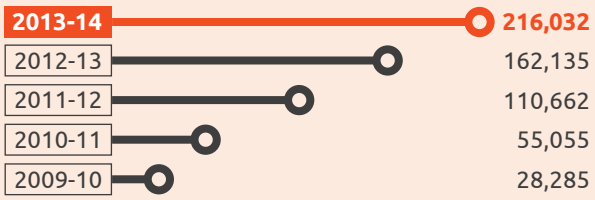
CAGR △ **7.68%**

2013-14	**4,630**
2012-13	5,202
2011-12	4,970
2010-11	4,329
2009-10	3,444

EARNINGS PER SHARE
(₹) CAGR △ 2.20%



NET FIXED ASSETS**
(₹ in million) CAGR △ 66.24%



** Includes receivables under SCA, which represent Annuity Assets at Net Value

DIVIDEND PER SHARE
(₹) CAGR △ 7.46%



* Board recommended dividend

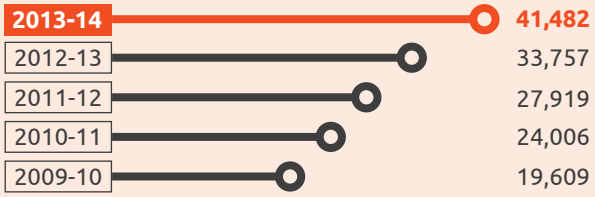
NET DEBT
(₹ in million) CAGR △ 59.96%



NET WORTH
(₹ in million) CAGR △ 31.59%



INVESTMENTS#
(₹ in million) CAGR △ 20.60%



Investments based on Standalone financials (includes advance towards capital and share application money)

Paving the Road to Progress



Hyderabad Outer Ring Road

For India and the world, infrastructure creation is the key to sustainable socio-economic progress. For over a decade, we have contributed significantly to India's surface transportation infrastructure, emerging as the leading industry player and the largest private sector BOT road operator (in terms of lane kilometres) in India

IL&FS Transportation Networks Limited (ITNL) is a part of the Infrastructure Leasing and Financial Services Limited (IL&FS)

19
Country footprint

18
State India presence

₹ 44 million
Average daily collection from toll and annuity in 2013-14

32%
Of asset base are annuity projects

2,80,050
Average number of vehicles plying on our roads everyday

45%
Reduction in fatal accidents on operational roads over the previous year

7,964 lane kms
Operational assets portfolio

13,161 lane kms
Road assets portfolio

10
Operating subsidiaries

31
Special Purpose Vehicles

26
Road projects

5
Non-road projects

Our Identity



The IL&FS Financial Centre, BKC, Mumbai

Core expertise

- Development, operations and maintenance of surface transportation infrastructure projects encompassing National and State Highways and roads including tunnels, flyovers and bridges
- Diverse project portfolio in the BOT road segment
- Non-road sectors like metro rail, bus transportation, multi-level car parks and border entry points
- International footprint in road sector

Execution excellence

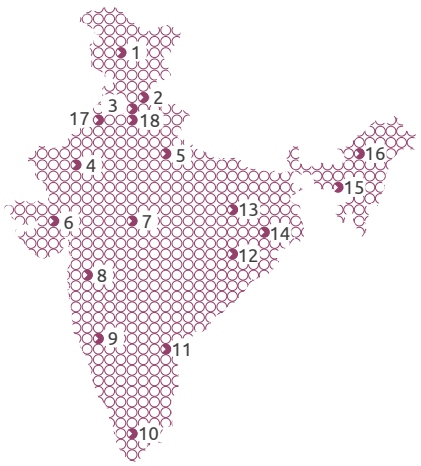
- Reputed for on-time project delivery within the budgeted cost
- Transform the face of surface transportation infrastructure in India through best-in-class engineering, monitoring and use of latest technologies

Key certifications

- ISO 9001:2008 for process quality control
- ISO 14001:2004 for environmental management system
- OHSAS 18001:2007 for occupational health and safety management system

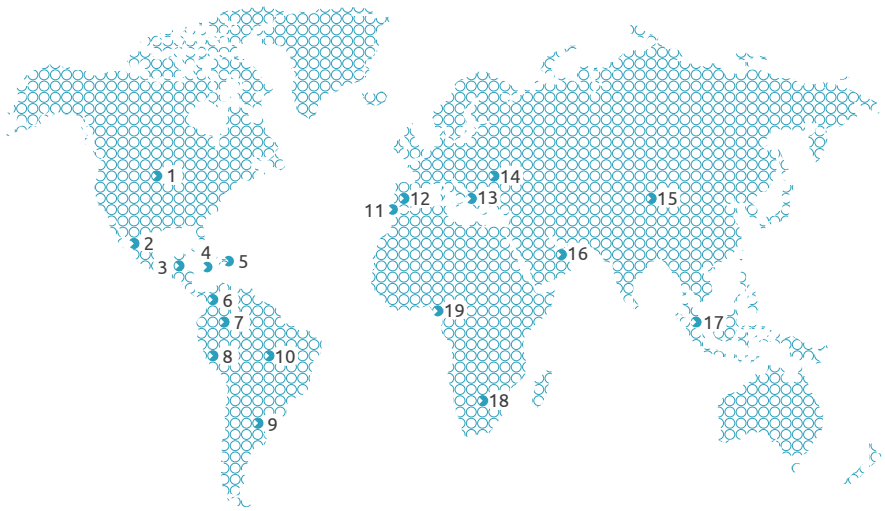
PAN-INDIA PRESENCE

1.	Jammu & Kashmir	10.	Kerala
2.	Himachal Pradesh	11.	Andhra Pradesh
3.	Haryana	12.	Orissa
4.	Rajasthan	13.	Jharkhand
5.	Uttar Pradesh	14.	West Bengal
6.	Gujarat	15.	Meghalaya
7.	Madhya Pradesh	16.	Assam
8.	Maharashtra	17.	Punjab
9.	Karnataka	18.	Delhi



INTERNATIONAL FOOTPRINT

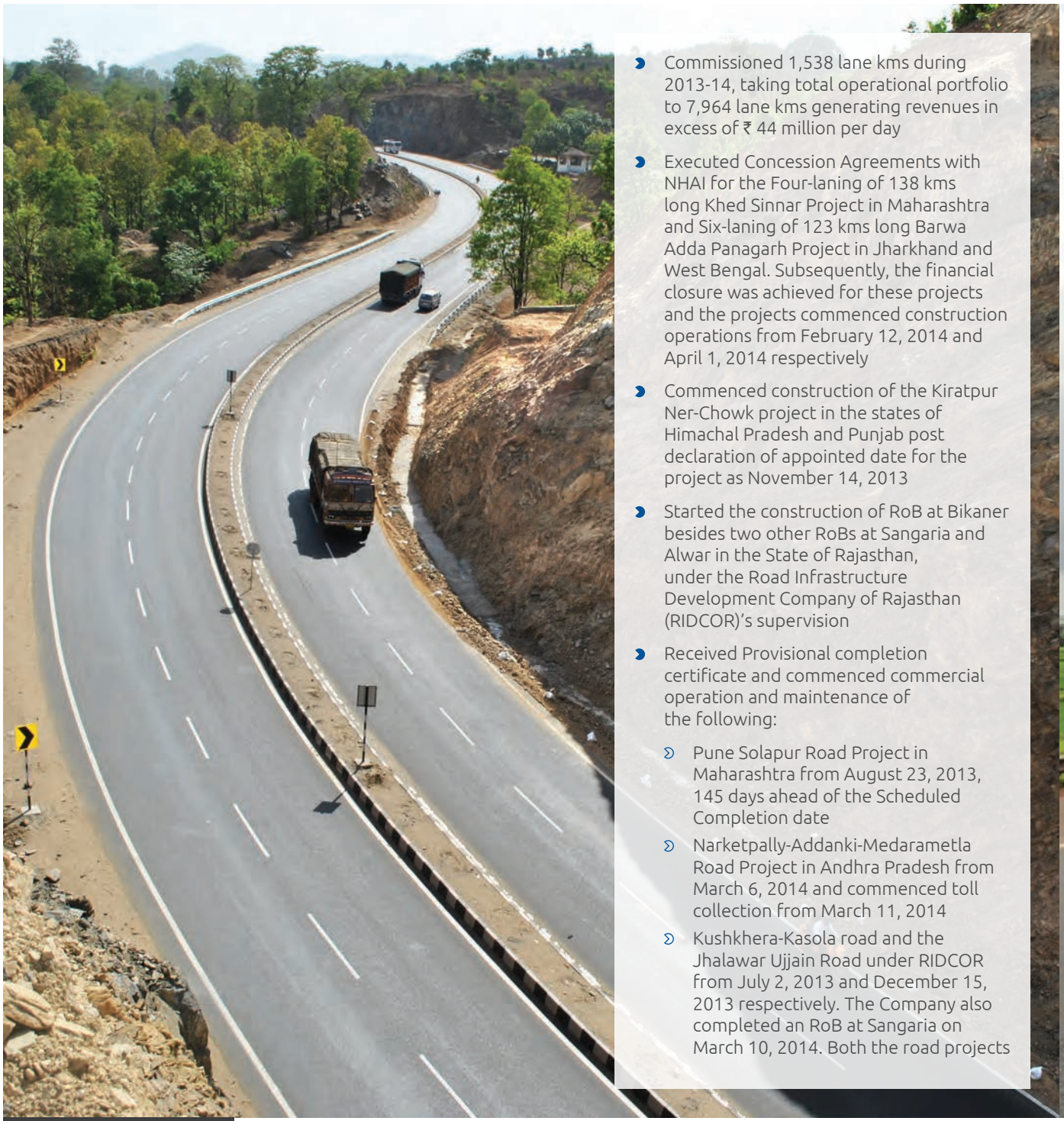
1.	USA
2.	Mexico
3.	Honduras
4.	Haiti
5.	The Dominican Republic
6.	Panama
7.	Columbia
8.	Ecuador
9.	Argentina
10.	Brazil
11.	Portugal
12.	Spain
13.	Albania
14.	Moldova
15.	China
16.	UAE
17.	Singapore
18.	Botswana
19.	Nigeria



STRONG TRACK RECORD

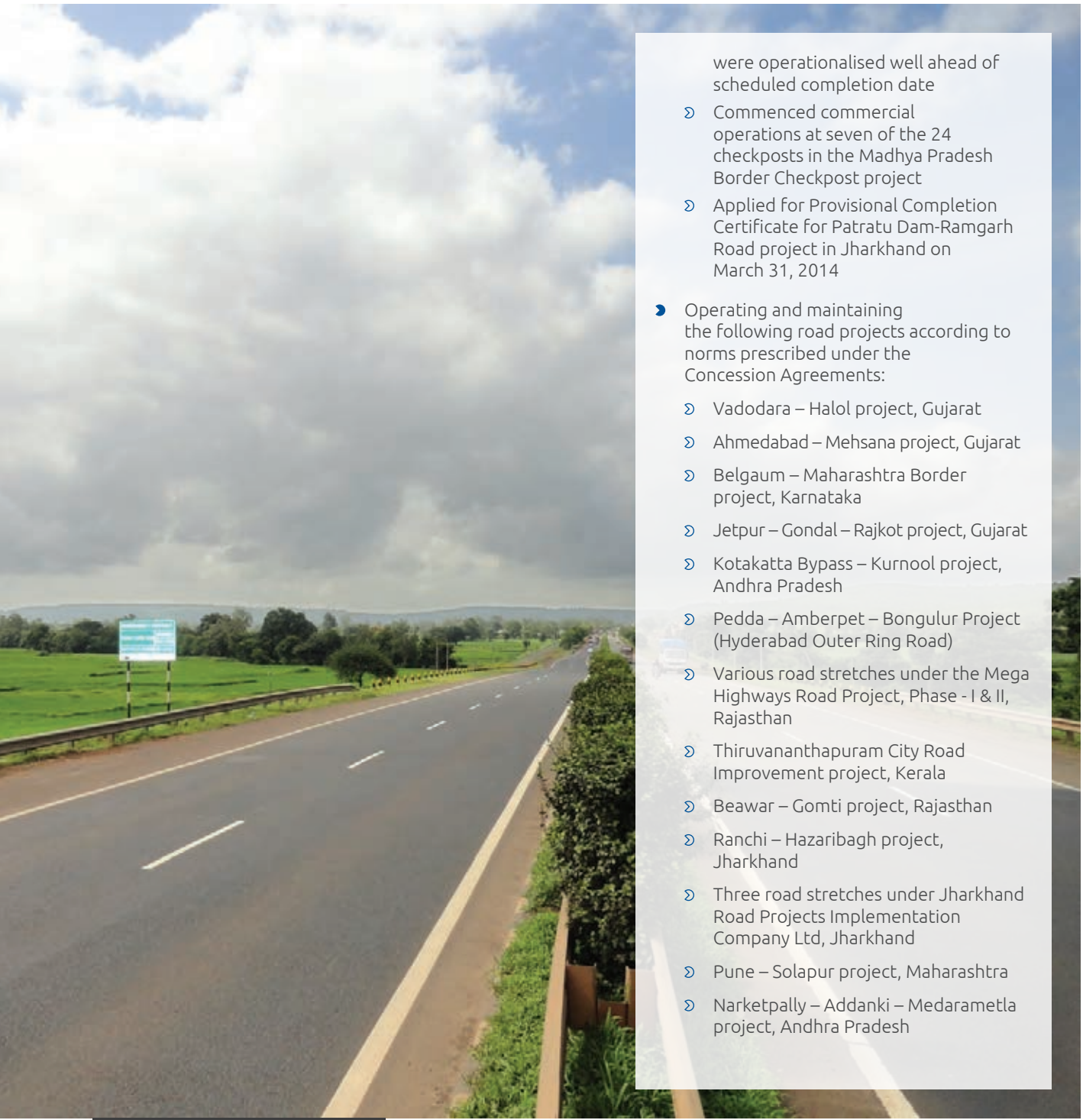
We have an established track record for successfully bidding, developing and operating BOT road projects on a commercial basis. We have diverse projects in various stages of development, construction or operation. We provide end-to-end solutions for BOT road projects, ranging from conceptualisation through commissioning to operations, maintenance, and management. We have advanced capabilities in terms of how we design projects and the technology we use. Moreover, we have forayed into multiple non-road projects to diversify our businesses; we believe that we have been able to successfully integrate our operations in this segment with our core business

Operational Highlights 2013-14



- Commissioned 1,538 lane kms during 2013-14, taking total operational portfolio to 7,964 lane kms generating revenues in excess of ₹ 44 million per day
- Executed Concession Agreements with NHAI for the Four-laning of 138 kms long Khed Sinnar Project in Maharashtra and Six-laning of 123 kms long Barwa Adda Panagarh Project in Jharkhand and West Bengal. Subsequently, the financial closure was achieved for these projects and the projects commenced construction operations from February 12, 2014 and April 1, 2014 respectively
- Commenced construction of the Kiratpur Ner-Chowk project in the states of Himachal Pradesh and Punjab post declaration of appointed date for the project as November 14, 2013
- Started the construction of RoB at Bikaner besides two other RoBs at Sangaria and Alwar in the State of Rajasthan, under the Road Infrastructure Development Company of Rajasthan (RIDCOR)'s supervision
- Received Provisional completion certificate and commenced commercial operation and maintenance of the following:
  - Pune Solapur Road Project in Maharashtra from August 23, 2013, 145 days ahead of the Scheduled Completion date
  - Narketpally-Addanki-Medarametla Road Project in Andhra Pradesh from March 6, 2014 and commenced toll collection from March 11, 2014
  - Kushkhera-Kasola road and the Jhalawar Ujjain Road under RIDCOR from July 2, 2013 and December 15, 2013 respectively. The Company also completed an RoB at Sangaria on March 10, 2014. Both the road projects

Hazaribaugh – Ranchi Road



were operationalised well ahead of scheduled completion date

- Commenced commercial operations at seven of the 24 checkposts in the Madhya Pradesh Border Checkpost project
- Applied for Provisional Completion Certificate for Patratu Dam-Ramgarh Road project in Jharkhand on March 31, 2014

- Operating and maintaining the following road projects according to norms prescribed under the Concession Agreements:
  - Vadodara – Halol project, Gujarat
  - Ahmedabad – Mehsana project, Gujarat
  - Belgaum – Maharashtra Border project, Karnataka
  - Jetpur – Gondal – Rajkot project, Gujarat
  - Kotakatta Bypass – Kurnool project, Andhra Pradesh
  - Pedda – Amberpet – Bongulur Project (Hyderabad Outer Ring Road)
  - Various road stretches under the Mega Highways Road Project, Phase - I & II, Rajasthan
  - Thiruvananthapuram City Road Improvement project, Kerala
  - Beawar – Gomti project, Rajasthan
  - Ranchi – Hazaribagh project, Jharkhand
  - Three road stretches under Jharkhand Road Projects Implementation Company Ltd, Jharkhand
  - Pune – Solapur project, Maharashtra
  - Narketpally – Addanki – Medarametla project, Andhra Pradesh

Belgaum – Maharashtra Border Road

Chairman's Communiqué



We achieved consolidated total revenue of ₹ 68,024.82 million in 2013-14 (₹ 67,888.09 million in 2012-13). Our EBITDA stood at ₹ 21,051.23 million in 2013-14 against ₹ 19,818.41 million in 2012-13

India has an extensive road network of about **4.69 million kms,** the world's second largest

About **12% of total investment** in the Twelfth Plan is expected to be in the roads sector alone and the private sector's **contribution in total road development is expected at 44%**

Public–Private Partnership (PPP) initiatives are also being undertaken to develop metro rail, rapid transport systems and other vital urban infrastructure

Dear Friends,

We have always aligned our future roadmap with India's focus on infrastructure development, particularly in the road infrastructure segment. Although we faced multiple challenges along the way, much like India did, we countered headwinds with maturity and courage and grew in step with the nation. Our experience in the country's road transport and urban infrastructure segment has given us the confidence for global forays, and we have managed to build a credible track record, both nationally and internationally

As we now focus on the road ahead, there are important reasons for optimism. The world is now steadily moving towards sustainable growth, and India seems poised to overcome the sub-5% growth levels witnessed over the last two years. Infrastructure creation remains the backbone for economic revival in India or the world. Interestingly, the government of India's vision for economic and social empowerment has a strong emphasis on infrastructure and institutional capacity creation

In line with that vision, the Union Budget 2014-15 has stepped up investments for the construction of highways and to upgrade urban infrastructure, including the creation of smart cities. In addition, the government is also keen to make infrastructure lending attractive to foreign investors. It is a big step forward for a sector that requires plenty of capital. The recent policy landscape augurs well for ITNL and other industry participants, going forward

OUR PERFORMANCE

In a challenging operating environment, we achieved consolidated total revenue of ₹ 68,024.82 million in 2013-14 (₹ 67,888.09 million in 2012-13). Our EBITDA stood at ₹ 21,051.23 million in 2013-14 against ₹ 19,818.41 million in 2012-13 and a net profit of ₹ 4,630.48 million in 2013-14 against ₹ 5,202.11 million in 2012-13. Our earnings per share stood at ₹ 21.79, as on March 31, 2014. This was on account of a large and diversified BOT road asset portfolio with an optimal mix of toll and annuity projects and diverse geographic presence

During 2013-14, we secured a financial closure for two road projects and are on course to achieve closure for another two road projects. We also completed three road projects ahead of schedule

We are currently focusing on around 42 proposals with various authorities. These proposals aggregate to 4,272 kilometres, which are under various stages of bidding

STRATEGIES TO STAY AHEAD

As a leader with deep domain knowledge in the surface transportation sector, we enjoy competitive advantage, when bidding for new projects. We have also expanded into new sub sectors like metro rail, railway projects, car parking and city bus services and border check post project works

We have signed a Memorandum of Understanding with East Nippon Expressway Company Limited, a Japanese expressway construction and operation company. The objective is to utilise Japanese technology and finance, while implementing road projects in India. We intend to leverage our experience, market position and our ability to execute and manage multiple projects across geographies, while bidding for new road projects. We also work towards faster project completion and within budget, without compromising on quality

ITNL has the capabilities for successful and on-time project implementation, and closely collaborates with governments of 17 states across India and also various departments of the Central Government

We are executing multiple global projects through Elsamex and ITNL International Pte Limited, our wholly owned subsidiaries. We will focus on strengthening our international footprint by working closely with multilateral agencies

SAFETY MATTERS

At ITNL, we put a lot of emphasis on road safety. A sub-committee of the Board, comprising Independent Directors, reviews every quarter the causes of accidents and consistently initiates appropriate measures to reduce them. As a part of our corporate credo, we have inculcated safety awareness across all our employees and the need to be ever vigilant at our sites, roads and workplaces. An interesting research experiment using cognitive behaviour of drivers on the road has been launched to improve signage and marking, thereby improving driver behaviour and hence reduce accidents. I believe the acceptance by the authorities and implementation of the results of this research will significantly help reduce accidents not only on ITNL roads but globally

Government impetus

The Government has maintained a steady focus on Public–Private Partnership (PPP) in their maiden full Budget for 2014-15, announcing a number of steps to fast-track such projects in several areas. It proposed setting up of an institution, called 3P India, with a corpus of ₹ 5,000 million to provide support to mainstreaming PPPs. The Government is committed towards improving infrastructure in all sectors including roads, port, airports, railways, urban, rural and industrial infrastructure, besides ensuring adequate flow of funds and financing of projects

SUSTAINABLE DEVELOPMENT

We focus on participatory sustainable development, which benefits communities we work with.
Our objective is to build critical infrastructure and take the message of wellbeing and prosperity to marginalised sections of the population. At the same time, we try to minimise our social and environmental impact through meaningful engagements. We act as change agents through the project 'Parivartan', focusing on education, health, livelihood creation and holistic development of communities

LOOKING AHEAD

Let me conclude by reiterating what I said at the beginning. Our business optimism is the result of India's commitment to infrastructure creation to make progress possible and improve the quality of life. We will continue to partner our forward-looking nation through disciplined and timely execution of all our projects.
At the same time, we will continue to look for global opportunities in a closely integrated world. I thank all members of the ITNL family and the fraternity of other stakeholders, whose encouragement and support is crucial for the way forward

Best Wishes,
Deepak Dasgupta
Chairman

Optimism is best converted to reality by real experience!

Our expertise lies in managing diversity with confidence across the length and breadth of India. On the one hand, a diverse project mix enhances experience and expertise, strengthening our bidding capability. On the other, it reduces our dependence on a single project category or geography and spreads the revenue base considerably. With India geared for a huge infrastructure revival, we are suitably positioned to play a significant role in the journey. This reality strengthens our business optimism

Over a period of time, we have accumulated the largest project portfolio of 26 road projects of around 13,161 lane kilometres, comprising a mix of annuity and toll-based projects. These projects are spread across 18 states in India, and are in different stages of development, construction, 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 multiple sources, such as toll receipts, annuities and advertising

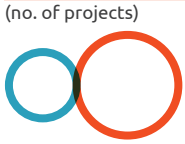
We have been able to maintain our leadership and track record in the surface transportation infrastructure sector in India, which provides us a significant competitive advantage when bidding for new projects



PROJECT MIX

Annuity Project Toll Project

(no. of projects)

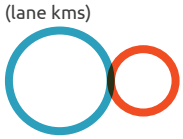


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ANNUITY AND TOLL MIX

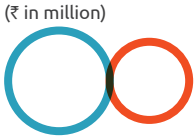
Annuity Toll

(lane kms)



10,001 3,160

(₹ in million)



230,656 102,732

ROAD PROJECT MIX

National Highways Other Roads

(lane kms)



6,011 7,150

(₹ in million)



205,684 127,704

LANDMARK PROJECTS

CHENANI-NASHRI TUNNEL

Jammu & Kashmir

This is one of the longest road tunnels in Asia, and the longest in India. The Chenani Nashri Tunnel project involves construction of approximately 9 kms of 2 lane Main Tunnel along with intermediate lane parallel Escape Tunnel in the Lower Himalayan mountain range. The tunnels are located at an elevation of 1200 m with an overburden of up to 1 km. The tunnel construction was particularly challenging owing to the steep mountainous terrains and associated safety concerns, unstable Himalayan range and bad weather conditions. However, the Escape tunnel of 9 kms long has been completed in a record time of 33 months

Major benefits

- The tunnel provides an all-weather route that will result in significant time savings to motorists travelling along NH1 between Jammu and Srinagar
- Overall the Tunnel will better integrate the people of Jammu not only with the people of Kashmir



Chenani – Nashri Tunnel



Patratu Dam – Ramgarh Road

The fourth 'P'

Mr. Narendra Modi, during his tenure as Gujarat Chief Minister, had added another 'P' (People) to it to signify people's involvement in Public–Private Partnership (PPP) projects and the 4P concept was successfully tried and appreciated in the Vadodara Halol Toll Road project

Valley, but also with the people of Kishtwar, Doda and Bhadrwah by providing better connectivity and reduced travel time

- This project will also save millions of rupees in terms of fuel, wear and tear of vehicles and most important human lives, besides increasing the commercial activity in J&K

NOIDA TOLL BRIDGE
Uttar Pradesh

It was one of the largest toll bridge projects implemented in the Public Private Partnership (PPP) format in India. Delhi – Noida Toll Bridge is also India's first project to have Electronic Toll Collection (ETC) lanes. It is also the only listed toll road in the country - listed on both the local stock exchanges as well as the AIM Exchange, London

VADODARA – HALOL TOLL ROAD
Gujarat

The project provides 4-lane connectivity to the industrial city of Halol from Vadodara in Gujarat, and also provides an alternative route connecting Delhi and Mumbai. It was the first state highway project in the country to be implemented on the commercial format (BOOT basis). The project is a World Bank best practice example for Environmental Risk Mitigation and Social Rehabilitation Plan

JHARKHAND ROAD PROJECT
Jharkhand

We developed approximately 418 lane kilometres of state roads in Jharkhand, including a six-lane dual carriageway Ranchi Ring Road, the road connecting Ranchi to Patratu Dam and a four-lane road with service road on both sides connecting Adityapur to Kandra

On the road of optimism, one has to think beyond roads!

ITNL is committed to building urban infrastructure that aids development. We are proud of our reputation of being one of the largest road-portfolio owners in India, and continue to build on it. However, infrastructure goes beyond roads, and so do we!

We have undertaken multiple projects of mass rapid transport systems, urban transportation infrastructure systems, automated multi-level parking systems and border check-post systems. We have successfully integrated both the segments (road and non-road) of our business into a robust operating model, which enhances our optimism



Rapid Metro Gurgaon

URBAN TRANSPORT

RAPID METRO
Gurgaon

We developed the country's first fully privately funded Metro Rail system. It is the first-of-its-kind project based on the PPP model. Since its launch in November 2013, the Rapid Metro has been acknowledged as the transport solution for Cyber City and is providing connectivity to areas around NH-8, DLF Phase II and III in Gurgaon, Haryana. The project was completed in record time. The Phase 1 of Rapid Metro is of 5.1 kms with six stations spanning the network and Phase II; South Extension will extend from Sikanderpur up to Sec 55-56 Gurgaon

Benefits to Gurgaon city

- **Traffic reduction:** Around 30% of the existing traffic will shift to Rapid Metro, resulting in de-congestion of Gurgaon roads, reduction in travel time, accident rates, fuel consumption and pollution
- **Employment generation:** Provided a boost to the local economy by generating jobs for Gurgaon's residents
- **Green initiatives:** The project will reduce on an average 105,863 tonne CO_2 per annum in the first crediting period and reduce energy consumption up to 5-7% through automatic light sensors and air conditioners, which will monitor and adjust cooling requirements on the basis of passenger load





Nagpur City Bus



Proposed multi-level car parking



Passengers boarding in Metro, Gurgaon

CHECK POST PROJECT

We were awarded the project for construction, up-gradation, modernisation, development, operation and maintenance of 24 border check posts and two central control facilities across Madhya Pradesh. The project has been awarded by the Madhya Pradesh Road Development Corporation Limited

CAR PARKING PROJECT

We have also been mandated to develop an integrated multi-level automatic parking facility in Hyderabad and a multi-level car parking facility at GIFT City, Gandhinagar

CITY BUS PROJECT

We currently operate and maintain the Nagpur City Bus Services for Nagpur Municipal Corporation on a BOO basis for a period of 10 years

Optimism is an anywhere, anytime concept. And we like to be prepared

We believe we can play a significant role in using our expertise and insight to manage projects around the world. We have expanded our presence in Spain, Portugal, Latin America, UAE, Ukraine, Botswana and China. We are currently working on various projects to diversify our revenue base and widen our international footprint through our subsidiaries: Elsamex in Spain and ITNL International Pte Limited (IIPL) in Singapore

We partner selectively with local businesses to work on overseas projects with local and multilateral funds. In addition, we intend to tap opportunities arising from other projects of IL&FS and its relationship with its stakeholders and authorities worldwide



Pedda – Amberpet – Bongulur Road

UAE

Multiple surface transportation projects like road works, bridges, multi-level car parks and transit centre are being pursued through two of our registered subsidiary companies in this region - ITNL International Jumeirah Lake Towers (IIJLT) and the Sharjah General Service Co LLC (Khadamat). Khadamat has signed an MoU with the Sharjah Airport Authority, which allows Khadamat to undertake due diligence of the airport and suggest various methods of upgrading the airport

ABU DHABI

Elsamex S.A., commenced its first project in the region – the Abu Dhabi Al Ain Highway Project – which was awarded to it on an Output and Performance-based Road Contract (OPRC) basis. The Company's operations and maintenance activities are currently being streamlined. In the meantime, Elsamex has been classified as a Special Grade company in the preceding quarter. The Special Grade classification allows Elsamex to pursue any project pertaining to road construction and maintenance

NIGERIA

ITNL Africa Projects Limited (IAPL) continues to pursue a 480 kms highway project with the Ministry of Works, Government of Nigeria connecting Illorin to Kaduna in Nigeria

BOTSWANA

ITNL, in joint participation with Elsamex, had submitted a price proposal for undertaking upgradation/ rehabilitation of two packages in Botswana, in which it emerged as the lowest bidder for the projects. Technical evaluation was completed by government authorities and after providing the necessary clarifications to the government/ consultants, the ITNL-Elsamex joint venture was awarded the two packages

COLUMBIA

ITNL has been prequalified for four concessions in Columbia. The bids for these projects are likely to be submitted in the current financial year. ITNL is also following other opportunities in this region





Belgaum – Maharashtra Border project



Railway over bridge on Moradabad – Bareilly project

USA

ITNL International US has established office in Washington, USA, and is pursuing two bids in consortium with a local company

CHINA

We acquired 49% stake of Chongqing Yuhe Expressway Company Limited through our subsidiary, ITNL International Pte Limited in December 2011. We are currently involved in the operation, management and maintenance of the Yuhe Expressway, consisting of a four-lane dual carriageway connecting downtown Chongqing with Hechuan County in Chongqing, China, aggregating 235 lane kms in total

PORTUGAL

We have recently, through Elsamex, been awarded 10 contracts for maintenance of certain stretches of roads in Portugal

ELSAMEX'S GLOBAL ROAD MAINTENANCE PROJECTS

Country	Number of contracts	Total budget (€)	Length (km)	Length (lane-km)
Spain	18	324,784,411	3,377	9,787
Portugal	12	64,738,677	8,185	19,129
Emirate	1	24,830,965	500	1,200
Mexico	4	417,201	168	692
India	14	12,622,000	866	4,456
Bostawana	2	159,055,533	268	536
Total	**51**	**586,448,787**	**13,363**	**35,800**

Execution excellence and safer practices strengthen our optimism

Our execution brilliance in India and the world has enabled us to bid for big-ticket and complex surface infrastructure projects. A combination of in-house expertise, technology edge and safer practices enable world-class execution



Maintenance activity in progress at TRDCL project

IN-HOUSE EXPERTISE

Our design team evaluates prospective projects for bidding, prepares feasibility studies and assists in matters related to project development and implementation. The result is quick and efficient project design

ITNL's in-house designing capabilities, established contractor relationships and ability to source competitive pricing for construction, enable us to assess project value and certain developmental and operational risks and submit competitive bids

TECHNOLOGY EDGE

We also have advanced capabilities in terms of how we design projects and the technology we use. 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. 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

Project Management Information System (PMIS)

In terms of technology, we benefit from our interactive web-based PMIS in monitoring activities, such as road inspection and maintenance, arboriculture, accident management, traffic updates and providing project information to our project teams

Technology Collaboration

Moreover, we have signed a memorandum of understanding with East Nippon Expressway Company Limited, a Japanese expressway construction and operation company to utilise Japanese technology and finance, while implementing potential road projects in India

Tolling System

ITNL's in-house Tolling Systems Development team has developed and implemented a Semi-Automatic Toll Collection system, which is being used in our operational projects

Enterprise Resource Planning (ERP)

For operation and maintenance projects and projects in initial stages of implementation we have implemented an enterprise resource planning (ERP) application, SAP. This platform monitors our project revenues, costs, expenses, finances, project schedules and manpower by tracking the data gathered from sites and subsequently relaying to concerned intra-company departments at our head office in Mumbai on a real-time basis

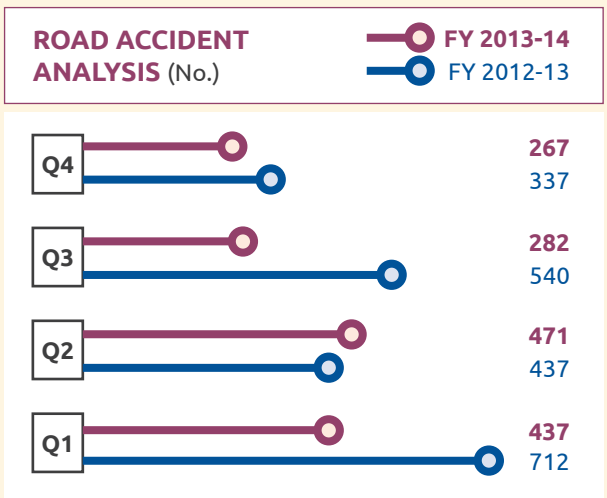
Compliance Management Solution

We have implemented a compliance management application, namely RSA Archer. It provides an access-controlled environment for automating enterprise





Safety training in progress



compliance processes, assessing deficiencies against standard operating procedures at the corporate and subsidiary level and reporting on the same as well as on managing findings. The tool is used for creating a repository and managing standard operating procedures, planning self-assessment campaigns, performing control self-assessments, creating reports and management dashboards based on the self-assessments and maintaining continuous controls for monitoring the above processes

SAFER PRACTICES

In managing our roads, we try to meet or exceed internationally accepted safety standards. We believe that our preventive measures are essential in minimising injury and fatalities on our roads

- We organise campaigns and safety brochures distributed among the general public and road users
- Our emotional signboards, innovative road marking and multiple enforcement drives help prevent accidents
- We regularly conduct safety awareness programmes in collaboration with local schools
- We provide traffic inspection and emergency ambulance service, paramedic and first aid kits, rescue and search services at our sites
- Our traffic inspection teams patrol our project roads monitoring potential problems and emergencies, placing emergency signs and taking other appropriate measures when necessary. They also keep a tab on toll-fee evaders
- Our emergency service team provides aid to vehicles with mechanical problems on our roads, using tow trucks to remove broken-down or damaged vehicles
- We also operate mobile rescue units that are equipped to provide first aid and evacuation in case of medical emergency. Most of our mobile rescue units have a GPS tracking system
- We conduct regulatory traffic drives with local administration to reduce traffic violations on our roads
- We engaged M/s. Finalmile Consultants to undertake design interventions using behavioural science to study the cause of accidents and suggest preventive measures at Kotakatta – Kurnool road project. The objective was to ensure safer road for commuters. The suggested measures (pictorial warning sign boards, innovative road markings and zonings, provision of gateways to indicate change in environment, among others) were implemented and helped reduce accidents.
  M/s. Finalmile has been mandated to carry out similar studies at other project locations as well

Committed to Create a Difference



Parivartan Computer Bus – Anganwadi Workers Training, Solapur-Maharashtra

Parivartan represents ITNL's vision of socio-economic transformation of communities the Company works around. This Corporate Social Responsibility endeavour currently runs across eight states in India - Maharashtra, Jharkhand, Uttar Pradesh, Jammu, Orissa, West Bengal, Himachal Pradesh and Punjab

EXPANDING REACH

Parivartan launched in January 2010

1. **PSRDCL**
   NH9, Maharashtra State
2. **HREL**
   NH33, Jharkhand State

Parivartan launched in March 2012

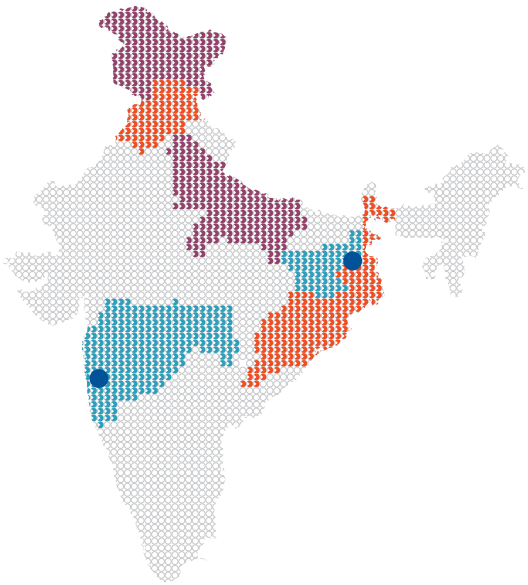
3. **MBEL**
   NH24, Uttar Pradesh State
4. **CNTL**
   NH1-A, Jammu State

Parivartan launched in January 2014

5. **BKEL**
   NH60, Odisha - West Bengal State
6. **KNEL**
   NH21, Punjab - Himachal State

Parivartan to be launched in 2014

7. **Barwa - Adda - Panagarh**
   NH2, Jharkhand - West Bengal State
8. **Khed - Sinnar**
   NH50, Maharashtra State



Interventions	Hazaribagh Ranchi Expressway Limited (HREL)	Pune Sholapur Road Development Company Limited (PSRDCL)	Moradabad Bareilly Expressway Limited (MBEL)	Chenani Nashri Tunnelway Limited (CNTL)	Baleshwar Kharagpur Expressway Limited (BKEL)	Kiratpur Ner Chowk Expressway Limited (KNEL)
Quality Education at Government Schools	◐	◐	◐	◐	◐	◐
Computer Bus for IT Education	◐	◐	◐			
Employment-linked Skills Development	◐	◐	◐	◐	◐	◐
Livelihood Initiatives – Agri, Non-Agri, Fisheries, etc	◐				◐	◐
Healthcare Programmes	◐		◐	◐	◐	◐
Community Awareness Programmes	◐	◐	◐	◐	◐	◐
Water Management Options					◐	◐
Environment Interventions						◐
Phase I	January 2010		March 2012		January 2014	
Phase II	April 2013					



Parivartan Computer Bus - Deodi School, Dvadi-Maharashtra

CNTL, Jammu

The Education enhancement intervention runs in 9 government schools and provides basic infrastructure facilities - computer labs in 3 schools with English Relay programme and Math Master Kits; K-yan and Life skills' kits with Computer Education Programme. Nearly 1300 students and 70 teachers have been impacted from this programme

A Medical Van project has been set up whereby a van equipped with an MBBS doctor and a trained nurse would visit six spots in the state for health check up of students at 15 government schools and also villages. Thereby providing them free health checkups

These trained professionals also provided First Aid training programme for ASHA workers along with the Red Cross Society. So far, 1500 students, 110 teachers and around 60-70 villagers/day have been impacted by this project

The Telemedicine Project includes the setting up of a tele-ophthalmology centre providing free eye checkups and online consultations in partnership with the Centre for Sight, Jammu. Nearly 50 villagers have undergone free eye checkup and were supplied medicines for their immediate relief

Committed to Create a Difference

(continued)



Physical health checkup, Jammu



Parivartan Computer Bus

HREL, Jharkhand

The introduction of the computer bus has been a success. It has been providing basic computer skills to nearly 1063 students from eight government schools

The medical van provides diagnostic test, free medical counselling and distribution in 16 villages. These mobile vans conduct community health awareness camps and provide training in first-aid and emergency situations to NH -33 paramedical staff at regular intervals. They have also organised 13 Community Health Awareness camp and have been successful in educating 29,898 villagers about these issues

The third intervention, the School Programme, is currently on in 42 schools. The teachers use English Relay Programme Kit, Math Master Kit, K-yan/ multimedia kit to teach students about community interactions and computer technology. So far 7200 students have been able to learn the correct use of K-yan and Kits

PSRDCL, Maharashtra

Education interventions are currently running in 105 Aaganwadis, impacting close to 6000 children from 3-6 yrs. Pre-primary kits have been distributed to each Anganwadi and the AWW trained in basic pre-school principles with effective handling of the kit. Children are interested and enjoy these sessions

MBEL, Uttar Pradesh

The computer education intervention is run in 20 schools and 2100 students from classes 6 to 8 are taught basic computer skills in order to be able to navigate and use simple computer programs like Paint, Word and Excel. The Computer Bus is a mobile computer lab with 18 computers and a K-yan (Computer-cum-projector). Each of these buses have two computer trainers for children

English Relay Program (ERP) - a supplementary English programme is implemented in 38 Government Primary Schools. Each school has been provided with the ERP kit and is visited by Parivartan trainers once a week to implement the kit - based program for the past two years. Students of grade 1 to 3 will complete the course and in grade 4 and 5 they will complete the higher level course of the same. This aims to help children conduct their day-to-day conversations in English. So far, 4400 students and 129 teachers have benefited from this programme

In the Skills Programme intervention, Parivartan supports Employability Skills Training of 200 youth of this area for placements in local or nearby industries accordingly



Students learning with K-yan, Adhegonin-Maharashtra

NEW INITIATIVES UNDER PARIVARTAN

Menstrual Hygiene Awareness Program

A 1-day workshop on 'Menstrual Hygiene was organised as a part of the Parivartan School Improvement Intervention at Government Girls' High School in Chenani. Nearly 150 students of the school, 30 ASHAs (Accredited Social Health Activist) and 40 parents attended the workshop. The workshop was conducted by Swati Baedeker from Vatsalya Foundation, Baroda with the support of SIG

Discussions veered on orienting the students, health volunteers and ladies on maintaining menstrual hygiene and the correct practices to be followed such as use of sanitary napkins; washing and cleaning; disposal of sanitary napkins, precautions during the period and dietary habits to enable them to lead a healthy reproductive life

Cleanliness Drive

Patnitop Development Authorities (PDA) had organised a Cleanliness Drive on 16th May, 2014, to encourage tourism in this area. Raman Kesar, CEO of PDA, who is regularly in touch with the Parivartan team, received support from all school students, under Parivartan for the activities at Patnitop

The Students of seven Government Parivartan Schools were encouraged to participate in this drive. Each school planned their own activities under the guidance of Parivartan mentors

A Glimpse of our Projects

PROJECTS UNDER OPERATION



GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED (GRICL)

Vadodara- Halol Road

SCOPE

Development of approximately 190 lane kms on State Highway No. 87 from Vadodara to Halol in the State of Gujarat

CONCESSION

The concession was awarded to our Promoter by the Government of Gujarat on a BOOT (Toll) basis, which commenced from the date of signing of the Concession Agreement and shall extend till a period of 30 years from the operations date

Date of Concession Agreement
October 17, 1998

Date of Project Completion
October 24, 2000

VALUE (₹ MILLION)

1,560



NOIDA TOLL BRIDGE COMPANY LIMITED (NTBCL)

Delhi to NOIDA, Uttar Pradesh

SCOPE

Development of a toll bridge and approach roads with approximately 60 lane kms connecting Delhi to NOIDA in the State of Uttar Pradesh

CONCESSION

The concession was awarded to our Promoter by the New Okhla Industrial Development Authority (NOIDA) on a BOT (Toll) basis for a period of 30 years (including a construction period of two and a half years)

Date of Concession Agreement
November 12, 1997

Date of Project Completion
February 7, 2001

VALUE (₹ MILLION)

5,888



GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED (GRICL)

Ahmedabad-Mehsana Road

SCOPE

Development of approximately 333 lane kms section of State Highway Numbers 41 and 133 from Ahmedabad to Mehsana in the State of Gujarat

CONCESSION

The concession was awarded to our Promoter by the Government of Gujarat on a BOOT (Toll) basis, which commenced from the date of signing of the Concession Agreement and shall extend till a period of 30 years from the operations date

Date of Concession Agreement
May 12, 1999

Date of Project Completion
February 20, 2003

VALUE (₹ MILLION)

3,103



NORTH KARNATAKA EXPRESSWAY LIMITED (NKEL)

Belgaum-Maharashtra Border Road

SCOPE

Development of four-lane highway with service roads on both sides aggregating to approximately 472 lane kms in length from Belgaum, in the State of Karnataka, up to the Maharashtra Border

CONCESSION

The concession was awarded by NHAI on a BOT (Annuity) basis for a period of 17.5 years (including a construction period of two and a half years)

Date of Concession Agreement
November 20, 2001

Date of Project Completion
July 19, 2004

VALUE (₹ MILLION)

5,995



WEST GUJARAT EXPRESSWAY LIMITED (WGEL)

Jetpur-Rajkot-Gondal Road

SCOPE

Four-laning of the existing two-lane Jetpur- Gondal Highway, improvement of the existing four-lane highway between Gondal and Rajkot, four-laning of the existing Rajkot bypass on NH8B and construction of service roads, with an aggregate length of approximately 389 lane kms, in the State of Gujarat

CONCESSION

The concession was awarded by NHAI on a BOT (Annuity) basis for a period of 20 years (including a construction period of two and a half years)

Date of Concession Agreement
March 22, 2005

Date of Project Completion
March 17, 2008

VALUE (₹ MILLION)

2,762



RAMKY ELSAMEX HYDERABAD RING ROAD LIMITED (REHRRL)

Hyderabad Outer Ring Road

SCOPE

Development of eight-lane access-controlled expressway and two-lane service roads on both sides with an aggregate length of 152 lane kms for the section from Tukkuguda to Shamshabad on the Hyderabad Outer Ring Road in the State of Andhra Pradesh

CONCESSION

The concession was awarded by the Hyderabad Urban Development Authority for a period of 15 years (including construction period of 30 months)

Date of Concession Agreement
August 18, 2007

Date of Project Completion
November 26, 2009

VALUE (₹ MILLION)

3,994

A Glimpse of our Projects

(continued)

PROJECTS UNDER OPERATION



ANDHRA PRADESH EXPRESSWAY LIMITED (APEL)

Kotakatta-Kurnool Road

SCOPE

Development of 328 lane kms connecting Kotakatta bypass to Kurnool on National Highway-7 in the State of Andhra Pradesh

CONCESSION

Concession awarded by NHAI on a BOT (Annuity) basis for a period of 20 years (including a construction period of two and a half years)

Date of Concession Agreement
March 20, 2006

Date of Project Completion
September 30, 2009

VALUE (₹ MILLION)

8,629



ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED (IRIDCL)

Beawar-Gomti Road

SCOPE

Development of two-lane highway with paved shoulder with an aggregate length of approximately 248 lane kms with an option to upgrade to a four-lane highway on the NH-8 connecting Beawar to Gomti in the State of Rajasthan

CONCESSION

Concession awarded by the Department of Road Transport & Highways, Government of India, on a DBFOT (Toll) basis for a period of 11 years (including construction period of 18 months) and extendable to 30 years upon four laning)

Date of Concession Agreement
April 1, 2009

Date of Project Completion
August 25, 2010

VALUE (₹ MILLION)

3,510



EAST HYDERABAD EXPRESSWAY LIMITED (EHEL)

Hyderabad Outer Ring Road

SCOPE

Development of eight-lane access-controlled expressway and two-lane service roads on both sides, with an aggregate length of 173 lane kms for the section from Pedda Amberpet to Bongulur on the Hyderabad Outer Ring Road in the State of Andhra Pradesh

CONCESSION

The concession was awarded by Hyderabad Urban Development Authority for a period of 15 years (including construction period of 30 months)

Date of Concession Agreement
August 3, 2007

Date of Project Completion
March 1, 2011

VALUE (₹ MILLION)

4,727



HAZARIBAGH RANCHI EXPRESSWAY LIMITED (HREL)

Hazaribagh-Ranchi Road

SCOPE

Development of four-lane highway with an aggregate length of approximately 319 lane kms on NH-33 connecting Hazaribagh to Ranchi in the State of Jharkhand

CONCESSION

Concession was awarded by NHAI on a BOT (Annuity) basis for a period of 18 years (including a construction period of two and a half years)

Date of Concession Agreement
October 8, 2009

Date of Project Completion
September 15, 2012

VALUE (₹ MILLION)

8,892



PUNE SHOLAPUR ROAD DEVELOPMENT COMPANY LIMITED (PSRDCL)

Pune-Sholapur Road

SCOPE

Development of four-lane highway with an aggregate length of approximately 571 lane kms on Pune – Sholapur stretch of NH-9 in the State of Maharashtra

CONCESSION

Concession 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)

Date of Concession Agreement
September 30, 2009

Date of Project Completion
August 23, 2013

VALUE (₹ MILLION)

14,027



N.A.M EXPRESSWAY LIMITED (NAMEL)

Narketpally-Addanki-Medarametla Road

SCOPE

Widening of an existing two-lane carriageway to a four-lane carriageway, including the strengthening of the existing carriageway with an aggregate length of approximately 888 lane kms from Narketpally to Medarametla, via Addanki, section of SH-2 in the State of Andhra Pradesh

CONCESSION

The concession for this project has been awarded by the Roads & Building Department, Government of Andhra Pradesh under PPP on BOT (Toll) basis for a concession period of 24 years, including an initial construction period of two and a half years

Date of Concession Agreement
July 23, 2010

Date of Project Completion
Provisional Completion Certificate - March 6, 2014

VALUE (₹ MILLION)

17,614

A Glimpse of our Projects

(continued)

PROJECTS UNDER OPERATION



THIRUVANANTHAPURAM ROAD DEVELOPMENT COMPANY LIMITED (TRDCL)

Thiruvananthapuram City Roads (Phase I & II)

SCOPE

Development of roads with an aggregate length of approximately 119 lane kms in Thiruvananthapuram city in the State of Kerala

CONCESSION

Concession awarded by the Kerala Road Fund Board on a BOT (Annuity) basis for a period of 17.5 years (including an initial construction period of two and a half years)

Date of Concession Agreement
March 16, 2004

Date of Project Completion
Phase I – November 15, 2006
Phase II – February 22, 2012

VALUE (₹ MILLION)

3,096



ROAD INFRASTRUCTURE DEVELOPMENT COMPANY OF RAJASTHAN LIMITED (RIDCOR)

Mega highways project Rajasthan Phase I

SCOPE

Development and improvement to two-lane highway with paved shoulder with aggregate 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

CONCESSION

Concession awarded to Promoter by the Government of Rajasthan on a BOT (Toll) basis for a period of 32 years (including a construction period of two years)

Date of Award:
January 17, 2006

Date of Project Completion
PR - December 28, 2007
HK - February 28, 2008
AS - August 31, 2008
LK - December 15, 2008
BJ - April 15, 2008

VALUE (₹ MILLION)

16,180



ROAD INFRASTRUCTURE DEVELOPMENT COMPANY OF RAJASTHAN LIMITED (RIDCOR)

Mega highways project Rajasthan Phase II

SCOPE

Development of 599 lane kms of roads in the State of Rajasthan as follows:

Four-lane dual carriageway between Alwar to Bhiwadi (AB)

Two-lane road between Arjunsar to Pallu (AP), Hanumangarh to Sangaria (HS), Jhalawar to Jhalawar Road (JJR),Khushkhera to Kasola Chowk (KK) and Jhalawar to Ujjain up to State Border (JU)

CONCESSION

Concession awarded to Promoter by the Government of Rajasthan on a BOT (Toll) basis for a period of 32 years (including a construction period of two years)

Date of Award:
AB- September 1, 2010
JJR - February 1, 2011
HS - February 8, 2011
AP - April 6, 2011
JU - July 6, 2012
KK - October 18, 2012

Date of Project Completion
AB - December 5, 2011
JJR - September 27, 2012
HS - October 1, 2011
AP - January 31, 2012
JU - December 15, 2013
KK - July 1, 2013

VALUE (₹ MILLION)

5,571



JHARKHAND ROAD PROJECTS IMPLEMENTATION COMPANY LIMITED (JRPICL)

Jharkhand Accelerated Road

SCOPE

Development of 418 lane kms of roads in the State of Jharkhand as follows:

Six-lane dual carriageway road in Ranchi Ring Road (RRR)

Two / four-lane road connecting Ranchi to Patratu Dam (RPR I)

Four-lane road with service road on both sides connecting Adityapur to Kandra (AK)

CONCESSION

Concession was awarded by the Government of Jharkhand on a BOT (Annuity) basis for a period of 17.5 years (including construction period of two and a half years)

Date of Concession Agreement

RRR - September 23, 2009
RPR I - October 14, 2009
AK - August 06, 2011

Date of Project Completion

RRR - September 21, 2012
RPR I - October 12, 2012
AK - January 31, 2013

VALUE (₹ MILLION)

13,748



SOCIEDAD CONCESIONARIA A-4

A-4 highway, Spain

SCOPE

Four/ six-laning of the existing road between 3.78 kms and 67.5 kms A-4 Madrid (approximately 256 lane kms), improvement and operation and maintenance of the same

CONCESSION

The Concession was awarded by the Ministry of Public Works, Madrid, Spain on DBFOT (Shadow Toll) basis for a period of 19 years to the JV of Elsamex SA & Isolux

Date of Concession Agreement

December 27, 2007

Date of Project Completion

November 2010

VALUE (₹ MILLION)

6,591



CHONGQING YUHE EXPRESSWAY COMPANY LIMITED

Yuhe Expressway, China

SCOPE

Operations, Management and Maintenance of Yuhe Expressway consisting of four-lane dual carriageway connecting downtown Chongqing with Hechuan County in Chongqing, China (approximately 235 lane kms)

CONCESSION

The Concession was granted by Chongqing Municipal People's Government, China on a PPP basis for a period of 30 years with revenues from toll collections, annuities and from operations of service areas along the expressways

Date of Concession Agreement

June 28, 2002

Date of Project Completion

December 09, 2011

VALUE (₹ MILLION)

22,750

A Glimpse of our Projects

(continued)

PROJECTS UNDER IMPLEMENTATION



THIRUVANANTHAPURAM ROAD DEVELOPMENT COMPANY LIMITED (TRDCL)

Thiruvananthapuram City Roads (Phase II and Phase III)

SCOPE

Development of roads with an aggregate length of approximately 39 lane kms in Thiruvananthapuram city in the State of Kerala (Phase II & Phase II)

CONCESSION

The concession for Phases II and III of this project was awarded by the Kerala Road Fund Board on a BOT (Annuity) basis for a period of 15 years from commercial operation of the project

Date of Concession Agreement
May 1, 2009

VALUE (₹ MILLION)

613



ROAD INFRASTRUCTURE DEVELOPMENT COMPANY OF RAJASTHAN LIMITED (RIDCOR)

Mega Highway Project Phase II, Rajasthan

SCOPE

Development of approximately 715 lane kms of state roads in Rajasthan, out of which 599 lane kms have been developed and 116 lane kms are under development in the Kapren to Mangrol (KM) stretch in Rajasthan

CONCESSION

Concession awarded on BOT (Toll) basis for a period of 32 years (including a construction period of two years)

Yet to be awarded

VALUE (₹ MILLION)

1,672



MORADABAD BAREILLY EXPRESSWAY LIMITED (MBEL)

Moradabad-Bareilly Road

SCOPE

Development of four-lane highway between Moradabad to Bareilly section of NH-24 (approximately 522 lane kms) in the State of Uttar Pradesh

CONCESSION

Concession was awarded by NHAI on DBFOT (Toll) basis for a period of 25 years (including an initial construction period of two and half years)

Date of Concession Agreement
February 19, 2010

VALUE (₹ MILLION)

19,836



WARORA CHANDRAPUR BALLAPUR TOLL ROAD COMPANY LIMITED (WCBTRL)

Warora-Chandrapur Road

SCOPE

Development of four-lane highway with an aggregate length of approximately 275 lane kms connecting Warora to Bamni via Chandrapur in the State of Maharashtra

CONCESSION

Concession awarded by the PWD, Government of Maharashtra on a DBFOT (Toll) basis for a period of 30 years (including an initial construction period of three years)

Date of Concession Agreement
March 18, 2010

VALUE (₹ MILLION)

6,886

A Glimpse of our Projects

(continued)

PROJECTS UNDER IMPLEMENTATION



CHENANI NASHRI TUNNELWAY LIMITED (CNTL)

Chenani-Nashri Tunnel

SCOPE

Development of 9 kms long two-lane tunnel with parallel intermediate lane escape tunnel from Chenani to Nashri section of NH-1A in the State of Jammu & Kashmir

CONCESSION

Concession awarded by NHAI on DBFOT (Annuity) basis for a period of 20 years (including an initial construction period of five years)

Date of Concession Agreement
June 28, 2010

VALUE (₹ MILLION)

37,200



JORABAT SHILLONG EXPRESSWAY LIMITED (JSEL)

Jorabat-Shillong Road

SCOPE

Development of four-lane highway between Jorabat to Shillong (Barapani) section of NH-40 (approximately 262 lane kms) in the States of Assam and Meghalaya

CONCESSION

Concession awarded by NHAI on a DBFOT (Annuity) pattern under SARDPNE for a period of 20 years (including an initial construction period of three years)

Date of Concession Agreement
July 16, 2010

VALUE (₹ MILLION)

8,240



JHARKHAND ROAD PROJECTS IMPLEMENTATION COMPANY LIMITED (JRPICL)

Jharkhand-Accelerated Road

SCOPE

Development of approximately 245 lane kms of state roads in the state of Jharkhand as follows:

Four-lane road connecting Patratu Dam to Ramgarh (RPR II)

Two-lane road connecting Chaibasa to Chowka via Kandra (CKC)

CONCESSION

Concession awarded by the Government of Jharkhand on a BOT (Annuity) basis for a period of 17.5 years (including construction period of two and a half years)

Date of Concession Agreement
RPR II – October 14, 2009
CKC - May 28, 2011

VALUE (₹ MILLION)

7,598



BALESHWAR KHARAGPUR EXPRESSWAY LIMITED (BKEL)

Baleshwar-Kharagpur Road

SCOPE

Construction of new bridges / structures, repair of existing four-lane highway from Baleshwar to Kharagpur section of NH-60 of approximately 477 lane kms in the States of Orissa and West Bengal and its operation and maintenance

CONCESSION

The concession for this project 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)

Date of Concession Agreement
April 24, 2012

VALUE (₹ MILLION)

6,600



SIKAR-BIKANER HIGHWAY LIMITED (SBHL)

Sikar-Bikaner Road

SCOPE

Development and operation of Sikar- Bikaner Section of NH-11 via Sikar Bypass and Bikaner Bypass ending on NH-89 (approximately 540 lane kms) by two-laning with paved shoulder in the State of Rajasthan

CONCESSION

The concession for this project has been awarded by PWD Rajasthan on a DBFOT (Toll) basis for a period of 25 years (including construction period of two years)

Date of Concession Agreement
June 29, 2012

VALUE (₹ MILLION)

9,013



ROAD INFRASTRUCTURE DEVELOPMENT COMPANY OF RAJASTHAN LIMITED (RIDCOR)

Mega Highways Project Phase III, Rajasthan

SCOPE

Improvements and Development of two-lane highway with paved shoulder with an aggregate length of 607 lane kms in two corridors viz. Mathura (U.P. Border) to Bhadoti and Rawatsar-Nohar-Bhadra up to Haryana border in the State of Rajasthan

CONCESSION

Concession was awarded on BOT (Toll) basis for a period of 32 years (including a construction period of two years)

Date of Concession Agreement
February 22, 2012

VALUE (₹ MILLION)

6,113

A Glimpse of our Projects

(continued)

PROJECTS UNDER IMPLEMENTATION



BARWA ADDA EXPRESSWAY LIMITED (BAEL)

Barwa-Adda-Panagarh Road

SCOPE

Development and Operation of six-lane highway between Barwa-Adda-Panagarh section of NH-2 including Panagarh Bypass (approximately 727 lane kms) in the States of Jharkhand and West Bengal

CONCESSION

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)

Date of Concession Agreement
May 08, 2013

VALUE (₹ MILLION)

24,199



KHED SINNAR EXPRESSWAY LIMITED (KSEL)

Khed-Sinnar Road

SCOPE

Development and Operation of four-lane highway between Khed and Sinnar section of NH-50 (approximately 557 lane kms) in the State of Maharashtra

CONCESSION

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)

Date of Concession Agreement
May 08, 2013

VALUE (₹ MILLION)

20,000



KIRATPUR NER CHOWK EXPRESSWAY LIMITED (KNCEL)

Kiratpur-Ner Chowk Road

SCOPE

Development of four-lane highway between Kiratpur and Ner Chowk section of NH-21 (approximately 327 lane kms) in the States of Punjab and Himachal Pradesh

CONCESSION

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)

Date of Concession Agreement
March 16, 2012

VALUE (₹ MILLION)

22,910

PROJECTS UNDER DEVELOPMENT



ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED (FOUR-LANING) (IRIDCL)

Beawar- Gomti Road

SCOPE

Four-laning of the existing two-lane Beawar – Gomti section of NH-8 of approximately 216 lane kms, in the State of Rajasthan

CONCESSION

The concession was awarded by Department of Road Transport & Highways, Government of India, on a DBFOT (Toll) basis for two-laning of the project for an initial period of 11 years and was extended to 30 years as the Concessionaire has been notified for undertaking four-laning of the project

Date of Concession Agreement
April 1, 2009

VALUE (₹ MILLION)

13,871

A Glimpse of our Projects

(continued)

PROJECTS OF URBAN TRANSPORTATION



RAPID METRORAIL GURGAON LIMITED (RMGL)

Gurgaon Metro Rail Link

SCOPE

Development of approximately 4.9 kms long elevated metro rail link connecting the Delhi Metro Sikanderpur station on MG Road to NH-8 in Gurgaon in the State of Haryana

CONCESSION

Concession has been awarded by the Haryana Urban Development Authority for a period of 99 years (including an initial construction period of two and a half years)

Date of Concession Agreement
December 9, 2009

Date of Project Completion
November 14, 2013

VALUE (₹ MILLION)

11,340



RAPID METRORAIL GURGAON SOUTH LIMITED (RMGL)

Gurgaon Metro Rail South Extension

SCOPE

Development of approximately 7 kms long elevated Metro Rail Link extension from Sikanderpur Station to Sector 56 in Gurgaon in the State of Haryana

CONCESSION

Concession has been awarded by the Haryana Urban Development Authority for a period of 98 years (including an initial construction period of two and a half years)

Date of Concession Agreement
January 3, 2013

VALUE (₹ MILLION)

21,430

OTHER PROJECTS



CHARMINAR ROBO PARK LIMITED (CRL)

Car Parking Project, Charminar, Hyderabad

SCOPE

Development of Integrated Multi-level Automatic Car Parking in the city of Hyderabad in the State of Andhra Pradesh

CONCESSION

The Concession has been awarded by Greater Hyderabad Municipal Corporation (GHMC) on BOT basis for a concession period of 30 years (including an initial construction period of two years)

Date of Concession Agreement
May 25, 2012

VALUE (₹ MILLION)

725



GIFT PARKING FACILITIES LIMITED (GPFL)

Multi-level Parking Project, GIFT City, Gandhinagar

SCOPE

Development of a multi-level parking facility at GIFT City, Gandhinagar, Gujarat, on BOOT basis

CONCESSION

The Concession has been awarded by the Gujarat International Finance Tec-City Limited (GIFT) on BOOT basis for a concession period of 30 years (including an initial construction period of two years)

Date of Concession Agreement
January 22, 2014

VALUE (₹ MILLION)

3,600

A Glimpse of our Projects

(continued)

URBAN TRANSPORTATION PROJECTS



VANSH NIMAY INFRA-PROJECTS LIMITED (VNIL)

Nagpur City Bus Project

SCOPE

Mobilisation, operation and maintenance of the Nagpur city bus services in the city of Nagpur on BOO basis

CONCESSION

Concession awarded by Nagpur Municipal Corporation to Vansh Nimay Infra-Projects Limited for a period of 10 years (and renewable for another five years)

Date of Concession Agreement
February 9, 2007

VALUE (₹ MILLION)

709



MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED (MPBCDCL)

Madhya Pradesh

SCOPE

Construction, upgradation, modernisation, operation and maintenance of 24 border check posts across the State of Madhya Pradesh on BOT basis

CONCESSION

Concession awarded by Madhya Pradesh Road Development Corporation on BOT (User fee basis) for a period of 4,556 days (including an initial construction period of 730 days)

Date of Concession Agreement
November 10, 2010

VALUE (₹ MILLION)

13,500

Largest Private Sector BOT

Road Asset Portfolio Mix

Fair mix of 'Annuity / assured payments' and 'Toll' based projects in various stages of development

COMMISSIONED

Length (in lane kms) | Project cost (₹ in million)

	Length (in lane kms)	Project cost (₹ in million)
Vadodara - Halol	190	1,560
Noida Toll Bridge	60	5,888
Ahmedabad - Mehsana	333	3,103
Belgaum-Maharashtra Border	472	5,995
Thiruvananthapuram City Roads - I & II	119	3,096
Jetpur - Rajkot - Gondal	389	2,762
RIDCOR - I & II	2,705	21,751
Kotakatta - Kurnool	328	8,629
Pune - Sholapur	571	14,027
Hyderabad Outer Ring Road (Pedda Amberpet - Bongulur)	173	4,727
Beawar - Gomti	248	3,510
Hyderabad Outer Ring Road (Tukkuguda - Shamshabad)	152	3,994
A-4 Autovia, Spain	256	6,591
YuHe Expressway, China	235	22,750
Hazaribagh - Ranchi	319	8,892
Jharkhand Road Projects	418	13,748
Narketpalli - Addanki - Medarametla	888	17,614

UNDER CONSTRUCTION/ DEVELOPMENT

Length (in lane kms) | Project cost (₹ in million)

	Length (in lane kms)	Project cost (₹ in million)
Jharkhand Road Projects	245	7,598
Moradabad - Bareilly	522	19,836
Jorabat - Shillong	262	8,240
Warora - Chandrapur	275	6,886
Thiruvananthapuram City Roads - II & III	39	613
Chenani - Nashri	38	37,200
Kiratpur - Ner Chowk	327	22,910
Baleshwar - Kharagpur	477	6,600
Sikar - Bikaner	540	9,013
RIDCOR II & III	723	7,785
Barwa - Adda - Panagarh	727	24,199
Khed - Sinnar	557	20,000
Beawar - Gomti II	216	13,871

Graphs not to scale

Board of Directors

DEEPAK DASGUPTA

Chairman & Independent Director

- A retired Indian Administrative Services Officer served the Government of Haryana and the Central Government for over 36 years. During his tenure, he headed various departments including those related to infrastructure development and policy formulation
- He also served as the Chairman of National Highways Authority of India for over five years and as an Advisor to the Asian Development Bank. He was member of the Senior Expert Committee of IDFC Private Equity Fund and the Special Task Force in Bihar
- He holds a Master's degree in Science from Delhi University

R C SINHA

Independent Director

- A retired Indian Administrative Services Officer served the Government of Maharashtra and the Central Government for over three decades. During his tenure with Central Government he worked as the Joint Secretary, Ministry of Information and Broadcasting. He also served as Collector, District Magistrate, Secretary and Additional Chief Secretary in the Government of Maharashtra
- Mr. Sinha also served as Vice-Chairman & Managing Director of (i) Maharashtra State Road Transport Corporation Limited; (ii) City Industrial Development Corporation of Maharashtra Limited; (iii) Maharashtra State Road Development Corporation Limited and (iv) Maharashtra Airport Development Company Limited
- He holds a Bachelor's degree in Law, Master's degree in Economics from Lucknow University and a Post graduation in 'Urban Development' from the London University

DEEPAK SATWALEKAR

Independent Director

- He retired as the Managing Director and Chief Executive Officer of HDFC Standard Life Insurance Company Limited. Prior to this, he was the Managing Director of HDFC Limited since 1993 and also as Consultant with multi-lateral and bilateral agencies
- He is the recipient of the distinguished 'Alumnus Award' from the Indian Institute of Technology, Mumbai, and is now on the Advisory Council of the said Institution
- He is also an Independent Director on the Boards of several other companies. Currently he is also active on the Board of Trustees of Isha Vidhya (ishavidhya.org) and Teach to Lead (teachforindia.org), engaged in the field of primary education for low income and socially disadvantaged members of the society in rural and urban India, respectively
- He holds a Bachelor's degree in Technology from the Indian Institute of Technology, Mumbai, and a Master's degree in Business Administration from the American University, Washington DC

H P JAMDAR

Independent Director

- He has headed various departments of the Government of Gujarat, including as Secretary and Principal Secretary. During his tenure, he also served as Chairman of various state-owned corporations, especially in the roads and ports sector
- He has served as the President of Indian Roads Congress and the Institution of Engineers (India)
- He holds a Bachelor's degree in Civil Engineering from the Gujarat University

RAVI PARTHASARATHY

Non-Executive Director

- He is the Chairman of the IL&FS Group and has been associated with the Company since January 6, 2001 and has been with the IL&FS Group since 1988. Prior to joining the IL&FS Group he has served 20th Century Finance Corporation Limited, as Executive Director
- He holds a Bachelor's degree in Science from the University of Mumbai and a post-graduation in Business Administration from the Indian Institute of Management, Ahmedabad

HARI SANKARAN

Non-Executive Director

- Presently, Vice Chairman & Managing Director of IL&FS, has been associated with the Company since November 29, 2000 and with the IL&FS Group since 1990. He has been instrumental in developing and overseeing the business canvas of the IL&FS Group
- He has been closely involved in the implementation of all the IL&FS Group Infrastructure Projects. He has also participated in various high-powered committees set up by the Government of India for policy and legal reforms,

including as the Chairman of the FCCI Infrastructure Committee

- He holds a Master's degree in Economics from the London School of Economics & Political Science

ARUN K SAHA

Non-Executive Director

- Currently, he is the Joint Managing Director & CEO of IL&FS, is associated with the Company since January 6, 2001 and with the IL&FS Group since 1988
- He is responsible for overseeing 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.
- He holds a Master's degree in Commerce from the University of Kolkata; is an Associate Member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India

VIBHAV KAPOOR

Non-Executive Director

- He has been associated with the Company since December 10, 2004 and with the IL&FS Group since July 1, 2002 as Chief Investment Officer and also heads the Group HRD policies and their implementation
- Prior to joining the IL&FS Group, Mr. Kapoor was associated with the Merchant Banking Division of ANZ Grindlays Bank as a Portfolio Manager and as the Head of Corporate Finance and Equity Research department of the Unit Trust of India
- Mr. Kapoor holds a Bachelor's degree in Arts and a Master's degree in Business Administration from the Himachal Pradesh University, Shimla

PRADEEP PURI

Non-Executive Director

- An Ex-Indian Administrative Services Officer, he has held important positions 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 serves as the Chief Executive Officer of Model Economic Township Company Limited
- Mr. Puri holds a Master's degree in History from Delhi University

K RAMCHAND

Managing Director

- Has been associated with IL&FS Group since 1994 and as the Managing Director of the Company since August 13, 2008. With over three decades of experience in urban and transport infrastructure development sector, he has been involved in a large number of private infrastructure development initiatives, including the successful commissioning of various toll road projects in Gujarat and for the NHAI. In his role as the Chief Executive Officer (Infrastructure) of the IL&FS Group, he is associated with various initiatives in infrastructure, including SEZs and Maritime Assets
- 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
- He holds a Bachelor's degree in Civil Engineering from Madras University and a post-graduation in 'Development Planning' from the School of Planning, Ahmedabad

MUKUND SAPRE

Executive Director

- He has been associated with the IL&FS Group since 1992 and as an Executive Director of the Company since August 13, 2008. He has almost three decades of rich industry experience
- Prior to joining the Company, he had worked with Engineers India Limited and Gammon India Limited and has been involved with various international projects including implementing the 'High Speed Rail Project' and evaluating the 'Cargo Airport Project' in Mexico
- He holds a Bachelor's degree in Civil Engineering, a Diploma in Systems Management and also in Financial Management

Awards and Accolades

GOLDEN PEACOCK AWARD



ITNL was adjudged the winner of Golden Peacock Occupational Health & Safety Award 2014 for the Construction (Infrastructure) sector. The prestigious award is granted for outstanding contribution to the field of Occupational Health and Safety in the respective sector



Awarded as the winner of **Golden Peacock Occupational Health & Safety Award 2014**

LACP AWARD





ITNL's Annual Report, 2012-13

We received multiple recognitions at the 'League of American Communication Professionals (LACP) Vision Awards', the world's largest annual report competition



6th rank in the Top 50 Annual Reports Worldwide



The **Best Agency Report** worldwide



The **Platinum Award** for excellence within its Industry

Corporate Information

BOARD OF DIRECTORS

Deepak Dasgupta
Chairman

Ravi Parthasarathy

Hari Sankaran

Arun K Saha

R C Sinha

H P Jamdar

Deepak Satwalekar

Pradeep Puri

Vibhav Kapoor

K Ramchand
Managing Director

Mukund Sapre
Executive Director

COMPANY SECRETARY

Krishna Ghag

SENIOR MANAGEMENT

K Ramchand
Managing Director

Mukund Sapre
Executive Director

Harish Mathur
Technical Director

George Cherian
Chief Financial Officer

Mr. S. C. Mittal
Chief Executive

Krishna Ghag
Vice President & Company Secretary

AUDITORS

Deloitte Haskins & Sells LLP
Chartered Accountants

REGISTERED OFFICE

The IL&FS Financial Centre, Plot C-22, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051

REGISTRAR & SHARE TRANSFER AGENTS

Link Intime (India) Private Limited
C-13, Pannalal Silk Mills Compound
L.B.S Marg, Bhandup (West),
Mumbai 400 078

COMMITTEES OF THE BOARD

Audit Committee

R C Sinha
Chairman

Deepak Dasgupta

H P Jamdar

Arun K Saha

Stakeholders Committee

Arun K Saha
Chairman

K Ramchand

Nomination & Remuneration Committee

Deepak Satwalekar
Chairman

R C Sinha

Ravi Parthasarathy

Hari Sankaran

CSR Committee

H P Jamdar
Chairman

K Ramchand

Mukund Sapre

Safety Committee

H P Jamdar
Chairman

Deepak Dasgupta

R C Sinha

Committee of Directors

Hari Sankaran
Chairman

Arun K Saha

Pradeep Puri

K Ramchand

Mukund Sapre

Management Discussion and Analysis


Belgaum Maharashtra Border Road

1. GLOBAL ECONOMY - A SNAPSHOT

Global growth has inched forward in the year 2013-14, with moderate and steady growth in emerging markets and stronger growth in developed nations. Some economies on both sides of the Atlantic that faced the brunt of the financial crisis are returning to pre-crisis growth levels. According to World Bank, the global economy is expected to grow by about 3.2% in 2014 and 3.4% in 2015, as compared to 2.4% in 2013, largely driven by high-income economies. The developed economies are projected to strengthen from 1.3% in 2013 to 2.2% in 2014 and 2.4% in 2015. The growth in developing countries is projected to pick up modestly from 4.8% in 2013 to 5.3% in 2014 and 5.5% in 2015

The US

The Federal Reserve kept short-term interest rates low and undertook a series of unprecedented bond purchases to stabilize major credit markets helping the US recover. Moreover, investments in infrastructure, education and labour market reforms like higher minimum wages, further improved economic and job growth, resulting in a 7% unemployment rate, which is well below its recession peak of 10% in October 2009, but above the 4.7% level before the downturn. More jobs, along with rising stock and housing markets, helped propel household net worth in the third quarter to a record level. The Federal Open Market Committee (FOMC) decided to taper asset purchases by $10 billion per month in December 2013. This may impact the pace of recovery. Growth in the U.S. is projected to reach 2.7% in 2014, compared to 1.9% in 2013

Europe

Positive GDP growth in the EU zone was witnessed in the second quarter of 2013, led by stronger growth in Germany. The recovery is expected to become increasingly driven by domestic demand and further spill over to other EU Member States. Domestic demand led growth is expected this year and next, instead of exports driving growth. Moreover, output in the Southern European periphery economies has also strengthened. Three of the five high-spread economies (Ireland, Portugal and Spain) exited recession during 2013, helped by strong export growth, while the recession is easing in the other two (Italy and Greece). The unemployment rate is expected to consistently decline to 12.0% in the euro area and 10.7% in the EU in 2014 and 11.7% in the euro area and 10.4% in the EU in 2015. The GDP is expected to grow by 1.5% in the EU and 1.2% in the euro area this year, before accelerating in 2015 to 2.0% and 1.8% respectively

Emerging Economies

Before the onset of the global financial crisis, many emerging economies grew robustly buttressed by strong tailwinds and good policies. In 2013-14, some large emerging markets experienced capital outflows and market turmoil. Growth in the developing world began to strengthen in the second and third quarters

The Indian Economy experienced multiple challenges like decelerating growth, an undervalued rupee, elevated current account deficit and inflation in 2013-14. The Government and the RBI took measures to revive the economic growth

of 2013, despite financial market volatility. Uneven recovery is witnessed, with GDP growth accelerations in China, Malaysia and Thailand in the third quarter offsetting softness in South Africa, Turkey and Indonesia. China's economy expanded at the slowest rate in 20 years, crimping growth across the region. Supply – side constraints, tight monetary policy and tightening of financial conditions with the US tapering could, however, deter acceleration in growth

Brazil is expected to have grown just over 2%, missing predictions of over 4% growth. Brazil's inflation eased to 5.8% from a peak of 6.7% in June 2013. The strong consumer spending and investments during the last quarter helped Brazil end 2013 on an upbeat note

Africa

With a gradual recovery of the global economy, the continent's average GDP is likely to be 5.3% in 2014. Domestic demand and more favourable supply conditions have resiliently driven growth in many African countries. But the weaker global environment has affected the external demand. Africa's economy is projected to grow by 5.3% in 2014. According to recently reviewed GDP figures, Nigeria is now Africa's biggest economy. Nigeria's economy exhibited strong growth in 2013 strengthened further by the privatisation of the power sector. Nigeria is set to grow 7.3% this year, up from 6.4% in 2013

Middle East and North Africa (MENA)

Amid continued political instability across the MENA region since 2011, macroeconomic vulnerabilities have deepened and structural issues of high youth unemployment and poor service delivery remain unaddressed. Growth in this region has contracted by 0.1% in 2013 along with worsening of fiscal and external balances

South Asia

South Asia's GDP rose an estimated 4.6% in 2013. The subdued growth as compared to the past growth trend, reflects domestic imbalances and a weak external environment

2. INDIAN ECONOMY

The Indian Economy experienced multiple challenges like decelerating growth, an undervalued rupee, elevated current account deficit and inflation in 2013-14. The Government and the RBI took measures to revive the economic growth. The GDP growth is estimated at 4.9% in 2013-14 with agriculture, industry and services registering growth at 4.6%, 0.7% and 6.9% respectively

India experienced good monsoons and high food grain production during 2013-14, estimated at 263.20 million tonnes compared to 257.13 million tonnes in 2012-13

Output based on the Index of Industrial Production (IIP) increased in the second quarter of FY 2013-14. Following the steps taken by the Government to boost investment and business confidence, some of the core sectors such as power, cement, steel and coal show improved growth. The cumulative industrial growth for the period April-February of FY 2013-14 showed contraction of 0.1% over the corresponding period of 2012-13. The mining sector contracted by 1.1%, manufacturing declined 0.7% and electricity sector grew at 6.2% during April-February of 2013-14

Infrastructure sector output including India's eight core sector industries - fertilisers, cement, steel, electricity, crude oil, coal, petroleum refinery products and natural gas grew at 2.6% during FY 2013-14 compared to 6.5% growth in 2012-13

The service sector also witnessed growth moderation in a gradual manner, and its growth remained

constant during Q3 2012-13 to Q3 2013-14. Railways sector and the transport and communication sectors performed unremarkably. Aggregate bank deposits and bank credits showed growth rates of 15.9% and 14.5%, respectively during April-December, 2013-14 over the corresponding period in 2012-13

The rupee exchange rate against major currencies remained volatile during 2013-14, which forced the RBI to announc measures to stabilise the rupee. A healthier global economic environment, benign outlook on oil prices and strong exports have helped to improve the investment climate

The key challenge for the new government is to introduce growth-oriented policies. India needs to address bottlenecks in its power and infrastructure sectors. A return to healthy and sustainable growth calls for ambitious and comprehensive structural reforms, covering a broad range of policy areas, especially in the infrastructure sector

3. INDIA'S INFRASTRUCTURE INDUSTRY

Infrastructure has always played a key role in India's economic and financial development and made the country the second fastest growing economy in the world. However, the economic slowdown has affected the pace of Infrastructure development

The government has increasingly turned to the private sector with PPP route emerging as the most favoured mechanism for public-private collaborations. However, issues pertaining to Total Project Cost estimation, delayed clearances, land acquisition, slow implementation and environmental issues continue to pose major challenges to the private players as well as the sector. The inflation-driven high interest rates increased input costs, and penalised infrastructure investments. Private players face a liquidity crunch as financial institutions are reluctant to fund infrastructure projects. The rising policy uncertainty, reflective of deteriorating confidence, has led to investment slowdown in the sector

The Indian government has taken few steps over the last year to address structural issues, including passage of some long-awaited legislative measures. The Cabinet Committee on Investment (CCI) and Project Monitoring Group (PMG) cleared many large-scale investment projects. As cleared projects are implemented in an unhindered environment, higher investment activity will pave the way for a robust and inclusive economic growth in India

The government also initiated the proceedings to set up an Independent Road Regulator

4. OPPORTUNITIES

Opportunities in the infrastructure sector are increasing significantly, with large investment warranted funded through PPP scheme

(a) Roads

India's road network, covering over 4.69 million kilometres, is the world's second largest, and comprises, Expressways, National Highways, State Highways, Major District Roads (MDRs), Other District Roads (ODRs), village and rural roads. The density of India's highway network at 0.66 km of highway per square kilometre of land is similar to that of the United States (0.65) and much greater than China's (0.16) or Brazil's (0.20)

However, Expressways and National Highways constitute only about 2% of the road length, State Highways cover 3%, MDRs and ODRs together cover 61% and the remaining 34% forms the rural road



Hyderabad Outer Ring Road

About 65% of India's freight and 80% of passenger traffic use roads. The highways and expressways carry 40% of the road traffic. Moreover, vehicular growth has been growing at an average pace of over 10% per annum in the last five to seven years

network. Over 54% of the total road network is paved in the country

Due to its large size and lack of dedicated rail freight corridor, India needs an efficient road network to enhance national integration and accelerate socio-economic development. About 65% of India's freight and 80% of passenger traffic use roads. The highways and expressways carry 40% of the road traffic. Moreover, vehicular growth has been growing at an average pace of over 10% per annum in the last five to seven years

The Indian Government envisaged the National Highways Development Project (NHDP) in the late 90's to further develop and decongest the existing road infrastructure. Being implemented through the National Highways Authority of India (NHAI), the NHDP constitutes widening of existing highways construction of bridges, flyovers and similar other infrastructure

Spread across seven phases, the NHDP comprises up gradation of more than 50,000 km of National Highways-

(i) NHAI has completed the Golden Quadrilateral (GQ) project and the entire network of 5846 km is already 4/6 laned

(ii) Four laning of 12,109 kms (NHDP-III)

The Government has approved 4/6 laning of 12,109 km of National Highways on Build, Operate and Transfer (BOT) basis at an estimated cost of ₹ 806 billion under NHDP-III. The phase has been approved in two parts i.e. Phase-III A consisting 4,815 km at an approved cost of ₹ 330 billion and Phase-III B, consisting 7,294 km at an approved cost of ₹ 475 billion. Under this phase, the stretches have been identified as per the following criteria:

- High density traffic corridors not included in Phase I & II
- NHDP Phase III aims to connect state capitals and places of economic, commercial and tourist importance to stretches of National Highways

As on March 31, 2014, 6098 km has already been four laned and 4326 km is under implementation. 1685 km is the balance length left in completing Phase-III

(iii) Two laning of 20,000 kms (NHDP-IV)

This Phase envisages upgrading 20,000 km of National Highways into two-lane highways through Public Private Partnership (PPP) scheme. Out of 20,000 Km approved under NHDP Phase IV, NHAI is assigned 14,799 Km and the remaining is under the purview of Ministry of Road Transport and Highways (MORTH)

As on March 31, 2014, 483 km has already been four/two laned and 4575 km is under implementation. Around, 9741 kms is yet to be awarded

(iv) Six laning of 6,500 km (NHDP-V)

Under NHDP-V, the Government approved the six laning of 6,500 kms of National Highways. Approved through PPP route on BOT (Toll) basis using Design Build Finance and Operate (DBFO) pattern with a maximum Viability Gap Funding (VGF) of 10%, this project will cost ₹ 412 billion (at 2006 prices). Six laning of 6,500 km includes 5,700 km of GQ and 800 km of other stretches. Out of 6500 km, 1819 km has already been six laned as on March 31, 2014 and 2262 km is under implementation

(v) Development of 1,000 kms of expressways (NHDP-VI)

Certain urban centres in India are gaining importance. For those located within a few hundred kilometres of each other, expressways would be both viable and beneficial. Under the NHDP Phase VI, the Government approved the construction of 1,000 kms of expressways at an estimated cost of ₹ 166.80 billion (at 2006 prices) through the PPP route on BOT (Toll) mode. The private sector is expected to contribute ₹ 90 billion and the government funding the


Hazaribagh Ranchi Road

remaining amount to bridge the viability gap as well as meet the cost of land acquisition, utility shifting and consultancy. This will follow a Design, Build, Finance, Operate (DBFO) pattern with a maximum VGF of 40%. The feasibility report for this is under preparation. NHDP-VI was scheduled for completion by December 2015 but is expected to get delayed considerably

(vi) Other Highway projects (NHDP-VII)

Under NHDP Phase-VII, the Government has approved the construction of 700 km stand-alone ring roads/bypasses as well as grade separators, flyovers, elevated roads, tunnels, road over bridges, under passes and so on, at an estimated cost of ₹ 166.80 billion. These are expected to be implemented through the PPP route on BOT (Toll) basis, with a maximum VGF of 40%. Under NHDP Phase-VII, 36 stretches in different States have been identified, and 22 kms of roads have been completed as on March 31, 2014, with 19 kms still under implementation

(vii) Special Accelerated Road Development Programme for the North Eastern Region (SARDP-NE)

About 15 stretches, aggregating 388 kms of various National Highways in the North Eastern areas, are to be developed under PPP mode through the Special Accelerated Road Development Programme for the North Eastern Region (SARDP-NE). The project has been conceived to provide connectivity to all 85 district headquarter towns of the North eastern region by at least two-lane roads. It also aims to upgrade all two-lane National Highways connecting state capitals in the region to four-lane standards. As on March 31, 2014, 88 kms of this phase has been completed and 23 kms are under implementation. Approximately, 277 km are yet to be awarded

Annual qualification and projects awarded by NHAI

NHAI continued its Annual pre-qualification of bidders and envisaged awarding approximately 10,000 kms of highways during December 2012 to December 2013. The bidders have been pre-qualified annually for projects to be awarded by NHAI. However, bidding for BOT road projects has dwindled in 2013-14, with some stretches attracting no bidder. Limited financial flexibility of players, difficulty in achieving financial closure and delay in clearances have been the key reasons for the waning developer interest. Another reason was that in 2013-14, NHAI offered relatively less attractive road projects, with low traffic density, and thus, lower potential to make returns on tolls

The road infrastructure services sector witnessed announcement of 83 new projects worth ₹ 117 billion during 2013-14, recording a steep decline from 129 projects worth ₹ 322 billion proposed in 2012-13. This was the second consecutive year of declining investment announcements in the sector

O&M projects

The Cabinet Committee on Infrastructure (CCI) approved the policy of undertaking maintenance of National Highways on Operation, Maintenance and Transfer (OMT) basis. This will ensure regular maintenance of the upgraded National Highway sections during the concession period without any liability to the Government. NHAI continued with the process of awarding various National Highway stretches on OMT contracts. During the year ended March 31, 2014, approximately 9 OMT Projects were opened for bidding. These added to a length of 1336.72 kms, having a Total Project Cost of ₹ 10.8 billion

State-Highways

According to a recent study done by Crisil Research, during 2007-08 to 2012-13, overall investments in the State Highways increased at a CAGR of 15.7% to Rs 516 billion in 2012-13 from Rs 249 billion in 2007-08. State governments have been increasingly focusing on the improvement of state roads, which has, in turn, led to considerable expenditure. Between 2013-14 and 2017-18, the length of roads and highways upgraded/ constructed is expected to grow at an average of 6.5%. Thus, total investments in state roads between 2013-14 and 2017-18 are expected to grow at an average of 11.8%. With state governments increasing their focus on state road programmes, private participation is likely to increase gradually over the next five years

With reference to States, the Road Capex has increased in most of the states as given under:

State	Road Capex in 2012-13, ₹ Billion	Road Capex in 2008-09, ₹ Billion	CAGR growth rate, %	Investment envisaged in 2013-14, ₹ Billion
Andhra Pradesh	28	8	36.8	33
Bihar	38	25	11.0	42
Chhattisgarh	27	10	28.2	40
Goa	3	2	10.7	3
Gujarat	21	9	23.6	44
Haryana	12	7	14.4	28
Himachal Pradesh	7	5	8.8	5
Jharkhand	16	8	41.4	26
Karnataka	30	20	10.7	53
Kerala	27	6	45.6	9
Madhya Pradesh	23	16	9.5	55
Maharashtra	31	20	11.6	31
Odisha	17	10	14.2	36
Punjab	4	3	7.5	3
Rajasthan	14	3	47.0	20
Tamil Nadu	50	49	0.5	11
Uttrakhand	8	7	3.4	13
West Bengal	13	3	44.3	20

Greater focus is also required on operations and maintenance (O&M). So far, only a few states have started offering OMT contracts and concessions. This, in turn, has built up a significant potential in this segment

(b) Railways

The Indian Railways (IR) is a critical component of India's transport network. With a total route network of about 64,600 kilometres, spread across 7,146 stations, IR holds the distinction of being the world's second largest rail network under a single management and the principal mode of transportation for bulk freight and long distance passenger traffic. It operates more than 19,000 trains every day

The working group on urban transport has identified 10 goals for the XIIth Five Year Plan, which, inter alia, talks of 'Augmentation of Public Transport' through a combination of Bus Services, Bus Rapid Transport Systems, Rail transit and Suburban Rail services depending on the population of the respective cities. The same study estimates investment requirement in Public Transport, including Metro Rail and Commuter/Regional Rail, at ₹ 1,307 billion and ₹ 197 billion, respectively, which is planned to be channelised through a combination of funding from the Government of India, State Governments/Urban local bodies, Development agencies, property development agencies, loans from domestic and financial institutions as well as PPP route. The financing model proposed for urban transit talks of investment, primarily funded by the Government, except in cases of high-density and elevated construction where PPP is feasible

On the basis of the above, 23 cities were identified to be eligible for development of Metro/Mono rail. As on date government authorities have made some headway in cities like, Amritsar, Ludhiana, Patna, Noida, Chennai

and Pune. However given the overall economic environment and various other issues related to project viability, only Chennai Monorail project has seen any activity at tender level

IR has initiated measures to attract private sector investment in the following areas:

- **Introduction of competition in container movement.** Until 2006, the container movement on IR was the monopoly of a public sector entity, the Container Corporation of India (CONCOR). The container movement has since been opened to competition and 14 private entities have been granted concessions for running container trains, out of which 10 concessionaires have already commenced their operations

- **Dedicated Freight Corridor Project (DFC).** The Eastern and Western Dedicated Freight Corridors are a mega rail transport project being undertaken to increase transportation capacity, reduce unit costs of transportation, and improve service quality. Two DFCs on the 1,279 km Ludhiana-Sonnagar (Eastern) and the 1,483 km Tughlakabad / Dadri Jawaharlal Nehru Port (Western) routes, respectively, are being developed with an estimated cost of about ₹ 500 billion. These corridors will enable the running of longer and heavier trains of 25-tonne axle load with larger moving dimensions including double stack container trains comparable to international standards. Apart from the Eastern and Western DFCs, a feasibility study has also been undertaken on four future freight corridors, viz. East-West Corridor (Kolkata-Mumbai), North-South Corridor (Delhi-Chennai), East Coast Corridor (Kharagpur-Vijayawada) and Southern Corridor (Goa-Chennai)

- **Development of Railway Stations.** The Government has, identified 26 railway stations for redevelopment as world-class stations in the metropolitan cities and major tourist centres for development through the PPP route. Part of the real estate potential of these stations would be exploited for financing these projects

- **Development of Logistic Parks.** Multi-Modal Logistic Parks (MMLPs) offer promising possibilities for private investment. Such parks could either be built independently at strategic locations or in Special Economic Zones, particularly along the Dedicated Freight Corridor

- **High-speed passenger trains.** Seven corridors have been identified for conducting pre-feasibility studies for running high-speed trains (popularly referred to as bullet trains) at speeds above 350 kmph. These corridors will be set up through PPP. A study is also being done on the Delhi-Mumbai route for raising the speed of passenger trains from 160 kmph to 200 kmph, i.e. for running semi-high speed trains

- **Mumbai Elevated Rail Corridor**

  Mumbai has one of the most crowded and overloaded suburban rail systems in the world. The System is operated by Western and Central Railway and is spread over 319 route km, operating more than 2,300 train services daily. The existing Corridor is about 60 km long from Churchgate to Virar with 28 stations. The City is expanding towards Virar and beyond resulting in high passenger movement between Virar and Borivali as compared to southern sections. Ministry of Railways (MOR) is proposing an Oval Maidan-Virar Elevated Corridor, 62.268 km long, with total project cost of ₹ 200 billion. To reassess the financial viability, PMO has ordered Fresh Traffic Survey for Mumbai Elevated Rail Corridor. The commercial contract is supposed to be awarded in mid-2014 and the bidders are supposed to be shortlisted by November end

The stagnant economic growth further worsened the traffic growth scenario leading to debt defaults. This has prompted banks to resort to a micro-analysis of the project including the financial model. Credit availability has become one of the most significant threats of the year


Ahmedabad Mehsana Road

5. THREATS

Factors, which can threaten the business model and the Company's market standing, emerge from changes in Government policies, safety and security concerns and so on. Some possible threats are discussed below:

(a) Market Competition

The company competes with a number of Indian and international infrastructure operators in acquiring concessions for both new and existing road projects. The competition, which had increased manifold in the past, has eased out relatively in the last 2 years with market players turning cautious, leading to more rational bids. Considering the ever-changing market competition, the Company adapts its policies and procedures to ensure a sustained business model

(b) Business environment changes

The sustained economic slowdown globally and regional political uncertainty continued to impact the sector adversely both domestically and internationally

At the domestic level, the business environment is reasonably stable. However, tight monetary policy could raise the interest rates impacting the company's cost projections. Any adverse change in the focus or policy framework regarding infrastructure development or the surface transportation industry, of the Government of India and various government entities in India and other countries in which we have operations, could adversely affect our existing projects and reduce opportunities to secure new projects

(c) Credit availability

Over the last few years, PPP projects in the road sector witnessed aggressive bidding by newcomers resorting to inflated traffic growth estimates. The stagnant economic growth further worsened the traffic growth scenario leading to debt defaults. This has prompted banks to resort to a micro-analysis of the project including the financial model. Credit availability has become one of the most significant threats of the year. The Company maintains a good track record with infrastructure financiers; and achieves timely financial closure for its projects

6. SECTOR-WISE PERFORMANCE

ITNL has a large and diversified BOT road asset portfolio. Besides, it also has an optimum mix of toll and annuity projects and significant geographical spread. The Company has developed various road projects, apart from possessing complementary engineering, designing, planning and project monitoring skills. ITNL will focus on maintaining its record of delivering quality assets within budgeted costs and time

(a) Roads

The Company demonstrated a good performance both in the domestic and international operations

(i) Domestic Operations

There was hectic activity at the construction front. Despite the economic slowdown and hardened lending scenario, your company secured a financial closure for two projects and is on track to achieve closure for another two projects. The company also ensured that


Thiruvananthapuram Road

construction was progressing as per schedule and completed three projects ahead of schedule as well. The details are as follows:

- Executed Concession Agreements with NHAI for the Four laning of 138 km long Khed Sinnar Project in Maharashtra and Six laning of 123 kms long Barwa Adda Panagarh Project in Jharkhand and West Bengal. Subsequently, the financial closure was achieved for these projects and the projects commenced construction operations from February 12, 2014 and April 1, 2014 respectively
- Commenced construction of the Kiratpur Ner-Chowk project in the States of HP and Punjab post declaration of appointed date for the project as November 14, 2013
- Commenced the construction of RoB at Bikaner besides two other RoBs at Sangaria and Alwar in the State of Rajasthan, under Road Infrastructure Development Company of Rajasthan (RIDCOR)'s supervision
- Received Provisional completion certificate and commenced commercial operation and maintenance of the following projects:
  - Pune Solapur Road Project in Maharashtra from August 23, 2013, 145 days ahead of Scheduled Completion date
  - Narketpally-Addanki-Medarametla Road Project in Andhra Pradesh from March 6, 2014 and commenced toll collection from March 11, 2014
  - Commenced commercial operations of the Kushkhera - Kasola road and the Jhalawar Ujjain Road under RIDCOR from July 2, 2013 and December 15, 2013 respectively. The Company also completed a RoB at Sangaria on March 10, 2014. Both the road projects were operationalised well ahead of scheduled completion date
  - The company commenced commercial operations at 7 of the 24 check posts in the Madhya Pradesh Border Checkpost project as per the details given in the table below:

No.	Checkpost	COD
1	Agra – Mumbai	April 26, 2013
2	Indore – Ahmedabad	April 26, 2013
3	Betul – Nagpur	October 21, 2013
4	Shivpuri – Kota	September 01, 2013
5	Indore – Icchapur	November 17, 2013
6	Mhow Neemuch	January 27, 2014
7	Jabalpur Jaipur	March 31, 2014

  - The Company has also applied for Provisional Completion Certificate for the Patratu Dam-Ramgarh

Road project in Jharkhand as on March 31, 2014

- The Company is operating and maintaining the following projects according to norms prescribed under the Concession Agreements:
- Vadodara – Halol project, Gujarat
- Ahmedabad – Mehsana project, Gujarat
- Belgaum – Maharashtra Border project, Karnataka
- Jetpur- Gondal- Rajkot project, Gujarat
- Kotakatta Bypass – Kurnool project, Andhra Pradesh
- Pedda Amberpet - Bongulur Project (Hyderabad Outer Ring Road)
- Various road stretches under the Mega Highways Road Project, Phase-I & II, Rajasthan
- Thiruvananthapuram City Road Improvement project, Kerala
- Beawar Gomti road stretch, Rajasthan
- Ranchi Hazaribagh road stretch, Jharkhand
- Three road stretches under Jharkhand Road Projects Implementation Company Ltd, Jharkhand
- Pune Solapur road stretch, Maharashtra
- Narketpally Medarametla road stretch, Andhra Pradesh
- 7 Checkposts in the Madhya Pradesh Border Checkpost Company Ltd

- The Company is currently associated with approximately, 42 proposals with various project awarding authorities. These proposals aggregate to 4,272 kms, which are under various stages of bidding

(ii) International Operations

The year in review saw the Company expand its presence from the Middle East, South East Asia and Africa to US and Latin America as well. The Company is pursuing various projects actively along with completing formalities of setting up offices in these regions. Some of these projects are expected to reach a favorable conclusion in the near future

- **Nigeria :** ITNL Africa Projects Limited (IAPL) continues to pursue the development of a 480 km highway project with the Ministry of Works, Government of Nigeria connecting Illorin to Kaduna in Nigeria. During the year, IAPL has submitted the Outline Business Case (OBC) and has also undertaken the requisite studies for environment and social impacts and their mitigation for the Project. The project has subsequently received the Environmental Clearance in the preceding quarter and the Presidential approval is currently being pursued.



Warora Chandrapur Road

IPL signed a MoU with Chongqing Expressway Group, Jiangsu Testing Institute and China Railway Construction Group towards creating an O&M JV targeting all expressways in China. As per the agreement, IIPL will hold 28% share in the maintenance JV

Concomitantly, the appointment of transaction advisor, which is a key component of the procurement process, is currently underway

- **UAE :** Multiple surface transportation projects like road works, bridges, multi-level car parks and Transit Centre are being pursued through two of its registered subsidiary companies in this region - ITNL International JLT & the Sharjah General Services Co. LLC (Khadamat)

  Khadamat has held interactions with various government departments like the Directorate of Public Works, Sharjah Airport Authority among others, and is pursuing various mandates in the urban roads and airport segment. Khadamat has signed an MoU with the Sharjah Airport Authority, which allows Khadamat to undertake due diligence of the airport and suggest various methods of upgrading the airport

- **Elsamex, Abu Dhabi:** During the year, the Company's Spanish subsidiary - Elsamex S.A., commenced its first project in the region - the Abu Dhabi –Al Ain Highway Project which was awarded to it on OPRC basis. The project has received its commencement certificate and has taken over the highway from September 1, 2013. The O&M activities of the Company are currently being streamlined. In the meantime, Elsamex has been classified as a Special Grade company in the preceding quarter. The Special Grade classification allows Elsamex to pursue any project pertaining to Road construction and maintenance

- **Botswana:** The Company in joint participation with Elsamex had submitted price proposal for undertaking up-gradation/rehabilitation of two packages in Botswana, in which it emerged as the lowest bidder for the projects. Technical evaluation was completed by the government authorities and after providing the necessary clarifications to the Government/ consultants, the joint venture of ITNL-Elsamex was awarded the two packages. The company has commenced mobilisation activities for the project

- **Columbia:** The Company has been prequalified for four concessions in Columbia. The bids for these projects are likely to be submitted in the current financial year. The Company is also following other opportunities in this region

- **USA:** ITNL International Pte Ltd., Singapore (IIPL) commenced proceedings to establish its office in Washington, USA, towards which it has set up the requisite securities such as Surety/Bonding facilities. IIPL is likely to submit two bids in consortium with a local company in the near future

- **NEXCO:** The Company signed a Memorandum of Understanding with East Nippon Expressway Company (NEXCO) for pursuing PPP projects in India utilising Japanese technology and finance. Subsequently, a team from NEXCO visited the Pune Solapur Road Project in which they had shown interest and acquired equity stake of 9.09%

- **Ukraine:** During the year, the Company along with Elsamex bid for the Output and Performance based Road Contract in Ukraine. The JV has been issued the Letter of Award for the project by The State Road Agency of Ukraine. The JV is awaiting further instructions from the Client to commence the mobilisation activities

- **YUHE Expressway:** For the reporting period, Yuhe Expressway recorded Sales of US$ 69.96 million as against forecast of US$ 69.54 million. The Company holds 49% stake in the project through its wholly owned subsidiary, IIPL

  IIPL signed a MoU with Chongqing Expressway Group, Jiangsu Testing Institute and China Railway Construction Group towards creating an O&M JV targeting all expressways in China. As per the agreement, IIPL will hold 28% share in the maintenance JV. The Spanish subsidiary, Elsamex will provide technical support to the proposed JV. The venture will handle Testing, Designing, Operation and Maintenance Management and related works focusing on Surface Transportation infrastructure. The new venture will initially concentrate on Chongqing in the medium term and expand its operation into other provinces of China after the execution of a formal JV Contract

- **Elsamex SA:** Earned revenues of 151.26 million Euros. Overall sales contributions from Europe and America were 29.4% and 46.5% respectively whereas Asia contributed 21.9% and the rest of the world 2.2%. There was delay in award of new international engineering and consulting contracts. Consequently, final PAT for 2013 was 6.06 million Euros

  On the business front, the Company was awarded with significant contracts in Ukraine and Botswana which will begin in 2014

  Accordingly, the Revenue forecast for 2014 is 203.19 million Euros with a PAT of 10.02 million Euros

(b) Urban transport

(i) Rapid Metro Rail Gurgaon Limited (RMGL), a subsidiary, has commenced its commercial operation on November 14, 2013, after receiving due sanction from Commissioner of Metro Rail Safety. The project includes the Development and subsequent O&M of the 5.1 kms elevated metro rail loop line. This loop connects Sikanderpur station of Delhi Metro to the Central Business District of Gurgaon through DLF Cyber City, at an estimated completion cost of ₹ 12,290 million

(ii) Rapid Metro Rail Gurgaon South Limited, a subsidiary, has signed Concession Agreement to develop approximately 7 kms metro rail from Sikenderpur to Sector 56 in Gurgaon. Once completed, the metro rail will move along the bustling Golf Course Road of Gurgaon. The project cost is estimated at ₹ 21,430 million and the financial closure of the project was achieved on July 2, 2013. All the major contracts have already been awarded and the construction and procurement work is in progress

(iii) North Extension of Gurgaon Metro Rail - The proposed North Extension of Gurgaon Metro project will connect Phase 1 (RMGL) to the industrial corridors of Udyog Vihar. Talks are ongoing with HUDA and DMRC for finalising the alignment. Once the alignment is finalised, the work on DPR preparation shall commence



Parivartan Summer Camp at Solapur


Warora Chandrapur Road

(iv) Delhi Mono Rail Project – The Government of Delhi is desirous of implementing an 11 km stretch of Mono Rail from Shastri Park to Trilokpuri on PPP basis. The Company has initiated the initial due diligence on the project and meeting has been held with senior officials of Delhi Government to understand the project structure

The Company also proposes to venture into the field of consultancy in Rail business at various levels to capitalise on its experience gained from Gurgaon Metro Projects. The Company has become a leader in development and execution of metro projects in India with the successful operation of RMGL project and proposed participation in upcoming projects

The investment commitment (net of advances) for all the aforementioned projects, as on March 31, 2013, was ₹ 19,506.91 million. This amount will be infused in accordance with the provisions of the financing arrangements to be entered into for each respective project. Typically, lenders ask for infusion of around 40% to 50% of the equity commitment upfront. The infusion of the balance amount is done in accordance with construction progression on reaching a certain specified debt-equity level. This investment commitment is, therefore, expected to be infused into respective projects in the next two to three years

7. RISKS AND CONCERNS

The Indian infrastructure growth has always played a significant role in the country's economic development. New risks and concerns have emerged in the recent years. However, the Company's pioneer role allows it to be well-positioned to understand and manage these risks. Some of these risks are discussed below:

(a) Inflation and material prices

Construction costs are extremely susceptible to inflation, especially due to prices of materials used in construction - viz cement, bitumen, steel, stone aggregates and diesel. Any fluctuation in prices will adversely threaten the profitability of the project. To counter this risk, inflation is factored into the model while assessing and finalising construction cost at the bidding stage. The Company also has developed mechanisms to pass on, limit and share the increased cost with the Construction Contractors

(b) Government spending slowdown

The Company's business is significantly dependent on various Central and State Government entities, in terms of policies, incentives, budgetary allocations and other resources provided for the surface transportation industry, as well as in terms of the contractual arrangements, concessions and other incentives from them. Sustained increases in budgetary allocations by the Central Government and various State Governments for infrastructure investments, 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 increases in the amount of transportation infrastructure projects

undertaken in the country. Any adverse change in the focus or policy framework could adversely affect the existing projects and opportunities to secure new projects

(c) Timely completion of the project

Timely completion of the projects is very critical for its success. Delays or failure to complete the projects within given timelines would result in higher costs, penalties, invocation of performance guarantees, loss of equity contribution in the project and reduced earnings besides postponement of commercial operations and annuity payments from the projects. Moreover, this would also adversely affect the Company's ability to pre-qualify for new projects. These delays could arise due to various factors but are mostly due to delay in Government clearances/ approvals and delay in hand-over of encumbrance free land for the project. The company is protected against this through adequate provisions in the contractual agreements. Besides, the Company also plays a proactive role and works jointly with the Authorities to attain the requisite clearances and approvals

(d) Retention of experienced manpower

The infrastructure sector is witnessing shortfall in Civil Engineers, and finding quality manpower and retaining them is a key challenge. The Company's focus is to build an organisation of highly motivated employees, having the ability to execute ambitious business goals with passion and commitment, thereby exceeding customer aspirations. Besides, its scalable recruitment and retention strategies enable it to attract and retain high calibre employees

(e) Debt financing

The Company has substantial debt and debt service obligations and is therefore subject to various risks associated with debt financing. The level of debt and the limitations imposed on the Company by present or future loan arrangements could have significant adverse consequences, majorly due to the cost of borrowings. The Company has experienced and knowledgeable professionals who ensure that these risks are always covered through adequate cash flow planning and other measures

(f) Revenues from Toll Road projects

Since a significant portion of the Company's operational assets are Toll driven projects, any change in the traffic growth rate will significantly impact the Company's earning potential. 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 beyond the Company's control, including toll rates, fuel prices, the affordability of automobiles, the quality, convenience and travel time on alternate routes outside the Company's network and the availability of alternate means of transportation, including rail networks and air transport. Moreover, these cash flows are also affected by seasonal factors, which may adversely affect traffic volumes. While traffic volume tends to decrease during the monsoon season, it tends to increase during holiday seasons. The company tries to maintain a balance between the annuity and toll projects and also looks at securitising the future cash flows from toll receipts in order to reduce the impact of this risk



IndusInd Cyber City Station, Gurgaon


Chenani Nashri Tunnel

8. OUTLOOK

The Company is optimistic that the infrastructure sector will be revived with renewed efforts from the Central Government to construct 20 kms of highway daily. The Company expects to bag a significant portion of these new projects and secure some of the highway project leads in the international arena in 2014-15

The Company is also closely monitoring and reviewing its systems and procedures. It ensured that the routine functioning was in line with the certified Quality Management System (QMS - ISO 9001:2008). During the year under review, the Company renewed its certifications for QMS and Environmental, Health and Safety Management System (EHSMS - ISO 14001:2004 and OHSAS 18001:2007), with appreciation for the level of implementation and conviction shown. The Company also integrated its existing EHSMS with the Environmental and Social Policy Framework (ESPF), which is being implemented under the guidelines from IL&FS. The Company has adopted the ESPF format of project screening for all its new project bids. These certifications ensure that ITNL has a environmentally and socially sustainable business model in the long run

The Company is optimistic about the growth of India's infrastructure industry and its ability to achieve targets on account of:

(a) The number of projects in its order book

(b) Robust pipeline arising from the priority accorded to infrastructure development

(c) Strong, efficient and skilled workforce

(d) Continued support from bankers

9. INTERNAL CONTROL SYSTEMS AND ITS ADEQUACY

The Company has institutionalised a well-established internal audit and risk management framework, which covers all aspects of financial and operational controls. During the previous year, the Company had implemented an internal control framework (ICF) covering various aspects of the business which enables a stage-wise/process-wise confirmation of the compliance of the control self-assessment to be provided by the maker and reviewer of transactions and also facilitates audit, both at the Corporate and at the project levels. During the year the company has implemented SAP and consequential changes to the ICF are under way. The internal audit is carried out by a firm of Chartered Accountants using the ICF and they report directly to the Audit Committee of the Board of Directors. The Corporate Audit function plays a key role in providing both the operating management and the Board's Audit Committee with an objective view and reassurance of the overall control systems. It also offers them perspectives on the effectiveness of the pan-organisational risk management processes across the Company. The ICF is periodically modified so as to be consistent with operating changes for improved controls and effectiveness of internal control and audit

The Internal Auditor's scope and authority are derived from the Internal Audit Plan, which is approved by the Audit Committee. The plan is modified from time to time to meet requirements arising from changes in law as well as out of the improved controls resulting from the implementation of the ICF. Internal audits are conducted every quarter and covers operations, accounting, secretarial and administration functions. It also provides special reference to compliances

Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) increased marginally from ₹ 8,433.90 million in 2012-13 to ₹ 8,534.82 million in 2013-14, registering an increase of 1% although construction margins dropped by 3% (from 11.24% in previous year to 8.23% in current year)

based on the audit plan. Internal audit reports are places before the Audit Committee at regular intervals for review discussion and suitable action

Every employee plays a key role in fostering a working environment of responsibility, accountability and ethical behaviour. Risk Management and Internal Audit systems complement each other

The Company has grown over the last few years with consequent changes in the risk profile. It strives to identify opportunities that enhance organisational values, while managing and mitigating risks that adversely impact its future performance

10. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Standalone

During the financial year 2013-14, the Company's turnover increased by approx 3% to ₹ 36,719.67 million, up from ₹ 35,662.13 million in the previous year. This is primarily on account of the increase in Advisory and project development fees and receipts of dividend from a few group companies during the current year

There is an increase in the Operation & Maintenance expenditure on account of 2 additional projects which became operational during the current year

Other key operating data for the year comprises of the following:

Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) increased marginally from ₹ 8,433.90 million in 2012-13 to ₹ 8,534.82 million in 2013-14, registering an increase of 1% although construction margins dropped by 3% (from 11.24% in previous year to 8.23% in current year)

Administrative and general expenses has increased largely on account of travel costs pertaining to the international business development activities

Financing cost increased by ₹ 1,265.11 million as a result of higher borrowings for partially funding the increased investments and higher working capital requirement and also on account of increase in the interest rates from time to time. The debt-equity ratio as at March 31, 2014 stood at 1.77: 1



Pune Solapur Road


Alwar Bhiwadi Road

As a result of the above, profit before tax has decreased from ₹ 4,392.27 million in 2012-13 to ₹ 3,229.06 million in 2013-14, registering a 26.48% decrease over the previous year. The current rate of tax has reduced to 26.01% from 38.70% mainly as a result of a decrease in the quantum of interest on borrowings used for investments based on the recent Delhi High Court judgement relating to disallowance of expenses under section 14A of Income Tax Act, 1961 and also on account of deferred tax liability on account of unamortised borrowing costs. Further, on the same principle, based on the revised return of tax filed for Assessment Year 2012-13 and Assessment Year 2013-14 a reversal of tax provision aggregating ₹ 479.17 million has been recognised in the Statement of Profit and Loss for the current year. Profit after tax has marginally decreased by 1.89% from ₹ 2,711.64 million in 2012-13 to ₹ 2,660.27 million in 2013-14

During the year, the Company has issued preference shares from time to time at a premium for an aggregate value of ₹ 7,529.00 million. Earnings per share on basic and diluted basis stood at ₹ 11.72 per share as at March 31, 2014 as against ₹ 13.96 per share as at March 31, 2013. The reduction in Earnings per share on basic and diluted basis is primarily due to dividend on preference shares issued during the current year

Consolidated

During the financial year 2013-14, consolidated revenues have remained flat at ₹ 68,024.82 million as compared to ₹ 67,888.09 million for the previous year. Construction income was lower by 10% compared to the previous year but increase in income from operation and maintenance and toll revenues made up for the reduced construction income

Earnings before Interest, Tax, Depreciation and Amortisation increased by 6.22% to ₹ 21,051.23 million in 2013-14, from ₹ 19,818.41 million in 2012-13 EBITDA margin increased to 31% in 2013-14 from 29% in 2012-13

Financing cost increased by ₹ 3,519.53 million during 2013-14 due to draw down of debt in SPVs to fund construction activity, increase in borrowing in the Corporate to fund higher level of investments and higher working capital requirement besides increase in interest rates during the year. Debt equity ratio as at March 31, 2014 on a consolidated basis stood at 3.76

Profit before tax decreased by 37.13% to ₹ 4,831.42 million in 2013-14 from ₹ 7,684.25 million in 2012-13,mainly as a result of increase in borrowing cost by ₹ 3,519.53 million offset by some gains in operating cost

The effective rate of tax for the financial year 2013-14 fell to5.50% from 29.59% mainly on account of reversal of tax in the Parent Company and reversal of deferred tax liabilities in certain group companies

As result of the above, Profit after tax decreased by 10.99% to ₹ 4,630.48 million in 2013-14 from ₹ 5,202.11 million in 2012-13

During the year, the Company has issued preference shares from time to time at a premium for an aggregate value of ₹ 7,529.00 million. Earnings per share on basic and diluted basis stood at ₹ 21.79 per share as at March 31, 2014 as against ₹ 26.68 per share as at March 31, 2013. The reduction in Earnings per share on basic and diluted basis is primarily due to dividend on preference shares issued during the current year

11. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company remains committed and focused on its most valuable resources - its people. The Company believes that the employees play a pivotal role in achieving sustainable competitive advantage. A talented and engaged workforce also helps to achieve excellence in value creation

In its pursuit to attract, retain and develop the best available talent, employees are provided with opportunity for active learning and development, adopting the best-in-class processes and technology, which are viewed as the key growth drivers

Our work environment encourages innovation and creativity and promotes a culture that facilitates entrepreneurial activity within the organisation

The Company also achieved cordial and harmonious employee relations pan-organisationally and across all its locations during the year under review

12. CAUTIONARY STATEMENT

Certain statements made in the Management Discussion and Analysis Report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections and so on whether express or implied. Several factors could make significant difference to the Company's operations. These include climatic conditions and economic conditions affecting demand and supply, government regulations and taxation, natural calamities and so on, over which the Company does not have any direct control



Hazaribagh Ranchi Road

Directors' Report



Belgaum Maharashtra Border Road

The Members

IL&FS Transportation Networks Limited

Your Directors have pleasure in presenting the Fourteenth Annual Report, alongwith the Audited Financial Statements for the year ended March 31, 2014

FINANCIAL RESULTS

The financial results of the Company are as under:

(₹ in Million)

	For the Year ended 31.03.2014	For the Year ended 31.03.2013
Total Income	36,719.67	35,662.13
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)	8,534.82	8,433.90
Profit Before Tax	3,229.06	4,392.27
Profit After Tax	2,660.27	2,711.64
Balance Brought Forward	7,253.88	6,183.90
Profit available for appropriation	9,914.15	8,895.54
Appropriation:		
Dividend Proposed/Paid – Equity Shares	(986.88)	(777.07)
Tax on Dividend – Equity Shares	(167.72)	(132.06)
Dividend Proposed – Preference Shares	(305.11)	(-)
Tax on Dividend – Preference Shares	(51.85)	(-)
General Reserve	(266.03)	(271.16)
Debenture Redemption Reserve	(486.37)	(461.37)
Redemption premium on 20.50% Cumulative Redeemable Preference Shares	(25.62)	(-)
Balance carried forward	**7,624.57**	**7,253.88**

DIVIDEND

Your Directors have recommended payment of dividend of ₹ 4/- per share (Previous Year: ₹ 4/- per share) for the year under review. The proposed dividend, if approved at the Annual General Meeting, will absorb a sum of ₹ 1,154.60 Million including tax on dividend of ₹ 167.72 Million (Previous Year: ₹ 909.13 Million including dividend tax of ₹ 132.06 Million)

The redeemable preference shares, allotted during the year under review were entitled to pro-rata dividend for the financial year 2013-14. Your Directors had therefore declared an interim dividend of a sum of ₹ 356.96 Million including tax on dividend of ₹ 51.85 Million for payment to the Preference Shareholders

ISSUE OF EQUITY SHARES ON RIGHTS BASIS

During the current financial year, the Company had offered 52,452,288 equity shares of the face value of ₹ 10 each to the Members of the Company on a rights basis in the ratio of 27:100 at a price of ₹ 100 per share (including a premium of ₹ 90 per share) aggregating to approximately, ₹ 5,250 Million. Your Directors are pleased to inform that the issue was oversubscribed

ISSUE OF PREFERENCE SHARES

Pursuant to the approval of the Members sought by way of a Postal Ballot for issue of Non-convertible Redeemable Preference Shares aggregating to a nominal amount of ₹ 10,000 Million, your Company had issued 376,450,000 Cumulative Non-convertible Redeemable Preference Shares (CNCRPs) with a face value of ₹ 10/- each at a premium of ₹ 10/- per share in tranches as detailed below:

Sr. No.	No. of CNCRPs	Date of allotment	Rate of Dividend (%)
1.	20,00,00,000	September 26, 2013	20.50
2.	10,72,50,000	December 23, 2013	21.06
3.	1,92,00,000	December 23, 2013	21.44
4.	5,00,00,000	January 17, 2014	22.32
	37,64,50,000		

The aggregate amount of ₹ 7,529 Million raised from the aforesaid issue of CNRCPS was utilised for refinancing the short term loans availed by the Company

ISSUE OF DEBENTURES

During the year under review, your Company issued 1,000 Rated, Listed, Unsecured, Redeemable, Non-Convertible Debentures ("NCD's") with a face value of ₹ 1,000,000/- each at a discount of ₹ 45,000 per debenture, aggregating to ₹ 955 Million on March 4, 2014, for refinancing the short term loans availed by the Company. The NCD's carry a coupon rate of 11.50% per annum and are due for redemption on February 4, 2024

PERFORMANCE REVIEW

During the reporting year, the sector continued to be under severe pressure due to regulatory challenges, project development and implementation challenges and financing challenges. The economic slowdown coupled with declining traffic further added to the woes. The Ministry of Road Transport and Highways (MoRTH) along with National Highways Authority of India (NHAI) had an internal target of 9,000 km for the FY 2013-14, of which around 7,500 km was expected through BOT route. However, the government was able to award only 11 projects to the tune of 1,116 km. The Government has attempted to revive private sector participation by modifying existing guidelines relating to forest clearances, environment clearances, etc. Still the sector continued to witness investor's apathy due to lack of equity with road construction companies and the overall economic environment which affected sentiments including that of lenders

Your Company had evaluated all the 42 bids which came for submission from NHAI and various other State Authorities. We bid for projects that are viable and have strong strategic content. Out of the 42 projects which came for submission, nine failed to attract even a single bidder. After a careful evaluation of all bids, we felt only 5 bids were worth submission as per our strategy, but were unable to secure any of these projects. In some of the tenders the traffic estimates and the Total Project Cost turned out to be highly unrealistic. These numbers made us very cautious; we refrained from aggressive bidding and focused more on the implementation aspect. At the close of the financial year, your Company's project portfolio remained at 26 projects at various stages of development and operation, aggregating to 13,161 lane kilometers, of which 3,160 lane km comes under annuity portfolio and 10,001 under toll portfolio. Your company is also actively involved in other surface transportation projects such as the Metro Rail projects in Gurgaon, the Madhya Pradesh Border Check post Projects, Car Park Concessions, Urban Bus transport system among others

On the operational front, your Company commenced construction at three of its projects during the year, two of which were financially closed within the same period as well. This is a major achievement, given the failure of many other established sectoral players to achieve financial closure for their projects. The situation has been even more challenging, with bankers tightening their purses and adopting an extremely cautious approach towards lending to the sector. Additionally, your Company also operationalised four road projects, one of which was 145 days ahead of schedule, and a total of seven checkposts in Madhya Pradesh. All of these projects have successfully commenced commercial operations subsequently

The international markets for your Company performed relatively better. Your Company successfully managed to convert two leads in the short period that we have been operational in the foreign markets. Your Company is nearing closure on a few other leads as well. The results of these efforts will be witnessed in the coming year. To further augment this vertical, your Company also made some changes in the organisational structure and allocated dedicated resources to this effect

Your Company's Spanish subsidiary, Elsamex S.A., witnessed a nearly 70% jump in Profit after Tax owing to the reorganised structure that was effected during the year. Your Company looked at low-yielding sectors in greater detail and a few projects were closed. The priority for the year was to improve the operation of existing projects and set benchmark standards for future projects. Elsamex S.A. commenced operations and started work on a project to improve the Abu Dhabi to Al-Ain highway. This is a performance-based payment contract, which will give Elsamex S.A. an opportunity to showcase its micro surfacing capabilities to the authorities in the region

The Metro Rail project in Gurgaon commenced commercial operations with effect from November 14, 2013. Although the passenger count has been less than anticipated, the non-fare income has spruced up the revenue numbers. At the same time, various measures have been implemented to increase the passenger count. Work has also commenced on the 7-km extension of the Metro track in Gurgaon. The civil works and other key contracts have already been awarded and the remaining few are under process. The land for the project has been fully handed over, paving the way for unhindered construction related progress

SUBSIDIARIES

The Consolidated Financial Statements have been prepared in accordance with the Accounting Standards 21, 23 and 27 of the Institute of Chartered Accountants of India. As required under Section 212(8) of the Companies Act, 1956, the Statement of holdings in subsidiaries and Consolidated Accounts, pursuant to the Accounting Standard (AS-21) issued by the Institute of Chartered Accountants of India, form a part of the Annual Report. In terms of the Notification dated February 8, 2011 issued by the Ministry of Corporate Affairs (MCA), amending Section 212 of the Companies Act, 1956, the Board of Directors of the Company at its Meeting held on May 13, 2014, noted the provisions of the Circular of the MCA and passed the necessary resolution granting the requisite approvals for not attaching a copy of the Balance Sheet, Profit and Loss Account and Reports, etc. of the subsidiaries, along with the Annual Report of the Company for the financial year 2013-14. The disclosure relating to financials of the subsidiaries is included in the consolidated balance sheet. The accounts of subsidiary companies are, therefore, not attached with this Annual Report. However, the accounts of the subsidiaries will be made available on the website of the Company and on request, for inspection to Members seeking such information, at the Registered Office of the Company

DIRECTORS

Mr. Ravi Parthasarathy and Mr. Hari Sankaran, Directors, are liable to retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offer themselves for re-appointment. Your Directors recommend their re-appointment

Mr. Deepak Dasgupta, Mr. R. C. Sinha, Mr. H. P. Jamdar and Mr. Deepak Satwalekar, Independent Directors of the Company, shall be appointed as Independent Directors not liable to retire by rotation for a fresh term of five years in accordance to Section 149 of the Companies Act, 2013. Declaration to the effect that the proposed appointee meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 has been received from each of the aforesaid Directors

AUDITORS

Deloitte Haskins & Sells LLP, Chartered Accountants, Statutory Auditors, retire at the ensuing Annual General Meeting and have expressed their willingness to continue as Statutory Auditors, if re-appointed

The Company has also received a certificate from Deloitte Haskins & Sells LLP under Section 139(1) and Section 141 of the Companies Act, 2013 confirming their eligibility for re-appointment. Accordingly, Deloitte Haskins & Sells LLP, Chartered Accountants, Mumbai, are proposed to be re-appointed at the Annual General Meeting, for a period of three years, subject to annual ratification of their appointment by the Members

DEPOSITS

Your Company has not accepted any Fixed Deposits during the year under review

CORPORATE GOVERNANCE

Your Company believes in adhering to good governance practices and has fully complied with the requirements/ disclosures that have to be made in this regard. A Report on Corporate Governance is enclosed and forms part of this Annual Report. A certificate from the Statutory Auditors on compliance with the provisions of Corporate Governance is also annexed to this Report

ENVIRONMENTAL AND SOCIAL POLICY FRAMEWORK

In its endeavour to set up an environmentally and socially sustainable business, your Company had adopted the Environmental and Social Policy Framework (ESPF) based on the guidelines laid down by IL&FS, to address the environmental and social risks associated with the business of the Company. During the year, this was integrated with the existing Environmental, Health and Safety Management Systems (EHSMS - ISO 14001:2004 and OHSAS 18001:2007 standards) and the implementation and monitoring of projects commenced under these modified standards.

Your Company's practices and standards in this regard were also certified by a third party auditor during the year

ESPF will enable the Company to identify E&S risks associated with projects prior to submission of bids and depending on the outcome of the Risk Rating and its impact, the Company would be able to address the relevant E&S impact and initiate suitable mitigation measures through its EHSMS

SAFETY

Providing an accident-free workplace for its workforce and a hazard-free project road for its users has been the safety ideology of your Company. This is done through an integration of the various management systems implemented by your Company. Your Company possesses valid ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 certifications for its Quality Management System and Environmental Health and Safety Management System. Your Company carried out regular Safety Audits/ Inspection and Safety Awareness Training Programmes for its employees and also for the contract workmen. Additional efforts were taken to reduce road user accidents on the operational project roads by employing the services of specialist consultants who studied the accident patterns on a few select stretches and suggested behavioral interventions to reduce accidents. These recommendations have already been implemented and have yielded positive results. Your Company draws satisfaction from the fact that it has managed to save the lives of many road users due to its untiring efforts and unwavering diligence to reducing accidents on its project roads. During the year under review, the Safety Committee constituted by the Board, comprising of the Independent Directors with technical expertise in the Sector to look into the safety aspects for all the project sites, met four times and reviewed the status of the safety measures adopted by the Management. The Committee had advised on various measures to be taken from time to time in this regard. Precautions were taken across the Company's project sites to avoid accidents

PARTICULARS OF EMPLOYEES

The information regarding particulars of remuneration, among others, of certain employees required under Section 217(2A) of the Companies Act, 1956 and the rules made thereunder, is given in an Annexure which forms a part of this report. In terms of Section 219(1)(b)(iv) of the Companies Act, 1956, the Director's Report and Accounts are being sent to the Members without this Annexure. Any Shareholder interested in obtaining this Annexure may write to the Company Secretary at the Registered Office of the Company

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based on the representations received from the Operating Management, confirm that:

(1) in the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures

(2) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period

(3) they have taken proper and sufficient care for the 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 fraud and other irregularities

(4) they have prepared the annual accounts on a going concern basis

FOREIGN EXCHANGE EARNINGS AND EXPENDITURE

Your Company's foreign exchange income during the year was ₹ 514.15 Million and expenditure during the year was ₹ 425.54 Million

Since the Company does not have any manufacturing facility, the other particulars required to be provided in terms of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable

ACKNOWLEDGMENTS

The Directors place on record their appreciation for the continued support and co-operation received from the various Government Authorities, including National Highways Authority of India and other Regulatory Authorities, Banks, Financial Institutions and Members of the Company

The Directors would also like to place on record their appreciation for the contribution and dedication of the employees of the Company at all levels

By the Order of the Board

Deepak Dasgupta
Chairman

Mumbai, May 13, 2014

Report on Corporate Governance



Board of Directors at the 13th AGM

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

IL&FS Transportation Networks Limited ("The Company") believes that adhering to global standards of corporate governance is essential to enhance shareholder value and achieve long term corporate goals. The Company is committed to ethical conduct of business, manages its affairs with fairness to all stakeholders and operates with integrity and accountability. The Company undertakes periodic review of business plans, performance and compliance to regulatory requirements

The Corporate Governance framework in the Company has been strengthened with the adoption of the Code of Conduct and the Code of Conduct for Prevention of Insider Trading. The Company is committed to meet aspirations of its Stakeholders and is striving to be a part of the social development of the country

2. BOARD OF DIRECTORS

(i) Composition

The Company's policy is to maintain an optimum combination of Executive & Non-Executive Directors. The Board presently comprises of 11 Directors, including 2 Executive and 9 Non-Executive Directors, of which 4 are Independent Directors. The Directors are professionals, have expertise in their respective functional areas and bring a wide range of skills and experience to the Board

None of the Directors on the Board is a member of more than ten committees or Chairman of more than five committees across all the companies in which he is a director. As required under Clause 49 of the Listing Agreement, necessary disclosures regarding committee positions have been made by the Directors

During the year under review, the Board met 5 (five) times on the following dates:

i) May 7, 2013, (ii) August 8, 2013, (iii) September 5, 2013, (iv) November 8, 2013 and (v) February 12, 2014

The Agenda and the explanatory notes forming part of agenda are prepared and circulated in advance to the Directors. Presentations are made on operations / business to the Board by the Managing Director / Executive Director

(ii) Category & Attendance of Directors

The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the year under review, alongwith the number of directorships and committee memberships held by them in other companies as on March 31, 2014 are

given below. The directorships in other companies exclude those held in private limited companies, associations, companies incorporated outside India and alternate directorships. The Chairmanship / Membership of the Committees include memberships of Audit and Shareholders' / Investors' Grievance Committees. The details of attendance of the Directors at the Annual General Meeting held on August 8, 2013 is also provided

Name	Category	Attendance at Board meeting		Attended Annual General Meeting	Number of Directorships in other public companies		Number of Committee positions held in other public companies	
		Held	Attended		Chairman	Member	Chairman	Member
Mr. Deepak Dasgupta (Chairman)	Non-Executive, Independent	5	5	Yes	3	2	1	4
Mr. R. C. Sinha	Non-Executive, Independent	5	5	Yes	-	3	1	-
Mr. H P Jamdar	Non-Executive, Independent	5	5	Yes	-	-	-	-
Mr. Deepak Satwalekar	Non-Executive, Independent	5	5	Yes	-	4	1	1
Mr. Ravi Parthasarathy	Non-Executive, Non-Independent	5	5	Yes	8	3	-	-
Mr. Hari Sankaran	Non-Executive, Non-Independent	5	5	Yes	-	11	-	1
Mr. Arun K Saha	Non-Executive, Non-Independent	5	5	Yes	4	10	2	6
Mr. Vibhav Kapoor	Non-Executive, Non-Independent	5	4	Yes	-	10	-	-
Mr. Pradeep Puri	Non-Executive, Non-Independent	5	5	Yes	-	11	2	2
Mr. K Ramchand (Managing Director)	Executive, Non-Independent	5	5	Yes	1	13	1	4
Mr. Mukund Sapre (Executive Director)	Executive, Non-Independent	5	5	Yes	1	14	-	7

(iii) Directors seeking re-appointment

Details of the Directors seeking re-appointment at the forthcoming Annual General Meeting as required under Clause 49 IV (G) of the Listing Agreement are annexed to the Notice convening the Annual General Meeting and forms part of this Annual Report

3. COMMITTEES OF BOARD

(I) Audit Committee

(i) The Company has constituted Audit Committee in accordance with the provisions of Clause 49 of the Listing Agreement read with Section 292A of the Companies Act, 1956

(ii) The broad terms of reference of the Committee inter alia, include overseeing of the company's financial reporting process, reviewing the financial statements with the Management, recommending appointment / reappointment of auditors, fixation of audit fees, reviewing the adequacy of internal audit function, periodic discussions with auditors about their scope and adequacy of internal control systems, discussion on any significant findings made by Internal Auditors and follow up action. The Committee also reviews information prescribed under Clause 49(II)(E) of the Listing Agreement with the Stock Exchanges

(iii) The Composition of the Audit Committee and the details of meetings attended by its members are given below:

Name of Director	Designation	Category of Directorship	No of Meetings	
			Held	Attended
Mr. R C Sinha	Chairman	Non- Executive, Independent	4	4
Mr. Deepak Dasgupta	Member	Non- Executive, Independent	4	4
Mr. H P Jamdar	Member	Non- Executive, Independent	4	4
Mr. Arun K Saha	Member	Non- Executive, Non-Independent	4	4

The Managing Director, Executive Director and Chief Financial Officer of the Company attend the meetings. The representatives of the Statutory and Internal Auditors are also present at the meetings. Mr. Krishna Ghag, Company Secretary is the Secretary of the Audit Committee

(iv) During the year under review, four Audit Committee meetings were held on the following dates:

(i) May 6, 2013, (ii) August 8, 2013, (iii) November 7, 2013 and (iv) February 11, 2014

(v) The last Annual General Meeting (AGM) of the Company was held on August 8, 2013 and Mr. R.C. Sinha, Chairman of the Audit Committee was present at the AGM

(II) Shareholders' / Investors' Grievance Committee

(i) The Company has a Shareholders' / Investors' Grievance Committee to look into redressal of shareholders/ investors grievances pertaining to transfer/dematerialisation / rematerialisation of shares, non–receipt of dividend /annual report/ notices, etc

(ii) The composition of the Shareholders'/Investors' Grievance Committee and the details of meetings attended by its members are given below:

Name of Director	Designation	Category of Directorship	No of Meetings	
			Held	Attended
Mr. Arun K Saha	Chairman	Non- Executive, Non-Independent	4	4
Mr. K Ramchand, Managing Director	Member	Executive, Non-Independent	4	4

(iii) During the year under review, four Committee meetings were held on the following dates:

(i) June 10, 2013, (ii) September 17, 2013, (iii) October 17, 2013 and (iv) January 20, 2014

(iv) Details of Investor complaints received and redressed during the financial year 2013-14:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
-	30	30	-

(III) Committee of Directors

(i) The Company has a Committee of Directors to approve the proposals concerning day to day operations for smooth conduct of the business. The Committee comprises of Mr. Hari Sankaran, Mr. Arun K Saha, Mr. Pradeep Puri, Non Executive Directors, Mr. K. Ramchand, Managing Director and Mr. Mukund Sapre, Executive Director as Members

(ii) The Committee of Directors met 10 times during the period under review on (i) April 03, 2013, (ii) June 10, 2013, (iii) July 18, 2013, (iv) August 28, 2013, (v) September 17, 2013 (vi) October 31, 2013, (vii) November 18, 2013, (viii) December 2, 2013, (ix) January 20, 2014 and (x) March 4, 2014

(IV) Remuneration Committee

(i) The Company has a Remuneration Committee comprising of Non-Executive Directors

(ii) The terms of reference inter alia include determining the Company's policy on specific remuneration packages including pension rights and other compensation for employees of the Company, reviewing the performance of the employees, approving the annual remuneration and performance related pay to Whole-time Directors and the employees of the Company

(iii) The composition of the Remuneration Committee and the details of meetings attended by its members are given below:

Name of Director	Designation	Category of Directorship	No of Meetings	
			Held	Attended
Mr. Deepak Satwalekar	Chairman	Non- Executive, Independent	1	1
Mr. Ravi Parthasarathy	Member	Non- Executive, Non-Independent	1	1
Mr. Hari Sankaran	Member	Non-Executive, Non-Independent	1	1

(iv) One Meeting of the Remuneration Committee was held during the year under review on May 7, 2013

(v) Remuneration Policy

The Company's remuneration policy is driven by the success and performance of the Company and the individual employee. Through its compensation programme, the Company endeavours to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed pay, benefits and performance related pay. The performance related pay is determined by business performance and the performance of individual employee measured through the annual appraisal process

(a) Executive Directors

The Company pays remuneration to its Managing Director and Executive Director by way of salary, perquisites and allowances (fixed component) & performance related pay (variable component). This is determined based on individual employee wise performance and the Company's overall performance in a financial year, as may be determined by the Remuneration Committee of the Board, at the end of each financial year, subject to the overall ceilings stipulated in Sections 198 and 309 of the Companies Act, 1956

The details of remuneration and perquisites paid to Mr. K Ramchand, Managing Director and Mr. Mukund Sapre, Executive Director for the financial year ended March 31, 2014 are as follows:

Terms of Agreement	Mr K Ramchand (Managing Director)	Mr Mukund Sapre (Executive Director)
Period of appointment	5 years	5 years
Date of appointment	April 1, 2013	April 1, 2013
Salary (₹)	29,964,400	13,273,032
Perquisites (₹)	3,989,842	3,533,342
Retirement Benefits (₹)	7,017,298	3,274,673
Performance Linked Incentive (₹)	28,750,000	20,000,000
Notice Period	Three months	
Severance Fees	There is no separate provision for payment of severance fees	
Stock Option	The Company does not have any Stock Option Plan for its employees	

(b) Non-Executive Directors:

(i) The Non-Executive Directors are paid remuneration by way of Commission and Sitting fees. In terms of the Members approval obtained at the Annual General Meeting held on August 4, 2010, the Commission payable to the Non-Executive Directors shall not exceed 1% of the net profit of the Company computed in accordance with Section 309(5) of the Companies Act, 1956. The commission is distributed on uniform basis to reinforce the principle of collective responsibility of Directors. However, an additional amount is also paid to the Chairman of the Board/Audit Committee and Members of the Audit and Remuneration Committees for the responsibility and time spent by them. The payment of commission is recommended by the Remuneration Committee each year and then approved by the Board of Directors

(ii) The Company pays Sitting Fees @ ₹ 20,000 per meeting (subject to tax) to its Non-Executive Directors for attending meetings of the Board and Committees of the Board. The Company also reimburses out-of-pocket expenses incurred by the Directors for attending the meetings

(iii) The details of Sitting Fees and Commission paid during the period April 1, 2013 to March 31, 2014 are given below:

Sr. No.	Name of Director	Sitting fees (₹)	Commission (₹)
(a)	Mr. Deepak Dasgupta	280,000	1,680,000
(b)	Mr. R. C. Sinha	280,000	1,440,000
(c)	Mr. H P Jamdar	280,000	1,200,000
(d)	Mr. Deepak Satwalekar	120,000	1,200,000
(e)	Mr. Ravi Parthasarathy	120,000	1,200,000
(f)	Mr. Hari Sankaran	260,000	1,200,000
(g)	Mr. Arun K Saha	460,000	1,200,000
(h)	Mr. Vibhav Kapoor	80,000	960,000
(i)	Mr. Pradeep Puri	120,000	960,000

(iv) Details of shares held by the Non-Executive Directors as on March 31, 2014 are given below:

Sr. No.	Name of Director	No of shares held
(a)	Mr. Deepak Dasgupta	79
(b)	Mr. Ravi Parthasarathy	314,800
(c)	Mr. Hari Sankaran	340,957
(d)	Mr. Vibhav Kapoor	314,800
(e)	Mr. Arun K Saha	319,537
(f)	Mr. R C Sinha	53
(g)	Mr. Pradeep Puri	31,573

(v) None of the Non-Executive Directors had any material pecuniary relationship or transactions with the Company

(V) Safety Committee

(i) A Safety Committee of Directors has been constituted to review and recommend measures for improving the safety aspects at the Projects to reduce accidents

(ii) The composition of the Safety Committee and the details of meetings attended by its members are given below:

Name of Director	Designation	Category of Directorship	No of Meetings	
			Held	Attended
(a) Mr. H P Jamdar	Chairman	Non- Executive, Independent	5	5
(b) Mr. Deepak Dasgupta	Member	Non – Executive, Independent	5	5
(c) Mr. R C Sinha	Member	Non –Executive, Independent	5	5

Mr. K Ramchand, Managing Director and Mr. Mukund Sapre, Executive Director also attend the Meeting along with the Functional/Project Heads of the Company

(iii) 5 Meetings of the Safety Committee were held during the period under review on:

(i) May 6, 2013, (ii) September 4, 2013, (iii) September 5, 2013, (iv) November 8, 2013 and (v) February 11, 2014

4. GENERAL MEETINGS

(i) Annual Gen eral Meetings (AGM) for past 3 years were held at Y. B. Chavan Auditorium, Gen. J. Bhosale, Marg, Mumbai 400021 at 3.30 pm. The details of which are given below:

Financial Year	Date	Special Resolutions
2010-11	August 5, 2011	-
2011-12	August 9, 2012	-
2012-13	August 8, 2013	-

(ii) Postal Ballot

(a) Resolution passed through Postal Ballot on September 18, 2013

A special resolution was passed on September 18, 2013 through postal ballot, pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001, for issue of Non-convertible Redeemable Preference Shares aggregating to a nominal amount of ₹ 1,000 Crores

Mr. M. M. Sheth was appointed as the Scrutinizer to conduct the Postal Ballot process. The Scrutinizer reported that the Members representing 98.97% of the total voting strength voted in favour of the resolution. The result of the postal ballot was declared on September 18, 2013 and published on September 20, 2013 in one English daily and one Marathi daily for the information of members

(b) Resolution passed through Postal Ballot on December 13, 2013

A resolution was passed on December 13, 2013 through postal ballot, pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001, for

- Ordinary Resolution for Increase in Authorised Share Capital of the Company
- Special Resolution for Alteration of Article 4.1(b) of the Articles of Association of the Company limiting the minimum period of offer for issue of shares to 15 days

Mr. M. M. Sheth was appointed as the Scrutinizer to conduct the Postal Ballot process. The Scrutinizer reported that the Members representing 99.99% of the total voting strength voted in favour of both the resolutions. The result of the postal ballot was declared on December 13, 2013 and published on December 16, 2013 in one English daily and one Marathi daily for the information of members

5. DISCLOSURES

(i) The Company has followed all relevant Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 while preparing the Financial Statements

(ii) There were no materially significant related party transactions i.e. transactions of a material nature, with its promoters, directors or the management, their subsidiaries or relatives etc. during the financial year under review that may have potential conflict with the interests of the Company at large except for those disclosed in the financial statements for the year ended March 31, 2014

(iii) There was no material non-listed Indian subsidiary of the Company for the year ended March 31, 2014

(iv) Pursuant to the disclosures made by the Senior Management personnel of the Company to the Board, there were no material, financial and commercial transactions undertaken by them, which could have potential conflict with the interest of the Company at large

(v) Presentations made to the Institutional Investors and Analysts are posted on the Company's website

(vi) There were no instances of non-compliance by the Company, no penalties/strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority on any matters related to the capital markets during the period April 1, 2013 to March 31, 2014

(vii) In terms of Clause 49(V) of the Listing Agreement, the Managing Director and Chief Financial Officer have furnished the requisite certificates to the Board of Directors

(viii) The Board of Directors has adopted a Code of Conduct which lays down various principles of ethics and compliance. The Code has been circulated to all the Directors and employees of the Company and has also been posted on the Company's website

Further, all the members of the Board and Senior Management personnel have affirmed compliance with the Company's Code of Conduct. A declaration to this effect by the Managing Director forms part of this report

(ix) The Company has complied with all the mandatory requirements under the provisions of Clause 49 of the Listing Agreement relating to Corporate Governance for the period April 1, 2013 to March 31, 2014

(x) A Reconciliation of Share Capital Audit is conducted every quarter by a qualified Practising Company Secretary to reconcile the total

admitted capital with both the depositories namely, National Securities Depository Limited and Central Depository Services (India) Limited and the total issued and listed capital. The said report confirms that the total issued/paid up capital is in agreement with the total number of shares held in physical form and the total number of shares in dematerialised form with the depositories

(xi) Compliance with Non Mandatory requirements;

(a) The Code of Conduct adopted by the Company provides a mechanism for employees to report about unethical behavior, actual or suspected fraud or violation of the Code

(b) The Company continues to adopt best practices to ensure the regime of unqualified financial statements. No audit qualifications have been reported on the Company's Financial Statement for the year ended March 31, 2014

(c) The Company has set up a Remuneration Committee as per the provisions of Clause 49 of the Listing Agreement

6. MEANS OF COMMUNICATION

The Quarterly and Annual Consolidated Financial Results are published in leading newspapers in India. The Financial Results are also filed with the Stock Exchanges and posted on the Company's website. All the official news releases are sent to the Stock Exchanges as well as displayed on the Company's website

The Company's website: www.itnlindia.com provides comprehensive information about its business. Section on "Investors Relations" serves to inform and service the Members allowing them to access information at their convenience. Presentations made to Institutional Investors and the shareholding pattern of the Company on weekly basis is also displayed on the website

A Management Discussion & Analysis Statement is a part of the Company's Annual Report

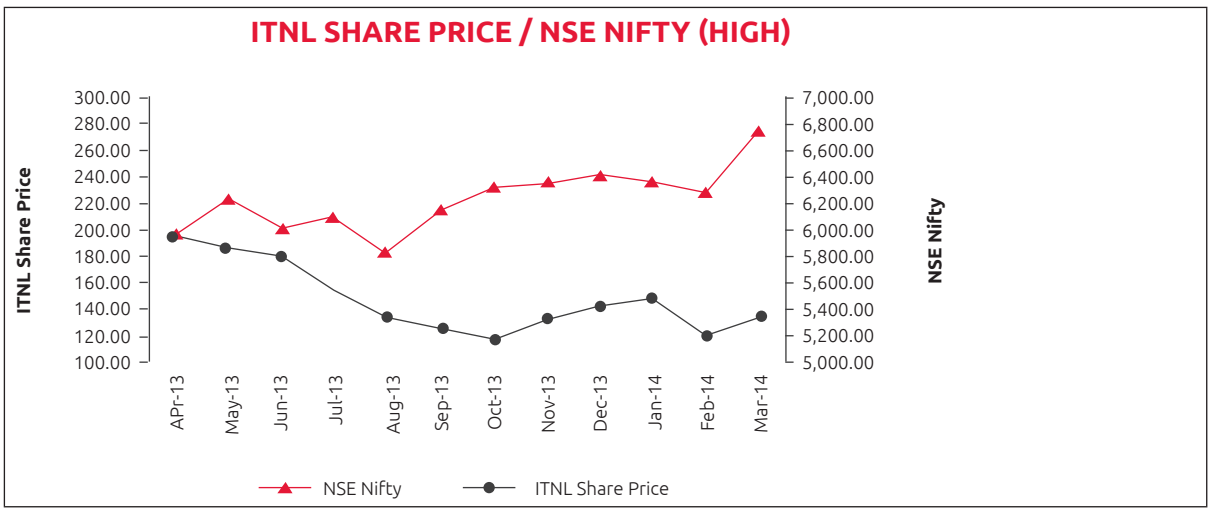
7. GENERAL SHAREHOLDER INFORMATION

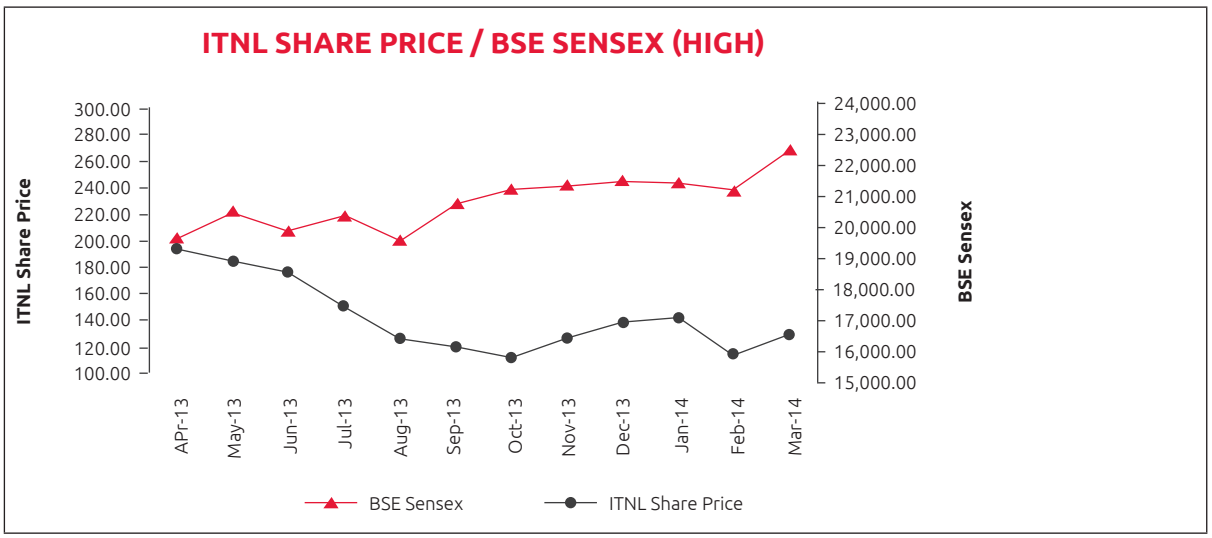
I.	Annual General Meeting(AGM)	:	
	Day/Date		Thursday, August 21, 2014
	Time		10.30 am
	Venue		Y B Chavan Auditorium, Gen. J. Bhosale Marg, Mumbai 400 021
II.	Financial year	:	April 1 to March 31
III.	Date of Book Closure	:	Thursday, August 14, 2014 to Thursday, August 21, 2014 (both days inclusive)
IV.	Dividend Payment Date	:	The dividend, if declared, shall be paid/credited before September 19, 2014
V.	Listing on Stock Exchanges	:	(i) National Stock Exchange of India Limited (NSE) (ii) Bombay Stock Exchange Limited (BSE) Listing fees have been paid to both the Stock Exchanges before April 30, 2014
VI.	Scrip Code	:	NSE : IL&FSTRANS EQ BSE : 533177

VII. Market Price Data (High/Low during each month) on NSE & BSE:

Month	NSE		BSE	
	High	Low	High	Low
Apr-13	194.90	169.55	194.95	169.15
May-13	184.90	163.50	186.00	163.50
Jun-13	178.90	142.00	178.00	142.10
Jul-13	154.00	116.50	154.00	115.00
Aug-13	132.95	108.00	130.00	108.00
Sep-13	124.90	97.10	124.90	98.10
Oct-13	116.80	100.00	116.50	100.10
Nov-13	131.00	107.90	130.80	109.00
Dec-13	141.75	117.95	141.90	119.00
Jan-14	146.00	112.25	145.90	112.55
Feb-14	119.70	103.35	119.00	103.55
Mar-14	133.20	105.25	133.05	105.00

VIII. Performance of Company's share price in comparison with NSE NIFTY and BSE SENSEX during the FY 2013-14





IX. Registrar and Share Transfer Agents:

Name & Address : Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L.B.S Marg, Bhandup (West),
Mumbai 400 078

Telephone No : +91-22-25960320/25963838

Fax : +91-22-25960329/25946969

Email : rnt.helpdesk@linkintime.co.in

X. Share Transfer System

The share transfer requests received for physical shares at the Registrar and Share Transfer Agents will be processed and delivered within a month from the date of lodgement, if the documents are complete in all respects. Requests for dematerialisation / rematerialisation of shares are processed and confirmation given to the depositories within 15 days from the date of receipt

In order to expedite the process of share transfers, the Board has delegated the powers to Shareholders' / Investors' Grievance Committee comprising of the Managing Director and Non-Executive Director, who shall attend to the share transfer formalities on a periodical basis to ensure that the transfer requests are processed in time. The Committee will also consider requests received for transmission of shares, issue of duplicate certificates and split / consolidation of certificates

XI. Distribution of shareholding as on March 31, 2014

Number of Equity Share holdings	Number of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of Shares
1-5000	40,254	93.61	3,463,647	1.78
5001-10000	1,217	2.83	970,802	0.50
10001-20000	606	1.41	908,270	0.47
20001-30000	247	0.57	634,098	0.33
30001- 40000	129	0.30	457,474	0.24
40001- 50000	96	0.22	455,608	0.23
50001-100000	177	0.41	1,284,160	0.66
100001 & above	278	0.65	186,093,673	95.79
TOTAL	**43,004**	**100.00**	**194,267,732**	**100.00**

XII. Shareholding Pattern as on March 31, 2014

Sr. No	Category	No. of Shares	Percentage
1	Promoter Holding	135,000,000	69.49
2	Promoter Group Holding	5,763,003	2.97
3	Mutual Funds	3,310,334	1.70
4	Financial Institutions / Banks	1,547,594	0.80
5	Foreign Institutional Investors	9,417,724	4.85
6	Bodies Corporate	13,873,144	7.14
7	Foreign Bodies Corporate	10,259,672	5.28
8	NRI	704,563	0.36
9	Individuals	14,391,698	7.41
	TOTAL	**194,267,732**	**100.00**

XIII. Dematerialisation of Shares as on March 31, 2014

The shares of the Company are compulsorily traded in electronic mode and are available for trading with both the depositories in India namely, National Securities Depository Limited and Central Depository Services (India) Limited. As on March 31, 2014, 194,265,630 shares representing 99.99% of the Company's total paid-up share capital (including 72.46% held by the Promoter & Promoter Group) were held in dematerialised mode

XIV. Unclaimed Shares under IPO

The details of the Shares remaining unclaimed and lying in the Escrow Account of the Company are given below:

Particulars	Details
(i) Number of shareholders at the beginning of the year	13
(ii) Number of outstanding shares in the suspense account at the beginning of the year	577
(i) Number of shareholders who approached the Company and to whom shares were transferred from suspense account during the year	4
(ii) Number of shares transferred from the suspense account during the year	225
(i) Number of shareholders at the end of the year	9
(ii) Number of outstanding shares in the suspense account at the end of the year	352

The voting rights on these shares shall remain frozen till the rightful owner of such shares claim the shares

XV. The Company has not issued any GDR/ADR Warrants or any other convertible instruments

XVI. The Company does not have any manufacturing plant

XVII. Address for correspondence:

IL&FS Transportation Networks Limited
Registered office:
The IL&FS Financial Centre,
C-22, G-Block, Bandra – Kurla Complex,
Bandra (East), Mumbai 400 051
Telephone: + 91 22 26533333
Fax: + 91 22 26523979
Email: itnlinvestor@ilfsindia.com

Link Intime India Private Limited
Registrar & Share Transfer Agent
C-13, Pannalal Silk Mills Compound,
L.B.S Marg, Bhandup (West), Mumbai 400 078
Telephone No: +91-22-25960320/25963838
Fax: +91-22-25960329/25946969
Email: rnt.helpdesk@linkintime.co.in

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

The Company has adopted a Code of Conduct for the Board of Directors and the employees of the Company. The Code has been circulated to all the members of the Board of Directors and the employees of the Company, which is also put on the Company's website, www.itnlindia.com

I hereby confirm that the Company has in respect of the financial year ended March 31, 2014 received from all the members of the Board of Directors and the Senior Management Personnel a declaration of compliance with the Code of Conduct of the Company as applicable to them

For IL&FS Transportation Networks Limited

K Ramchand
Managing Director

May 7, 2014

INDEPENDENT AUDITORS' CERTIFICATE

TO THE MEMBERS OF
IL&FS TRANSPORTATION NETWORKS LIMITED

We have examined the compliance of the conditions of Corporate Governance by **IL&FS TRANSPORTATION NETWORKS LIMITED** ("the Company") for the year ended March 31, 2014 as stipulated in Clause 49 of the Listing Agreements of the Company with the Stock Exchanges in India

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company

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

Kalpesh J. Mehta
Partner
(Membership No. 48791)

Mumbai, May 13, 2014

Independent Auditors' Report

TO THE MEMBERS OF

IL&FS TRANSPORTATION NETWORKS LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of IL&FS TRANSPORTATION NETWORKS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and 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 FINANCIAL STATEMENTS

The Company's Management is responsible for the preparation of these 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 Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the 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 the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, 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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

(b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Further to our comments above, we report as follows

1 As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order

2 As required by Section 227(3) of the Act, we report that

(a) We have 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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs); and

(e) On the basis of the written representations received from the Directors as on March 31, 2014 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2014 from being appointed as a Director in terms of Section 274(1)(g) of the Act

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

Kalpesh J. Mehta
Partner
(Membership No. 48791)

Mumbai,
May 13, 2014

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Re: 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)

i) Having regard to the nature of the Company's business/activities/results during the year, clauses (ii), (x), (xii), (xiii), (xiv), (xix) and (xx) of paragraph 4 of the Order are not applicable to the Company

ii) In respect of its fixed assets

(a) The Company has 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 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

(c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company

iii) In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us

(a) The Company has granted unsecured loans aggregating ₹ 4,822 million to 6 parties during the year. At the year-end, the outstanding balances of such loans aggregated ₹ 6,225 million (number of parties 6) and the maximum amount involved during the year was ₹ 8,870 million to 8 parties

(b) The rate of interest and other terms and conditions of such loans are, in our opinion, prima facie, not prejudicial to the interests of the Company

(c) The receipts of principal amounts and interest (where contractually receivable) have been generally regular during the year

(d) According to the information and explanation given to us, in respect of outstanding overdue interest as at the March 31, 2014 aggregating ₹ 176 million pertaining to 4 parties, the Management has taken reasonable steps for recovery of the interest amounts

In respect of loans, secured or unsecured, taken by the Company from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us

(a) The Company has taken unsecured loans aggregating ₹ 6,850 million from 3 parties during the year. At the year-end, the outstanding balances of such loans aggregated ₹ 700 million from 1 party and the maximum amount involved during the year was ₹ 7,550 million from 4 parties

(b) The rate of interest and other terms and conditions of such loans are, in our opinion, prima facie, not prejudicial to the interests of the Company

(c) The payments of principal amounts and interest in respect of such loans have been regular / as per stipulations during the year

iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and the sale of services. During the course of our audit, we have not observed any major weakness in such internal control system

v) To the best of our knowledge and belief and according to the information and explanations given to us, there were no contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that needed to be entered in the register maintained under the said Section (other than loans reported under paragraph (iii) above). Accordingly, sub-clause (b) of clause (v) of paragraph 4 of the Order is not applicable to the Company

vi) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year

vii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business

viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete

ix) According to the information and explanations given to us in respect of statutory dues

(a) The Company has been generally regular in depositing undisputed dues relating to Service Tax and has been regular in depositing undisputed dues relating to Provident Fund, Income-tax, Wealth Tax, Sales Tax, Cess and other material statutory dues applicable to it with the appropriate authorities during the year

(b) There were no undisputed amounts payable on account of the above dues in arrears as at March 31, 2014 for a period of more than six months from the date they became payable

(c) Details of dues of Income-tax which have not been deposited as on March 31, 2014 on account of any dispute are given below

Statute	Nature of the Dues	Forum where Dispute is pending	Period to which the amount relates (Assessment Year)	Amount involved (Rupees)
Income Tax Act, 1961	Income Tax (including Interest)	Commissioner (Appeals)	2012-2013	430 million

x) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, financial institutions and debenture holders

xi) 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

xii) 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

xiii) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have, prima facie, not been used during the year for long-term investment

xiv) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956

xv) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year

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

Kalpesh J. Mehta
Partner
(Membership No. 48791)

Mumbai,
May 13, 2014

Balance Sheet

as at 31st March, 2014

(₹ in million)

Particulars	Note	As at March 31, 2014		As at March 31, 2013	
I EQUITY AND LIABILITIES					
1 Shareholders' Funds					
(a) Share capital	2	5,707.18		1,942.68	
(b) Reserves and surplus	3	24,114.45	**29,821.63**	19,306.00	**21,248.68**
2 Non-Current Liabilities					
(a) Long-term borrowings	4	26,907.85		18,600.00	
(b) Deferred tax liabilities (Net)	7	207.56		5.74	
(c) Other long term liabilities	9	4,032.30		3,322.42	
(d) Long-term provisions	8	39.13	**31,186.84**	8.81	**21,936.97**
3 Current Liabilities					
(a) Current maturities of long-term debt	5	11,067.50		9,850.00	
(b) Short-term borrowings	6	8,265.17		8,933.70	
(c) Trade payables	11	10,294.95		6,225.43	
(d) Other current liabilities	10	4,943.59		3,121.76	
(e) Short-term provisions	12	1,690.36	**36,261.57**	1,166.70	**29,297.59**
TOTAL			**97,270.04**		**72,483.24**
II ASSETS					
1 Non Current Assets					
(a) Fixed assets	13				
i) Tangible assets (net)		179.26		146.54	
ii) Intangible assets (net)		108.09		104.59	
iii) Capital work-in-progress		24.12		25.67	
(b) Non-current investments (net)	14	39,991.69		31,462.11	
(c) Long-term loans and advances	15	13,440.81		12,946.86	
(d) Other non-current assets	17	4,197.76	**57,941.73**	2,181.58	**46,867.35**
2 Current Assets					
(a) Trade receivables (net)	19	24,953.26		15,977.52	
(b) Cash and cash equivalents	20	111.42		54.86	
(c) Short-term loans and advances	16	11,855.40		7,120.07	
(d) Other current assets	18	2,408.23	**39,328.31**	2,463.44	**25,615.89**
TOTAL			**97,270.04**		**72,483.24**

Notes 1 to 39 form part of the financial statements.

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Kalpesh J. Mehta
Partner

Mumbai, May 13, 2014

For and on behalf of the Board

K. Ramchand
Managing Director

Arun K. Saha
Director

George Cherian
Chief Financial Officer

Krishna Ghag
Company Secretary

Mumbai, May 13, 2014

Statement of Profit and Loss

for the year ended March 31, 2014

(₹ in million)

Particulars	Note	Year ended March 31, 2014	Year ended March 31, 2013
I REVENUE FROM OPERATIONS	24	34,045.83	33,691.91
II OTHER INCOME	25	2,673.84	1,970.22
III TOTAL REVENUE (I + II)		**36,719.67**	**35,662.13**
IV EXPENSES			
Operating expenses	26	26,221.20	25,410.26
Employee benefits expense	27	617.77	632.92
Finance costs	28	5,196.51	3,931.40
Depreciation and amortization expense	13	109.25	110.23
Administrative and general expenses	29	1,345.88	1,185.05
Total Expenses		**33,490.61**	**31,269.86**
V PROFIT BEFORE TAXATION (III-IV)		**3,229.06**	**4,392.27**
VI TAX EXPENSE:			
(1) Current tax		840.00	1,700.00
(2) Tax relating to earlier years written back [Refer Note 38]		(479.17)	-
(3) Deferred tax charge / (credit) (net)		207.96	(19.37)
Total Tax Expenses (VI)		**568.79**	**1,680.63**
VII PROFIT FOR THE YEAR (V - VI)		**2,660.27**	**2,711.64**
Earnings per equity share (Face value per share ₹ 10/-):	33		
(1) Basic		11.72	13.96
(2) Diluted		11.72	13.96

Notes 1 to 39 form part of the financial statements.

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Kalpesh J. Mehta
Partner

Mumbai, May 13, 2014

For and on behalf of the Board

K. Ramchand
Managing Director

Arun K. Saha
Director

George Cherian
Chief Financial Officer

Krishna Ghag
Company Secretary

Mumbai, May 13, 2014

Cash Flow Statement

for the year ended March 31, 2014

(₹ in million)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	3,229.06	4,392.27
Adjustments for		
Interest Income	(1,698.16)	(1,722.37)
Employee benefits (net)	4.50	2.61
Profit on sale of fixed assets (net)	(0.33)	(0.40)
Depreciation and amortization expense	109.25	110.23
Amortisation of premium on forward contract	-	(31.53)
Unrealised exchange gain on conversion of loans into investments	-	(4.62)
Foreign exchange gain transferred from Foreign Currency Translation Reserve to Statement of Profit and Loss	(18.06)	-
Finance Costs	5,196.51	3,931.40
Dividend Income on non-current investments	(341.40)	(23.60)
Operating profit before Working Capital Changes	**6,481.37**	**6,653.99**
		-
Increase in trade receivables	(8,975.73)	(6,411.39)
(Increase) / Decrease in other assets & loans and advances (current and non current)	(1,114.26)	700.44
Increase in liabilities (current and non current)	6,456.78	53.45
Cash generated from Operations	**2,848.16**	**996.49**
Direct Taxes paid (Net)	(1,864.56)	(1,320.17)
NET CASH GENERATED / (USED IN) FROM OPERATING ACTIVITIES (A)	**983.60**	**(323.68)**
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to fixed assets and Capital Work in Progress	(171.19)	(82.76)
Proceeds from sale of fixed assets	27.58	0.91
Investment in / Purchase of equity shares of subsidiaries (Refer footnote)	(7,460.01)	(2,336.47)
Investment in Others	(142.50)	(583.38)
Amount received towards exercise of call option issued	6.11	-
Long term loans given	(3,694.11)	(2,994.20)
Long term loans recovered	3,315.70	2,591.99
Short term loans received back (net) / (given) (net) (Refer footnote)	(3,133.81)	(813.35)
Interest received	1,105.04	1,291.61
Dividend received	179.52	23.60
Capital Advances	-	(1,000.00)
Incidental costs in relation to Investment property	-	(48.75)
NET CASH USED IN INVESTING ACTIVITIES (B)	**(9,967.67)**	**(3,950.80)**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Preference Shares (including securities premium)	7,529.00	-
Preference issue expenses adjusted in securities premium	(67.23)	-
Proceeds / (repayment) of loans on demand from Banks (net)	164.47	(308.85)
Proceeds from long term borrowings	19,420.00	24,450.00
Repayment of long term borrowings	(9,850.00)	(8,500.00)
Proceeds from short term borrowings	21,300.00	17,961.78
Repayment of short term borrowings	(22,144.50)	(23,538.70)
Finance Costs paid	(5,332.75)	(4,102.70)
Dividend paid	(777.07)	(777.07)

Cash Flow Statement

for the year ended March 31, 2014

(₹ in million)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Tax on Dividend paid	(132.06)	(126.06)
Fixed deposits placed as security against borrowings	(1,069.43)	(770.00)
NET CASH GENERATED FROM FINANCING ACTIVITIES (C)	**9,040.43**	**4,288.40**
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	**56.36**	**13.92**
Cash and Cash Equivalents at the beginning of the year	54.35	40.43
Cash and Cash Equivalents at the end of the year	110.71	54.35
Net increase in Cash and Cash Equivalents	**56.36**	**13.92**
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Cash on Hand	0.32	0.42
Balances with Banks in current accounts	108.06	52.63
Fixed deposits	2.33	1.30
	110.71	**54.35**
Unpaid Dividend Accounts	**0.71**	**0.51**
Cash and Cash Equivalents as per Balance Sheet	**111.42**	**54.86**

Notes 1 to 39 form part of the financial statements.

Footnote: The Company had given short-term loan to its subsidiary, ITNL International Pte. Ltd., Singapore aggregating USD 4,500,000. 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, the impact of this has not been given in the cash flow statement above.

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Kalpesh J. Mehta
Partner

Mumbai, May 13, 2014

For and on behalf of the Board

K. Ramchand
Managing Director

Arun K. Saha
Director

George Cherian
Chief Financial Officer

Krishna Ghag
Company Secretary

Mumbai, May 13, 2014

Notes

forming part of the financial statements for the year ended March 31, 2014

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

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 have been prepared under the historical cost convention in accordance with the generally accepted accounting principles in India, and the applicable accounting standards notified under Companies Act, 1956 (which continue to be applicable in respect of section 133 of the Companies Act, 2013 in terms of general circular 15/2013 dated September 13, 2013 of Ministry of Corporate Affairs). All income and expenditure having a material bearing on the financial statements are recognised on an accrual basis

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

III Fixed Assets and Depreciation/Amortisation

(a) Tangible assets and depreciation

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

Depreciation on tangible fixed assets is computed as under:

i) In respect of premises, depreciation is computed on the Straight Line Method at the rates provided under Schedule XIV of the Companies Act, 1956

ii) The Company has adopted the Straight Line Method of depreciation so as to depreciate 100% of the cost of the following type of assets at rates higher than those prescribed under Schedule XIV to the Companies Act, 1956, based on the Management's estimate of useful life of such assets:

Asset Type	Estimated Useful Life
Data processing equipments	4 years
Specialised office equipments	3 years
Assets provided to employees	3 years

iii) Leasehold improvement costs are capitalised and amortised on a straight-line basis over the period of lease agreement

iv) All categories of assets costing less than ₹ 5,000 each and mobile phones are fully depreciated in the year of purchase

v) Depreciation on fixed assets, other than on assets specified in Notes III(a) (i), (ii), (iii) and (iv) above, is provided for on the Written Down Value Method at the rates provided under Schedule XIV to the Companies Act, 1956. Depreciation is computed pro-rata from the date of acquisition of and up to the date of disposal

(b) 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

Notes

forming part of the financial statements for the year ended March 31, 2014

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

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

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 collectability 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

Contract revenue and costs associated with the construction of roads is recognised as by reference to the stage of completion of the projects at the Balance Sheet date. The stage of completion of a project is determined by the proportion that the contract cost incurred for work performed up to the Balance Sheet date bears to the estimated total contract costs

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"

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

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

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

Notes

forming part of the financial statements for the year ended March 31, 2014

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

VIII 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 Company

(b) 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

(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

(c) 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 per 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

Notes

forming part of the financial statements for the year ended March 31, 2014

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

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 Transactions

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

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 Statement of Profit and Loss

Notes

forming part of the financial statements for the year ended March 31, 2014

NOTE 2 : SHARE CAPITAL

Particulars	As at March 31, 2014		As at March 31, 2013	
	Number of Shares	₹ in million	Number of Shares	₹ in million
Authorised				
Equity Shares of ₹ 10/- each	500,000,000	5,000.00	250,000,000	2,500.00
Preference Shares of ₹ 10/- each	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	194,267,732	1,942.68	194,267,732	1,942.68
Cumulative Non-Convertible Compulsorily Redeemable Preference Shares of ₹ 10/- each fully paid	376,450,000	3,764.50	-	-
TOTAL	**570,717,732**	**5,707.18**	**194,267,732**	**1,942.68**

Footnotes

i) Of the above, 135,000,000 (As at March 31, 2013 : 135,000,000) equity shares are held by the Holding Company viz. Infrastructure Leasing & Financial Services Limited ("IL&FS"), 2,440,534 (As at March 31, 2013 : 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

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 period :

Equity Shares	Year ended March 31, 2014		Year ended March 31, 2013	
	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	-	-	-	-
Shares outstanding at the end of the year	194,267,732	1,942.68	194,267,732	1,942.68

Cumulative Non-Convertible Compulsorily Redeemable Preference Shares	Year ended March 31, 2014		Year ended March 31, 2013	
	Number of Shares	₹ in million	Number of Shares	₹ in million
Shares outstanding at the beginning of the year	-	-	-	-
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	-	-

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, 2014		As at March 31, 2013	
	Number of Shares	% of total holding	Number of Shares	% of total holding
IL&FS	135,000,000	69.49%	135,000,000	69.49%

Cumulative Non-Convertible Compulsorily Redeemable Preference Shareholder	As at March 31, 2014		As at March 31, 2013	
	Number of Shares	% of total holding	Number of Shares	% of total holding
IL&FS Maritime Infrastructure Company Limited	100,000,000	26.56%	Not Applicable	Not Applicable
IL&FS Financial Services Limited	100,000,000	26.56%	Not Applicable	Not Applicable
Azim Hasham Premji	25,000,000	6.64%	Not Applicable	Not Applicable
L and T Infrastructure Finance Company Limited	25,000,000	6.64%	Not Applicable	Not Applicable

Notes

forming part of the financial statements for the year ended March 31, 2014

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 Company has offered 52,452,288 equity shares on rights basis in the ratio of 27:100. The record date for this purpose was March 14, 2014. The offer was open from April 28, 2014 to May 12, 2014 to all eligible equity shareholders. As at the end of the offer date i.e. May 12, 2014 the Company has received application for 66,313,105 shares aggregating ₹ 6,631.30 million from the eligible shareholders

During the current 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 iv.(a) below	20.50% per annum	Refer footnote iv.(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	

Footnote iv(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**	**4,357.99**

Rights of CNCRPS holders 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

Notes

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NOTE 3 : RESERVES AND SURPLUS

(₹ in million)

Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Securities Premium Account				
Opening balance	10,320.57		10,320.57	
(+) Addition during the year from issue of Cumulative Non-Convertible Compulsorily Redeemable Preference Shares	3,764.50		-	
(-) Premium utilised towards preference shares issue expenses and rights issue expenses	(67.23)	14,017.84	-	10,320.57
(b) General Reserve				
Opening balance	1,238.98		967.82	
(+) Transfer from balance in Statement of Profit and Loss	266.03	1,505.01	271.16	1,238.98
(c) Foreign Currency Translation Reserve (Refer Note VII of Note 1)				
Opening Balance [net of deferred tax asset (net) of ₹ 41.37 million, (previous year ₹ 37.48 million)]	31.20		23.12	
Foreign exchange translation gain / (loss) [net of deferred tax liability of ₹ 6.14 million (Previous Year net of deferred tax asset of ₹ 3.89 million)]	(11.91)	19.29	8.08	31.20
(d) Debenture Redemption Reserve (Refer Footnote below)				
Opening balance	461.37		-	
(+) Transfer from balance in Statement of Profit and Loss (Refer footnote)	486.37	947.74	461.37	461.37
(e) Surplus in the Statement of Profit and Loss				
Opening balance	7,253.88		6,183.90	
(+) Profit for the year	2,660.27		2,711.64	
(-) Transfer to general reserve	266.03		271.16	
(-) Transfer to debenture redemption redemption reserve	486.37		461.37	
(-) Provision for proposed dividend on equity shares	986.88		777.07	
(-) Provision for Dividend Distribution Tax on proposed dividend on equity shares	167.72		132.06	
(-) Provision for proposed dividend on preference shares	305.11		-	
(-) Provision for Dividend Distribution Tax on proposed dividend on preference shares	51.85		-	
(-) Redemption premium on 20.50% CRPS	25.62	7,624.57	-	7,253.88
TOTAL		**24,114.45**		**19,306.00**

Footnote:

The Company had issued Non Convertible Debentures (NCDs) as detailed in Footnote 1 to Note 4 In terms of Section 117C of the Companies Act, 1956 read with the General circular No. 9/2002 (General Clarification No. 6/3/2001-CL.V dated April 18,2002) ("the General Circular") issued by the Ministry of Corporate Affairs, 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, 2014, the transfer to Debenture Redemption Reserve has been made in accordance with above provisions of the Companies Act, 1956 read with the General Circular amounting to ₹ 486.37 million (March 31, 2013 ₹ 461.37 million)

Notes

forming part of the financial statements for the year ended March 31, 2014

NOTE 4 : LONG-TERM BORROWINGS

(₹ in million)

Particulars	As at March 31, 2014	As at March 31, 2013
(a) Debentures		
Unsecured Redeemable Non-Convertible Debentures [NCDs] (Refer footnote no.1 (a))	10,000.00	10,000.00
Unsecured Redeemable "ITNL, 11.50%, 2024 NCDs"	1,000.00	N.A.
Less : Unexpired Discount on issue	(44.65)	N.A.
Net	**955.35**	**N.A.**
SUB-TOTAL (A)	**10,955.35**	**10,000.00**
(b) Term Loans from banks (Refer footnote no.1 (b))		
i) Secured	7,455.64	5,720.00
(Out of above ₹ 6,965.00 million is secured by Investment property (book value ₹ 1,153.02 million) [Refer footnote 12 to Note 14] and a residual charge over current assets and receivables and balance ₹ 490.64 is secured by fixed deposits placed with lending banks including interest accrued thereon)		
ii) Unsecured	8,496.86	2,880.00
SUB-TOTAL (B)	**15,952.50**	**8,600.00**
TOTAL	**26,907.85**	**18,600.00**

Footnote

1. During the year ended March 31, 2013, the Company had Listed 3 series of 10,000 Rated, Unsecured Redeemable, Non-Convertible Debentures ("NCDs") of the face value of ₹ 1,000,000 per unit on a private placement basis. These NCDs were initially allotted to J. P. Morgan Securities Asia Private Limited, J. P. Morgan Securities India Private Limited and Yes Bank Limited. During the year ended March 31, 2014, the Company has 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. These NCDs were initially allotted to Chanakya Corporate Services Private Limited and Trust Investment Advisors Private Limited

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

Series of NCDs	As at March 31, 2014					
	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	Earliest 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 compounded annually	Bullet repayment	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**				

Notes

forming part of the financial statements for the year ended March 31, 2014

Series of NCDs	As at March 31, 2013					
	No. of NCDs issued	No. of NCDs outstanding as at March 31, 2013	Face value per NCD (₹)	Rate of interest % p.a.	Terms of repayment	Earliest 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 compounded annually	Bullet repayment	April 2, 2015
TOTAL	**10,000**	**10,000**				

The details of utilisation of proceeds of above issues are as below (₹ in million)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Face value of NCDs	1,000.00	10,000.00
Less: Discount on NCDs	45.00	-
Amount received from the issue	**955.00**	**10,000.00**
Utilisation :		
For repayment of loans	400.00	10,000.00
For working capital payments	531.50	-
Investment in Subsidiary	23.50	-
TOTAL UTILISATION	**955.00**	**10,000.00**
Balance amount unutilised as on year end	-	-

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

Name of Bank	As at March 31, 2014		
	₹ in million	Terms of repayment	Due Date for repayment
Yes Bank Limited	5,225.00	16 quarterlly 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
State Bank of Travancore	500.00	2nd of 2 installments	August 23, 2015
Bank of Maharashtra	1,000.00	2nd of 2 installments	September 23, 2015
Jammu and Kashmir Bank	250.00	2nd of 2 installments	July 28, 2015
TOTAL	**15,952.50**		

Notes

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Terms of Repayment for long term borrowings from banks outstanding as on March 31, 2013

Name of Bank	As at March 31, 2013		
	₹ in million	Terms of repayment	Due Date for Repayment
Yes Bank Limited	5,500.00	20 installments of ₹ 68.75 million to ₹ 412.50 million	June 30, 2014 to March 31, 2019
Bank of India	1,100.00	2nd of 2 installments	March 20, 2015
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
	8,600.00		

NOTE 5 : CURRENT MATURITIES OF LONG-TERM DEBT

(₹ in million)

Particulars	As at March 31, 2014	As at March 31, 2013
Term Loans from banks (Refer footnote below)		
i) Secured	1,401.25	-
(Out of above ₹ 855.00 million is secured by Investment property [Refer footnote 12 to Note 14] and a residual charge over current assets and receivables and balance ₹ 546.25 is secured by fixed deposits placed with lending banks including interest accrued thereon)		
ii) Unsecured	9,666.25	9,850.00
TOTAL	**11,067.50**	**9,850.00**

Footnote:

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

Name of Bank	As at March 31, 2014		
	₹ 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 March 31, 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
United Bank of India	1,000.00	1st of 2 installments	November 21, 2014
J&K Bank	250.00	1st of 2 installments	October 29, 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		

Notes

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Terms of Repayment for Current maturities of long-term debt from banks outstanding as on March 31, 2013

Name of Bank	As at March 31, 2013		
	₹ in million	Terms of repayment	Due Date for Repayment
State Bank of Travancore	500.00	Bullet repayment	March 22, 2014
Bank of Baroda	2,000.00	Bullet repayment	March 21, 2014
South Indian Bank	1,000.00	Bullet repayment	December 9, 2013
Bank of India	500.00	Bullet repayment	August 25, 2013
United Bank of India	1,000.00	1st of 2 installments	June 30, 2013
J&K Bank	500.00	1st of 2 installments	June 29, 2013
Bank of India	1,100.00	1st of 2 installments	March 20, 2014
Allahabad Bank	2,000.00	Bullet repayment	March 28, 2014
The Lakshmi Vilas Bank	1,250.00	Bullet repayment	March 27, 2014
	9,850.00		

NOTE 6 : SHORT-TERM BORROWINGS

(₹ in million)

Particulars	As at March 31, 2014	As at March 31, 2013
(a) Secured		
Loans repayable on demand from Banks	24.04	65.75
(Secured by First pari passu charge over current assets and receivables)		
(b) Unsecured		
i) Loans repayable on demand from Banks	242.18	36.00
ii) Commercial Paper	4,000.00	2,000.00
Less : Unexpired discount	(101.05)	(112.55)
NET AMOUNT	**3,898.95**	**1,887.45**
iii) Short term loans from banks	3,400.00	6,244.50
iv) Loans from related parties	700.00	700.00
TOTAL	**8,265.17**	**8,933.70**

NOTE 7 : DEFERRED TAX LIABILITIES (NET)

(₹ in million)

The Company has a net deferred tax liability of ₹ 207.56 million (As at March 31, 2013 net deferred tax liability : ₹ 5.74 million). The components are as under (Refer footnote 1)

Particulars	As at March 31, 2013	Movement during the year (Refer Foot note 2)	As at March 31, 2014
In respect of depreciation	16.21	(7.36)	8.85
In respect of employee benefits	(9.46)	(5.67)	(15.13)
In respect of unamortised borrowing costs	-	214.85	214.85
in respect of provision for doubtful debts	(1.01)	-	(1.01)
DEFERRED TAX LIABILITIES (NET)	**5.74**	**201.82**	**207.56**

Footnote

1. The Company has not recognised any 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

2. Deferred tax credit (net) during the year includes deferred tax debit of ₹ 6.14 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

Notes

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NOTE 8 : LONG-TERM PROVISIONS

(₹ in million)

Particulars	As at March 31, 2014	As at March 31, 2013
(a) Provision for employee benefits	13.51	8.81
(b) Others		
Provision for redemption premium on Preference Shares	25.62	-
TOTAL	**39.13**	**8.81**

NOTE 9 : OTHER LONG TERM LIABILITIES

(₹ in million)

Particulars	As at March 31, 2014	As at March 31, 2013
(a) Interest accrued but not due on borrowings	89.44	3.29
(b) Retention Money Payable	2,052.21	1,152.47
(c) Mobilisation Advances Received	1,890.65	2,127.44
(d) Option Premium Liabilities (Refer Note 22 (a))	-	39.22
TOTAL	**4,032.30**	**3,322.42**

NOTE 10 : OTHER CURRENT LIABILITIES

(₹ in million)

Particulars	As at March 31, 2014	As at March 31, 2013
(a) Interest accrued but not due on borrowings	234.17	150.66
(b) Mobilisation Advances Received	2,498.32	1,497.59
(c) Unearned Revenue (Refer Note 30)	1,923.53	1,161.36
(d) Unpaid Dividends	0.71	0.51
(e) Option Premium Liabilities (Refer Note 22 (a))	-	76.87
(f) Other Payables (statutory dues payable)	286.86	234.77
TOTAL	**4,943.59**	**3,121.76**

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, 2014	As at March 31, 2013
(a) Provision for employee benefits (net)	171.34	250.13
(b) Others		
Provision for Proposed Dividend on equity shares	986.88	777.07
Provision for Dividend Distribution Tax on equity shares	167.72	132.06
Provision for Proposed Dividend on preference shares	305.11	-
Provision for Dividend Distribution Tax on preference shares	51.85	-
Provision for tax (net)	7.46	7.44
TOTAL	**1,690.36**	**1,166.70**

NOTE 13 : FIXED ASSETS

Current 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**	**43.03**	**3.34**	**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**

NOTE 13 : FIXED ASSETS

Previous year :

(₹ in million)

Particulars	Gross Block (at cost)				Accumulated Depreciation and Amortisation				Net Block
	Balance as at April 1, 2012	Additions	Deletions / Adjustments	Balance as at March 31, 2013	Balance as at April 1, 2012	Depreciation for the year	Deletions / Adjustments	Balance as at March 31, 2013	Balance as at March 31, 2013
(a) Tangible Assets									
Buildings	14.96	-	-	14.96	1.09	0.24	-	1.33	13.63
Plant and Machinery	63.86	4.32	-	68.18	19.62	6.49	-	26.11	42.07
Furniture and Fixtures	16.71	2.68	0.06	19.33	11.09	1.96	0.06	12.99	6.34
Vehicles	82.90	19.76	1.67	100.99	33.74	16.07	1.24	48.57	52.42
Office Equipments	28.51	4.23	0.40	32.34	16.31	4.53	0.32	20.52	11.82
Data Processing Equipments	36.30	7.21	-	43.51	22.83	6.58	-	29.41	14.10
Leasehold Improvements	12.45	6.83	-	19.28	8.18	4.94	-	13.12	6.16
TOTAL	**255.69**	**45.03**	**2.13**	**298.59**	**112.86**	**40.81**	**1.62**	**152.05**	**146.54**
(b) Intangible Assets									
Computer Software (Acquired)	266.41	15.25	-	281.66	150.70	66.77	-	217.47	64.19
Commercial Rights (Acquired)	60.00	-	-	60.00	16.95	2.65	-	19.60	40.40
TOTAL	**326.41**	**15.25**	**-**	**341.66**	**167.65**	**69.42**	**-**	**237.07**	**104.59**
(c) Capital Work-In-Progress (Refer footnote)	3.19	25.67	3.19	25.67	-	-	-	-	25.67
GRAND TOTAL	**585.29**	**85.95**	**5.32**	**665.92**	**280.51**	**110.23**	**1.62**	**389.12**	**276.80**

Footnote : Capital Work-In-progress of ₹ 25.67 is advance payment towards Intangible Assets.

Notes

forming part of the financial statements for the year ended March 31, 2014

NOTE 14 : NON-CURRENT INVESTMENTS

(₹ in million)

Particulars	As at March 31, 2014	As at March 31, 2013
Investment property (Refer footnote 12)	**1,153.02**	**1,153.02**
Trade Investments (Refer A below)		
(a) Investments in Equity shares	33,742.71	24,229.60
(b) Investments in preference shares	2,496.90	3,492.93
(c) Investments in debentures	320.00	320.00
(d) Investments in Covered Warrants	1,693.00	1,693.00
(e) Investments in units	1,096.06	1,083.56
SUB-TOTAL	**39,348.67**	**30,819.09**
Less : Provision for diminution in the value of Investments	510.00	510.00
TOTAL TRADE INVESTMENTS	**38,838.67**	**30,309.09**
TOTAL INVESTMENTS	**39,991.69**	**31,462.11**

A. DETAILS OF TRADE INVESTMENTS (REFER FOOTNOTES 1 TO 11)

Sr. No.	Name of the Entity	As at March 31, 2014			As at March 31, 2013		
		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 10)	119,065,747	10	442.50	76,542,266	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)	48,050,001	Not Applicable	2,435.13	36,050,001	Not Applicable	1,761.72
	ITNL Road Infrastructure Development Company Limited	140,000,000	10	1,400.00	52,000,000	10	520.00
	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	279,985,532	10	2,799.86	144,678,870	10	1,446.79
	Hazaribagh Ranchi Expressway Limited	96,940,000	10	969.40	37,000	10	0.37
	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

Notes

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A. DETAILS OF TRADE INVESTMENTS (REFER FOOTNOTES 1 TO 11)

Sr. No.	Name of the Entity	As at March 31, 2014			As at March 31, 2013		
		Quantity	Face Value per unit (₹)	₹ in million	Quantity	Face Value per unit (₹)	₹ in million
	Jharkhand Road Projects Implementation Company Limited	242,448,000	10	2,424.48	228,123,000	10	2,281.23
	Chenani Nashri Tunnelway Limited	372,000,000	10	3,720.00	372,000,000	10	3,720.00
	MP Border Checkposts Development Company Limited	48,943,847	10	489.44	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 9)	156,932,083	10	1,569.32	27,083	10	0.27
	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	4,180,000	10	41.80
	Karyavattom Sports Facilities Limited	15,049,940	10	150.50	15,049,940	10	150.50
	Kiratpur Ner Chowk Expressway Limited	177,000,000	10	1,770.00	28,500,000	10	285.00
	ITNL Offshore Pte. Ltd., Singapore (Nominal value US$ 1 each)	3,370,500	Not Applicable	208.44	50,000	Not Applicable	2.60
	Baleshwar Kharagpur Expressway Limited	116,300,000	10	1,163.00	55,840,000	10.00	558.40
	Sikar Bikaner Highway Limited	124,050,000	10	1,240.50	98,800,000	10.00	988.00
	Rapid MetroRail Gurgaon South Limited	56,717,500	10	567.18	17,500	10.00	0.18
	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	28,249,940	10	282.50	-	-	-
	Khed Sinnar Expressway Limited	51,500,000	10	515.00	-	-	-
	Andhra Pradesh Expressway Limited (Refer footnote 11)	4,293,440	10	42.93	(Refer footnote 11)		
	in Joint Ventures (Fully paid - At Cost)						
	Jorabat Shillong Expressway Limited (Unquoted)	39,000,000	10	390.00	26,000,000	10	260.00
	NAM Expressway Limited (Unquoted)	116,754,970	10	1,167.55	116,754,970	10	1,167.55
	Noida Toll Bridge Company Limited (Quoted)	47,195,007	10	1,871.58	47,195,007	10	1,871.58

Notes

forming part of the financial statements for the year ended March 31, 2014

A. DETAILS OF TRADE INVESTMENTS (REFER FOOTNOTES 1 TO 11)

Sr. No.	Name of the Entity	As at March 31, 2014			As at March 31, 2013		
		Quantity	Face Value per unit (₹)	₹ in million	Quantity	Face Value per unit (₹)	₹ in million
	in Associates (Unquoted; Fully paid - At Cost)						
	Thiruvananthapuram Road Development Company Limited	17,030,000	10	170.30	17,030,000	10	170.30
	Andhra Pradesh Expressway Limited (Refer footnote 11)	(Refer footnote 11)			16,513,060	10	165.13
	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
	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)			**33,742.71**			**24,229.60**
(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
	Rapid MetroRail Gurgaon Limited (Refer footnote 6 and 9)	-	-	-	99,603,000	10	996.03
	Andhra Pradesh Expressway Limited (Refer footnote 8 and 11)	220,000,000	10	2,200.00	(Refer footnote 11)		
	in Associates						
	Andhra Pradesh Expressway Limited (Refer footnote 8 and 11)	(Refer footnote 11)			220,000,000	10	2,200.00
	SUB-TOTAL (b)			**2,496.90**			**3,492.93**
(c)	**Investments in Debentures (Unquoted; Fully paid - At Cost)**						
	5% Optionally Convertible Debentures of Andhra Pradesh Expressway Limited (Associate) (Refer footnote 8)	-	-	-			
	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**

Notes

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A. DETAILS OF TRADE INVESTMENTS (REFER FOOTNOTES 1 TO 11)

Sr. No.	Name of the Entity	As at March 31, 2014			As at March 31, 2013		
		Quantity	Face Value per unit (₹)	₹ in million	Quantity	Face Value per unit (₹)	₹ in million
(d)	**Investments in Covered Warrants (Unquoted; Fully paid - At Cost)**						
	Infrastructure Leasing & Financial Services Limited (Refer footnote 4)	169,300,000	10	**1,693.00**	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**	1,083,562	1000	**1,083.56**
	GRAND TOTAL (a+b+c+d+e)			**39,348.67**			**30,819.09**

(₹ in million)

Particulars	As at March 31, 2014	As at March 31, 2013
Aggregate cost of quoted investments (Market value of ₹ 1,127.96 million; as at March 31, 2013 : ₹ 941.54 million)	1,871.58	1,871.58
Aggregate cost of unquoted investments	37,477.09	28,947.51
TOTAL	**39,348.67**	**30,819.09**

Footnotes

1. The Company has given non-disposal undertakings to the lenders and / or equity investors of certain 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 and / or equity investors. Also, the Company has given non-disposal undertakings to the grantors of the Concession to certain infrastructure companies promoted by the Company with regard to its investments in the equity share capital of these companies

2. The Company has pledged 171,959 (As at March 31, 2013 - 171,959) equity shares 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 (As at March 31, 2013- 14,300,000) shares 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 ₹ 1,693.00 million (As at March 31, 2013 ₹ 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"), Chhattisgarh 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

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")

Notes

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6. The Company's investments in Compulsory Convertible Preference Shares ("CCPS") of Rapid MetroRail Gurgaon Limited ("RMGL") are fully and compulsorily convertible into equity shares within 90 days from achieving the commercial operation date of the project, which is not achieved as at March 31, 2014

7. The Company had given long-term and short-term loans to one of its subsidiary companies, ITNL International Pte. Ltd. (""IIPL"") aggregating USD 33,000,000. Out of this the Company received USD 25,000,000 during the previous year and the outstanding amount aggregating USD 8,000,000 (equivalent ₹ 421.57 million) has been converted into 8,000,000 equity shares of USD 1/- each by way of allotment of shares with effect from October 5, 2012. Also the Company had given short-term loans to IIPL of USD 4,500,000. During the current year this (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. The Company had made investment in 7,864,000 Optionally Convertible Debentures (Face value ₹ 100 each) amounting ₹ 786.40 million issued by Andhra Pradesh Expressway Limited ("APEL") and also given loans to APEL aggregating ₹ 1,262.04 million. The loan and debentures and interest accrued ₹ 151.56 million were converted on November 7, 2012 into 220,000,000 1% Non-Convertible Non-Cumulative Redeemable preference shares (Face value ₹ 10 each) aggregating to ₹ 2,200.00 million redeemable at the end of its tenor of 14 years at the amount equal to the aggregate of face value along with premium amount calculated at the rate of 15% per annum on the face value

9. During the current 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

10. During the current 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. Accordingly, the Company has submitted 73,596,999 shares for cancellation and revised share certificate is awaited from GRICL

11. During the current 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 [Refer Note 22(a)] thereby making APEL the subsidiary of IRIT with its existing stake and additional acquisitions

12. During the previous year, 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 [Refer Note 4 (b) (i)]

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NOTE 15 : LONG-TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE MENTIONED)

(₹ in million)

Particulars	As at March 31, 2014	As at March 31, 2013
(a) Security Deposits		
Related party	1.50	1.50
Others	249.87	593.62
SUB-TOTAL (a)	**251.37**	**595.12**
(b) Capital Advances (Refer footnote 2)	**1,000.00**	**1,000.00**
(c) Loans and advances to related parties		
Long term loans	5,147.78	4,808.47
Advance towards Share Application Money (Refer footnote 1)	1,290.57	2,095.09
SUB-TOTAL (c)	**6,438.35**	**6,903.56**
(d) Other Loans and Advances		
Prepaid expenses	196.23	168.10
Inter corporate deposits	40.04	38.66
Preconstruction and Mobilisation advances paid to contractors and other advances	2,493.53	2,762.93
Advance towards Share Application Money	200.00	200.05
Advance payment of taxes (net of provision)	1,989.39	485.64
Long term loans	831.90	792.80
SUB-TOTAL (d)	**5,751.09**	**4,448.18**
TOTAL	**13,440.81**	**12,946.86**

Foot Note

1. As required under the restructuring package of Gujarat Road and Infrastructure Company Limited ("GRICL"), approved by the Corporate Debt Restructuring Cell on June 17, 2004, the Company as one of the promoters of GRICL advanced ₹ 600.00 million towards Preference Share Capital. Out of the above advance, ₹ 150.00 million was to be applied against issue of 1% Non Cumulative Convertible Preference Shares and ₹ 450.00 million against issue of 8% Redeemable Convertible Preference Shares. GRICL proposes to convert this advance into subordinated debt. Pending completion of the process for the conversion, the Company has classified the amount as "Advance towards Share Application Money"

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"). The amount will be transferred to intangible assets and amortised over the concession period of SSTL, once the appointed date is received by SSTL in accordance with the terms of the Concession Agreement. As at March 31, 2014, the appointed date is not yet granted

Notes

forming part of the financial statements for the year ended March 31, 2014

NOTE 16 : SHORT-TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)

(₹ in million)

Particulars	As at March 31, 2014	As at March 31, 2013
(a) Loans and Advances to Related Parties		
Short-term loans (Refer footnotes 7 and 8 under Note 14)	4,971.00	2,944.05
Advances recoverable	656.37	367.19
	5,627.37	**3,311.24**
(b) Others		
Short-term loans	2,740.97	1,878.86
Prepaid expenses	61.83	129.66
Staff loans	20.93	14.13
Indirect tax balances / Receivable credit	329.43	4.65
Mobilisation advances paid to contractors and other advances	2,838.51	1,507.92
Advances receivable	236.36	273.61
	6,228.03	**3,808.83**
TOTAL	**11,855.40**	**7,120.07**

NOTE 17 : OTHER NON-CURRENT ASSETS

(₹ in million)

Particulars	As at March 31, 2014	As at March 31, 2013
Retention Money Receivable (Refer Note 30)	1,184.37	719.20
Interest Accrued but not due (Refer footnote 8 under Note 14)	520.89	364.93
Balances with Banks in deposit accounts (Restricted)	1,937.14	770.00
Unamortised borrowing costs	555.36	327.45
TOTAL	**4,197.76**	**2,181.58**

NOTE 18 : OTHER CURRENT ASSETS

(₹ in million)

Particulars	As at March 31, 2014	As at March 31, 2013
Interest Accrued and due	543.18	338.55
Interest Accrued but not due	489.36	355.93
Unbilled revenue (Refer Note 30)	1,137.08	1,737.06
Unamortised borrowing costs	76.73	31.90
Dividend Receivable	161.88	-
TOTAL	**2,408.23**	**2,463.44**

Notes

forming part of the financial statements for the year ended March 31, 2014

NOTE 19 : TRADE RECEIVABLES

(₹ in million)

Particulars	As at March 31, 2014	As at March 31, 2013
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	19,196.71	15,076.93
	19,196.71	**15,076.93**
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	5,756.55	900.59
Unsecured, considered doubtful	3.00	3.00
Less: Provision for doubtful debts	(3.00)	(3.00)
	5,756.55	**900.59**
TOTAL	**24,953.26**	**15,977.52**

NOTE 20 : CASH AND CASH EQUIVALENTS

(₹ in million)

Particulars	As at March 31, 2014	As at March 31, 2013
(a) Cash and cash equivalents		
Cash on hand	0.32	0.42
Balances with Banks in current accounts	108.06	52.63
Balances with Banks in deposit accounts	2.33	1.30
	110.71	**54.35**
(b) Others		
Unpaid Dividend accounts	0.71	0.51
	0.71	**0.51**
TOTAL	**111.42**	**54.86**
Included in above, the balances that meet the definition of cash and cash equivalents as per AS-3 "Cash Flow Statements"	**110.71**	**54.35**

Notes

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NOTE 21 : CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in million)

Particulars	As at March 31, 2014	As at March 31, 2013
(i) Contingent Liabilities (Refer footnote 1)		
(a) Claims against the Company not acknowledged as debts	538.90	70.10
Income tax demands contested by the Company		
(b) Guarantees (Refer footnote 2)		
- Guarantees/counter guarantees issued to outsider in respect of group companies	21,531.58	17,819.21
- Guarantees/counter guarantees issued to outsider in respect of other than group companies	328.76	240.68
(c) Letter of financial support has been issued to ITNL Road Infrastructure Development Company Limited and to West Gujarat Expressway Limited to enable them to continue their operations and meet their financial obligation as an when they fall due		
(d) During the year, the Company has assigned loans aggregating to ₹ 4,507 million at its book value, out of which in the case of loans of ₹ 2,000 million, the lender has a put option on the Company on specified future dates till the maturity of the loans assigned and in the case of loans of ₹ 2,950 million the lenders are having a recourse to the Company in case of default by the borrower on the due dates		
During the previous year, the Company had assigned loans aggregating to ₹ 3,000 million at its book value, out of which in the case of loans of ₹ 1,000 million, the lender has a put option on the Company on specified future dates till the maturity of the loans assigned and in the case of loans of ₹ 2,000 million the lenders are having a recourse to the Company in case of default by the borrower on the due dates		
(ii) Commitments		
Investment Commitments [net of advances of ₹ 890.57 million, (As at March 31, 2013 : ₹ 1,695.14 million)]	26,388.20	19,506.91

Foot Note

1. The Company does not expect any outflow of economic resources in respect of the above and therefore no provision is made in respect thereof
2. Certain bankers have issued guarantees which have been shown under "Guarantees/counter guarantees issued in respect of other companies" aggregating ₹ 3,684.68 million (as at March 31, 2013 : ₹ 1,516.02 million) against a first charge on the receivables (including loans and advances) of the Company

NOTE 22 : DERIVATIVES AND FOREIGN CURRENCY EXPOSURES

(a) The Company as a part of its strategic initiatives to consolidate/restructure its investments in surface transport sector, has made direct investments in certain special purpose entities ("SPE"s) engaged in that sector and also invested in units of a scheme of ITNL Road Investment Trust (the "Scheme") which in turn has made investments in such SPEs. Amounts invested include derivative instruments in the form of call options

The amounts outstanding as at March 31, 2014 in respect of derivative transactions are summarised below:

Particulars	Number of instruments	Call option premium (₹ in million)	Exercise price receivable (₹ in million)
Call options written for sale of equity shares	-	-	NA
	(2)	(116.09)	(6.11)

Figures in brackets relate to March 31, 2013

Premium received by the Company towards call option sold by it had been aggregated under the head "Option Premium Liabilities" classified as a part of "Other Long Term Liabilities" and "Other Current Liabilities". Options in respect of "Option Premium Liabilities" amounting ₹ Nil (As at March 31, 2013 : ₹ 39.22 million) were to be exercised after a period of 12 months from the year end

On March 27, 2014 this call option was excercised by the holder and therefore nil liability is shown as at March 31, 2014

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(b) 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, 2014		As at March 31, 2013	
	₹ 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)	2,643.57	USD 48.05	1,764.32	USD 36.10
Investments in subsidiary companies (At historical cost)	0.86	Nigerian Naira 2.50	0.86	Nigerian Naira 2.50
Dividend Receivable	161.88	EUR 1.96	-	-
Advances recoverable	150.25	USD 2.50	-	-
Interest accrued on loans given	0.03	EUR 0.00	0.12	EUR 0.00
Interest accrued on loans given	-	-	8.01	USD 0.15
Loans to subsidiary companies	4.68	EUR 0.06	4.17	EUR 0.06
Loans to subsidiary companies	-	-	244.75	USD 4.50

Amounts payable in foreign currency on account of the following: -

Particulars	As at March 31, 2014		As at March 31, 2013	
	₹ in million	Foreign currency in Million	₹ in million	Foreign currency in million
Trade payables	95.29	EUR 1.11	-	-
Trade payables	5.69	USD 0.09	-	-

NOTE 23 : PROPOSED DIVIDEND

Particulars	As at March 31, 2014		As at March 31, 2013	
	Total ₹ in million	Per share ₹	Total ₹ in million	Per share ₹
Dividend proposed to be distributed to equity shareholders (Refer footnote below)	986.88	4.00	777.07	4.00
Dividend proposed to be distributed to 20.50% CRPS holders	210.05	2.05	Not applicable	Not applicable
Dividend proposed to be distributed to 10.40% ITNL CNCRPS 2017 holders	61.26	2.11	Not applicable	Not applicable
Dividend proposed to be distributed to 10.50% ITNL CNCRPS 2018 holders	11.17	2.14	Not applicable	Not applicable
Dividend proposed to be distributed to 11% ITNL CNCRPS 2021 holders	22.63	2.13	Not applicable	Not applicable

Footnote:

The Board of Directors have recommended dividend of ₹ 4 per equity share of ₹ 10 each (40%) for the year ended March 31, 2014 on the existing 194,267,732 fully paid-up equity shares of the Company and on 52,452,288 equity shares to be allotted pursuant to the right issue fully subscribed on May 12, 2014

Notes

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NOTE 24 : REVENUE FROM OPERATIONS

(₹ in million)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
(a) Sale of services		
Advisory and project development fees	6,042.06	4,616.39
Supervision fees	726.59	1,069.41
Operation and maintenance income	1,132.46	800.62
(b) Construction Revenue (Refer Note 30)	26,144.72	27,205.49
TOTAL	**34,045.83**	**33,691.91**

NOTE 25 : OTHER INCOME

(₹ in million)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
(a) Interest Income		
Interest on loans	1,506.74	1,539.37
Interest on debentures	46.69	65.56
Interest on covered warrants	-	98.49
Interest on call money	-	5.78
Interest on bank deposits	105.10	8.51
Other interest income	39.62	4.66
(b) Dividend Income on non-current investments	341.40	23.60
(c) Profit on sale of fixed assets (net)	0.33	0.40
(d) Foreign Exchange fluctuation gain (net)	19.36	14.90
(e) Guarantee fee income	201.91	165.93
(f) Insurance claim received	190.28	-
(g) Recovery of expenses	183.59	-
(h) Miscellaneous income	38.82	43.02
TOTAL	**2,673.84**	**1,970.22**

NOTE 26 : OPERATING EXPENSES

(₹ in million)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Construction Contract Costs	24,157.45	24,457.09
Fees for Legal and technical services	1,021.80	387.00
Operation and maintenance expenses	1,041.95	566.17
TOTAL	**26,221.20**	**25,410.26**

NOTE 27 : EMPLOYEE BENEFITS EXPENSE

(₹ in million)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Salaries and wages (Refer footnote 1)	470.28	502.02
Contribution to provident and other funds (Refer Foot Note no. 2)	38.40	38.96
Staff welfare expenses	36.76	39.68
Deputation Cost	72.33	52.26
TOTAL	**617.77**	**632.92**

Footnote

1. Employee cost is net of salaries of ₹ 21.91 million (for the year ended March 31, 2013 : ₹ 15.51 million), and contribution to provident and other funds of ₹ 2.27 million (for the year ended March 31, 2013 : ₹ 1.54 million) towards amounts recovered / recoverable in respect of staff on deputation with other entities

Notes

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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 ₹ 28.91 Million (for the year ended March 31, 2013 : ₹ 25.51 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, 2014	As at March 31, 2013
Present Value of Commitments	45.29	50.61
Fair value of Plans	(66.42)	(59.56)
Provision / (Prepaid) amount taken to the balance sheet	(21.13)	(8.95)

(₹ in million)

Defined benefit Commitments : Gratuity	For the year ended March 31, 2014	For the year ended March 31, 2013
Opening balance	50.62	37.29
Interest costs	3.78	2.88
Current service cost	10.41	9.83
Benefits paid	(18.17)	(4.96)
Transfer to other employer	-	-
Transfer from other employer	-	0.28
Actuarial loss	(1.35)	5.29
Closing Balance	45.29	50.61

Notes

forming part of the financial statements for the year ended March 31, 2014

(₹ in million)

Plan Assets: Gratuity	For the year ended March 31, 2014	For the year ended March 31, 2013
Opening balance	59.57	46.23
Expected return on plan assets	5.04	4.23
Contributions by the Company	19.89	13.46
Benefits paid	(18.17)	(4.96)
Transfer to other employer	-	-
Transfer from other employer	-	0.28
Actuarial gain	0.09	0.32
Fair value of plan assets	66.42	59.56

(₹ in million)

Return on plan assets: Gratuity	For the year ended March 31, 2014	For the year ended March 31, 2013
Expected return on plan assets	5.04	4.23
Actuarial gain	0.09	0.32
Actual return on plan assets	5.13	4.55

Expenses on defined benefit plan recognised in the Statement of Profit and Loss: (₹ in million)

Return on plan assets: Gratuity	For the year ended March 31, 2014	For the year ended March 31, 2013
Current service costs	10.41	9.83
Interest expense	3.78	2.88
Expected return on investment	(5.04)	(4.23)
Net actuarial loss	(1.45)	4.97
Charge to the Statement of Profit and Loss	7.70	13.45

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	For the year ended March 31, 2014	For the year ended March 31, 2013
Rate for discounting liabilities	9.11%	8.28%
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) (modified) Ultimate

Notes

forming part of the financial statements for the year ended March 31, 2014

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, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
Defined benefit obligations	45.29	50.61	37.29	31.29	22.98
Plan Assets	66.42	59.56	46.23	39.66	29.07
Unfunded liability transferred from Group Company	-	-	-	0.64	-
Surplus / (Deficit)	21.13	8.95	8.94	7.73	6.09

(₹ in million)

Experience adjustments on	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011	Year ended March 31, 2010
Plan liabilities (loss) / gain	(2.62)	(4.14)	(0.27)	(1.00)	0.85
Plan assets (loss) / gain	0.09	0.32	(0.26)	(0.27)	3.10

The contributions expected to be made by the Company during the next 12 months is ₹ 55.69 million

NOTE 28 : FINANCE COSTS

(₹ in million)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
(a) Interest expenses		
Interest on loans	4,905.57	3,871.10
Discount on Commercial Paper	166.07	-
(b) Other borrowing costs		
Upfront fees and other finance charges	124.87	60.30
TOTAL	**5,196.51**	**3,931.40**

NOTE 29 : ADMINISTRATIVE AND GENERAL EXPENSES

(₹ in million)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Electricity	13.41	8.48
Travelling and conveyance	207.82	143.83
Printing and stationery	10.84	11.04
Rent (Refer Note 32)	147.05	134.97
Rates and taxes (including wealth tax)	28.00	27.44
Repairs and maintenance (other than building and machinery)	55.13	44.53
Communication expenses	26.65	26.13
Insurance	138.98	119.89
Legal and consultation fees	110.14	75.99
Directors' fees	2.13	1.60
Bank commission	55.33	54.80
Bid documents	8.10	18.13
Brand Subscription Fees	308.45	290.33
Miscellaneous expenses (Refer footnote below)	233.85	227.89
TOTAL	**1,345.88**	**1,185.05**

Notes

forming part of the financial statements for the year ended March 31, 2014

Footnote

Miscellaneous expenses includes payment to auditors for the following

(₹ in million)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Payment to Auditor as :		
Audit Fees	12.51	12.51
Tax Audit Fees	-	0.65
Other Services (assurance)	11.76	3.74

Above payment to auditor includes service tax of ₹ 2.67 million (Previous year : ₹ 1.86 million)

NOTE 30 : DISCLOSURE IN RESPECT OF CONSTRUCTION CONTRACTS

(₹ in million)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Contract revenue recognised as revenue during the year	26,144.72	27,205.49

	As at March 31, 2014	As at March 31, 2013
Cumulative revenue recognised	83,414.98	57,275.26
Advances received	4,388.96	3,625.03
Retention Money receivable	1,184.37	719.2
Gross amount due from customers for contract work, disclosed as asset (i.e. Unbilled Revenue)	1,137.08	1,737.06
Gross amount due to customers for contract work, disclosed as liability (i.e. Unearned Revenue)	1,923.53	1,923.53

NOTE 31 A : JOINTLY CONTROLLED ENTITIES

The Company has the following Jointly Controlled Entities as on March 31, 2014 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 year ended of those entities is given below:

(₹ in million)

Name of the Jointly Controlled Entities	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%	1,645.98	409.47	-	-	316.22	109.87
		(25.35%)	(1,703.96)	(466.06)	(-)	(-)	(290.67)	(124.13)
Jorabat Shillong Expressway Limited	India	50.00%	4,357.13	3,569.74	-	1,044.49	742.16	700.43
		(50.00%)	(3,628.73)	(3,014.09)	(-)	(671.82)	(1,535.09)	(1,333.18)
N.A.M. Expressway Limited	India	50.00%	9,027.40	5,267.86	-	800.40	1,214.28	1,104.00
		(50.00%)	(7,615.72)	4,549.56	(-)	(1,686.00)	(2,821.70)	(2,566.14)

Figure in brackets relate to previous periods

Notes

forming part of the financial statements for the year ended March 31, 2014

NOTE 31 B : JOINTLY CONTROLLED OPERATIONS

The Company has the following Jointly Controlled Operations as on March 31, 2014 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 year ended of those operations is given below:

(₹ in million)

Name of the Jointly Controlled Entities	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	Spain	50.00% (Not applicable)	0.07 (Not applicable)	0.07 (Not applicable)	- (Not applicable)	- (Not applicable)	- (Not applicable)	- (Not applicable)

NOTE 32 : 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 period ends are as under

(₹ in million)

	As at March 31, 2014	As at March 31, 2013
Future lease rentals		
Within one year	72.20	70.64
Over one year but less than 5 years	110.74	177.49
More than 5 years	-	5.45

	For the year ended March 31, 2014	For the year ended March 31, 2013
Amount charged to the Statement of Profit and Loss for rent in respect of these properties	65.32	65.32

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

NOTE 33 : EARNINGS PER EQUITY SHARE:

Particulars	Unit	Year ended March 31, 2014	Year ended March 31, 2013
Profit after tax	₹ in million	2,660.27	2,711.64
Dividend on preference shares	₹ in million	305.11	Not applicable
Dividend Tax on dividend on preference shares	₹ in million	51.85	Not applicable
Redemption premium on preference shares	₹ in million	25.62	Not applicable
Profit available for Equity Shareholders	₹ in million	2,277.69	2,711.64
Weighted average number of equity shares outstanding	Number	194,267,732	194,267,732
Nominal value per equity share	₹	10.00	10.00
Basic / Diluted earnings per share	₹	11.72	13.96

Notes

forming part of the financial statements for the year ended March 31, 2014

NOTE 34 : INCOME AND EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS)

(₹ in million)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Income		
Guarantee Fees	201.91	165.93
Dividend income	161.88	-
Interest income	0.11	16.92
Recovery of expenses	150.25	-
Expenditure		
Foreign Travel	3.34	4.58
Legal and consultation Fees	390.25	10.18
Seminar and conference expenses	2.14	2.31
Deputation cost	26.21	15.00
Others	3.60	27.33

NOTE 35 : 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 (incorporated on January 9,2014)	GPFL
	Gujarat Road and Infrastructure Company Limited	GRICL
	Hazaribagh Ranchi Expressway Limited	HREL
	IL&FS Rail Limited	IRL
	ITNL International Pte Ltd, Singapore	IIPL
	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 (Since June 12, 2013)	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

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NOTE 35 : RELATED PARTY DISCLOSURES. (CONTD.)

Nature of Relationship	Name of Entity	Abbreviation used
Subsidiaries - Indirect	North Karnataka Expressway Limited	NKEL
	Andhra Pradesh Expressway Limited (Since March 27, 2014)	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-Engheneria E Sistemas De Gestao, S.A	
	Elsamex Construcao E Manutencao LTDA, Brazil (since June 26, 2013)	
	Elsamex Brazil LTDA	
	ESM Mantenimiento Integral DE S.A DE C.V	
	GRICL Rail Bridge Development Company Ltd (incorporated on February 24, 2014)	GRBDCL
	Grusamar Albania SHPK	
	Grusamar Ingenieria Y Consulting, SL	
	Grusamar India Limited	GIL
	Intevial-Gestao Integral Rodoviaria S.A	
	ITNL Africa Projects Limited	IAPL
	ITNL International JLT	IIJLT
	Mantenimiento Y Conservacion De Vialidades, DE C.V	
	Elsamex Maintenance Services Ltd (since September 12, 2013)	EMSL
	Elsamex LLC (since September 26, 2013)	
	IIPL USA LLC (since November 20, 2013)	
	Sharjah General Services Company LLC (since October 9, 2013)	
	Grusamar Engenharia & Consultoria Brasil LTDA (since August 29, 2013)	
	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 Infrstructure 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
	Chhattisgarh Highways Development Company Limited	CHDCL
	Jharkhand Accelerated Road Development Company Limited	JARDCL

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NOTE 35 : RELATED PARTY DISCLOSURES. (CONTD.)

Nature of Relationship	Name of Entity	Abbreviation used
Associates - Direct	Andhra Pradesh Expressway Limited (upto March 26, 2014)	APEL
	ITNL Toll Management Services Limited	ITMSL
	Thiruvananthpuram 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
	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	
Key Management Personnel ("KMP")	Mr K Ramchand-Managing Director and his relatives	
	Mr Mukund Sapre-Executive Director and his relatives	
Relatives of KMP	Mrs Rita Ramchand (wife of Mr K Ramchand)	
	Mrs Sangeeta Sapre (wife of Mr Mukund Sapre)	

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NOTE 35 : RELATED PARTY DISCLOSURES. (CONTD.)

(b) transactions/ balances with above mentioned related parties (mentioned in note 35 (i) (a) above)

(₹ in million)

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities / Operations	Key Management personnel and relatives	Total
BALANCES							
Advance towards Share Application Money (Long-term)							
GRICL	-	600.00	-	-	-	-	600.00
MPBCDCL	-	530.56	-	-	-	-	530.56
OTHERS	-	159.88	-	-	0.13	-	160.01
	-	**1,290.44**	**-**	**-**	**0.13**	**-**	**1,290.57**
Advances Recoverable (Short Term)							
ILFS	0.92	-	-	-	-	-	0.92
ELSA	-	189.54	-	-	-	-	189.54
WGEL	-	89.67	-	-	-	-	89.67
PTMCM	-	-	183.59	-	-	-	183.59
OTHERS	-	128.42	49.62	11.93	2.68	-	192.65
	0.92	**407.63**	**233.21**	**11.93**	**2.68**	**-**	**656.37**
Cost of Investment in equity shares							
CNTL	-	3,720.00	-	-	-	-	3,720.00
OTHERS	-	25,583.93	-	830.56	3,429.13	-	29,843.63
	-	**29,303.93**	**-**	**830.56**	**3,429.13**	**-**	**33,563.63**
Dividend Receivable							
ELSA	-	161.88	-	-	-	-	161.88
	-	**161.88**	**-**	**-**	**-**	**-**	**161.88**
Interest Accrued and due							
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
	-	**337.44**	**-**	**110.90**	**86.08**	**-**	**534.42**
Interest Accrued and not due							
TRDCL	-	-	-	96.67	-	-	96.67
JRPICL	-	190.22	-	-	-	-	190.22
OTHERS	-	24.47	1.15	-	-	-	25.62
	-	**214.68**	**1.15**	**96.67**	**-**	**-**	**312.50**
Interest accrued but not due on borrowings							
NKEL	-	144.47	-	-	-	-	144.47
	-	**144.47**	**-**	**-**	**-**	**-**	**144.47**

Notes

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NOTE 35 : RELATED PARTY DISCLOSURES. (CONTD.)

(₹ in million)

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities / Operations	Key Management personnel and relatives	Total
Investment in Covered Warrants							
ILFS	1,693.00	-	-	-	-	-	1,693.00
	1,693.00	**-**	**-**	**-**	**-**	**-**	**1,693.00**
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							
JRPICL	-	2,506.60	-	-	-	-	2,506.60
MPBCDCL	-	1,145.00	-	-	-	-	1,145.00
OTHERS	-	1,152.68	-	343.50	-	-	1,496.18
	-	**4,804.28**	**-**	**343.50**	**-**	**-**	**5,147.78**
Mobilisation Advances Received (Long-term)							
CNTL	-	625.52	-	-	-	-	625.52
IRIDCL	-	270.95	-	-	-	-	270.95
KNCEL	-	628.99	-	-	-	-	628.99
RMGSL	-	206.42	-	-	-	-	206.42
OTHERS	-	124.00	-	-	34.77	-	158.77
	-	**1,855.87**	**-**	**-**	**34.77**	**-**	**1,890.65**
Mobilisation Advances Received (Short-term)							
CNTL	-	490.72	-	-	-	-	490.72
IRIDCL	-	336.55	-	-	-	-	336.55
KNCEL	-	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
	-	**2,202.40**	**-**	**-**	**297.49**	**-**	**2,499.89**

Notes

forming part of the financial statements for the year ended March 31, 2014

NOTE 35 : RELATED PARTY DISCLOSURES. (CONTD.)

(₹ in million)

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities / Operations	Key Management personnel and relatives	Total
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 redemption premium on Preference Shares							
IFIN	-	-	12.81	-	-	-	12.81
IMICL	-	-	12.81	-	-	-	12.81
	-	**-**	**25.62**	**-**	**-**	**-**	**25.62**
Unamortised borrowing costs - Non Current							
IFIN	-	-	169.11	-	-	-	169.11
	-	**-**	**169.11**	**-**	**-**	**-**	**169.11**
Unamortised borrowing costs - Current							
IFIN	-	-	22.49	-	-	-	22.49
	-	**-**	**22.49**	**-**	**-**	**-**	**22.49**
Rent Deposit							
Mr. K Ramchand- Managing Director and his relatives	-	-	-	-	-	0.50	0.50
Mr. Mukund Sapre- Executive Director and his relatives	-	-	-	-	-	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
	-	**-**	**-**	**-**	**-**	**1.50**	**1.50**
Retention Money Payable							
ELSAIND	-	4.76	-	-	-	-	4.76
EPE	-	1.49	-	-	-	-	1.49
OTHERS	-	-	0.24	-	-	-	0.24
	-	**6.25**	**0.24**	**-**	**-**	**-**	**6.49**
Retention Money Receivable							
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
	-	**928.50**	**-**	**-**	**255.86**	**-**	**1,184.37**

Notes

forming part of the financial statements for the year ended March 31, 2014

NOTE 35 : RELATED PARTY DISCLOSURES. (CONTD.)

(₹ in million)

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities / Operations	Key Management personnel and relatives	Total
Short-term Borrowings							
NKEL	-	700.00	-	-	-	-	700.00
	-	**700.00**	**-**	**-**	**-**	**-**	**700.00**
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
	-	**4,289.50**	**80.50**	**601.00**	**-**	**-**	**4,971.00**
Trade Payables							
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
	108.46	**1,032.53**	**144.55**	**9.88**	**5.78**	**-**	**1,301.20**
Trade Receivables							
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
	-	**21,463.82**	**-**	**183.35**	**901.46**	**-**	**22,548.62**
TRANSACTION							
Administrative and general expenses							
IL&FS	366.56	-	-	-	-	-	366.56
IMICL	-	-	92.58	-	-	-	92.58
OTHERS	-	-	67.09	-	-	-	67.09
	366.56	**-**	**159.67**	**-**	**-**	**-**	**526.23**
Advance towards Share Application Money							
IIPL	-	61.86	-	-	-	-	61.86
RMGL	-	98.00	-	-	-	-	98.00
ELSAIJVCA	-	-	-	-	-	-	-
	-	**159.86**	**-**	**-**	**-**	**-**	**159.86**
Construction Cost							
ELSAIND	-	250.57	-	-	-	-	250.57
IRL	-	1,872.45	-	-	-	-	1,872.45
	-	**2,123.02**	**-**	**-**	**-**	**-**	**2,123.02**

Notes

forming part of the financial statements for the year ended March 31, 2014

NOTE 35 : RELATED PARTY DISCLOSURES. (CONTD.)

(₹ in million)

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities / Operations	Key Management personnel and relatives	Total
Converted to Equity Shares							
RMGL	-	1,422.05	-	-	-	-	1,422.05
IIPL	-	244.75	-	-	-	-	244.75
	-	**1,666.80**	**-**	**-**	**-**	**-**	**1,666.80**
Deputation Cost							
ELSA	-	23.33	-	-	-	-	23.33
	-	**23.33**	**-**	**-**	**-**	**-**	**23.33**
Director Remuneration							
Mr. K Ramchand- Managing Director and his relatives *	-	-	-	-	-	69.72	69.72
Mr. Mukund Sapre- Executive Director and his relatives *	-	-	-	-	-	40.08	40.08
	-	**-**	**-**	**-**	**-**	**109.80**	**109.80**
Dividend Income							
ELSA	-	161.88	-	-	-	-	161.88
IRIT	-	47.81	-	-	-	-	47.81
NTBCL	-	-	-	-	117.99	-	117.99
OTHERS	-	7.72	-	-	-	-	7.72
	-	**217.42**	**-**	**-**	**117.99**	**-**	**335.40**
Dividend Paid							
ILFS	540.00	-	-	-	-	-	540.00
OTHERS	-	-	9.76	-	-	-	9.76
	540.00	**-**	**9.76**	**-**	**-**	**-**	**549.76**
Interest Income							
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
	-	**1,003.42**	**0.55**	**114.23**	**1.00**	**-**	**1,119.20**
Interest on Loans (Expense)							
ISSL	-	-	142.38	-	-	-	142.38
NKEL	-	66.50	-	-	-	-	66.50
OTHERS	-	8.55	18.90	-	-	-	27.45
	-	**75.05**	**161.28**	**-**	**-**	**-**	**236.33**
Investment made / purchased							
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
	-	**8,276.94**	**-**	**-**	**130.00**	**-**	**8,406.94**

Notes

forming part of the financial statements for the year ended March 31, 2014

NOTE 35 : RELATED PARTY DISCLOSURES. (CONTD.)

(₹ in million)

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities / Operations	Key Management personnel and relatives	Total
Lendings							
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
	-	**8,081.20**	**77.50**	**190.00**	**-**	**-**	**8,348.70**
Miscellaneous Income							
ELSA	-	61.93	-	-	-	-	61.93
IIPL	-	64.18	-	-	-	-	64.18
IOPL	-	75.80	-	-	-	-	75.80
PTMCM	-	-	183.59	-	-	-	183.59
OTHERS	-	-	-	-	6.00	-	6.00
	-	**201.91**	**183.59**	**-**	**6.00**	**-**	**391.50**
Operating Expenses (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
	-	**803.98**	**3.03**	**-**	**-**	**-**	**807.01**
Purchase of Fixed Assets							
IETS	-	-	0.76	-	-	-	0.76
	-	**-**	**0.76**	**-**	**-**	**-**	**0.76**
Proposed Dividend on Preference Shares							
IFIN	-	-	105.03	-	-	-	105.03
IMICL	-	-	105.03	-	-	-	105.03
	-	**-**	**210.05**	**-**	**-**	**-**	**210.05**
Rent Expense							
Mr. K Ramchand- Managing Director and his relatives	-	-	-	-	-	3.03	3.03
Mr. Mukund Sapre- Executive Director and his relatives	-	-	-	-	-	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
	-	**-**	**-**	**-**	**-**	**9.76**	**9.76**
Repayment of Borrowings							
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**

Notes

forming part of the financial statements for the year ended March 31, 2014

NOTE 35 : RELATED PARTY DISCLOSURES. (CONTD.)

(₹ in million)

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities / Operations	Key Management personnel and relatives	Total
Repayment of Lendings							
IRIDCL	-	800.00	-	-	-	-	800.00
JRPICL	-	3,245.60	-	-	-	-	3,245.60
OTHERS	-	1,652.25	-	5.10	280.00	-	1,937.35
	-	**5,697.85**	**-**	**5.10**	**280.00**	**-**	**5,982.95**
Revenue from Operations							
CNTL	-	4,144.82	-	-	-	-	4,144.82
RMGSL	-	3,262.08	-	-	-	-	3,262.08
OTHERS	-	23,518.55	-	110.25	1,342.19	-	24,971.00
	-	**30,925.45**	**-**	**110.25**	**1,342.19**	**-**	**32,377.90**
Sale of Shares							
APEL	-	122.20	-	-	-	-	-
	-	**122.20**	**-**	**-**	**-**	**-**	**-**
Short-term Borrowings							
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 Rs 102.28 million charged by Holding Company "IL&FS"

Mr. K Ramchand- Managing Director and his relatives	65.73
Mr. Mukund Sapre- Executive Director and his relatives	36.55
	102.28

Notes

forming part of the financial statements for the year ended March 31, 2014

NOTE 35 : RELATED PARTY DISCLOSURES. (CONTD.)

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	ITNL Road Infrastructure Development Company Limited	IRIDCL
	Gujarat Road and Infrastructure Company Limited	GRICL
	East Hyderabad Expressway Limited	EHEL
	ITNL International Pte Ltd, Singapore	IIPL
	Elsamex S.A.Spain	ELSA
	Vansh Nimay Infraprojects Limited	VNIL
	Hazaribagh Ranchi Expressway Limited	HREL
	Pune Sholapur Road Development Company Limited	PSRDCL
	West Gujarat Expressway Limited	WGEL
	ITNL Road Investment Trust	IRIT
	Moradabad Bareilly Expressway Limited	MBEL
	Jharkhand Road Projects Implementation Company Limited	JRPICL
	Chenani Nashri Tunnelway Limited	CNTL
	MP Border Checkposts Development Company Limited	MPBCDCL
	Badarpur Tollway Operations Management Limited	BTOML
	Charminar RoboPark Limited	CRL
	Futureage Infrastructure India Limited (formerly known as Global Parking Plaza Limited)	FIIL
	IL&FS Rail Limited (formerly known as ITNL Enso Rail Systems Limited)	IRL
	ITNL Offshore Pte Ltd, Singapore	IOPL
	ITNL International JLT(from May 17, 2012)	IIJLT
	ITNL Africa Projects Limited (effective since February 28, 2013)	IAPL
	Kiratpur Ner Chowk Expressway Limited	KNCEL
	Karyavattom Sports Facilities Limited	KSFL
	Baleshwar Kharagpur Expressway Limited (from April 9,2012)	BKEL
	Sikar Bikaner Highways Limited (from May 9, 2012)	SBHL
Subsidiaries - Indirect	North Karnataka Expressway Limited	NKEL
	Elsamex Internacional, SLR	
	Grusamar Ingenieria Y Consulting, SL	.
	Sánchez Marcos Señalización e Imagen, S.A (upto September 24, 2012)	
	Elsamex India Private Limited	ELSAIND
	CIESM-INTEVIA S.A. Sociedad Unipersonal	
	Control 7, S. A	
	Mantenimiento Y Conservacion De Vialidades, DE C.V	
	ESM Mantenimiento Integral DE S.A DE C.V	
	Elsamex Portugal S.A	
	Intevial-Gestao Integral Rodoviaria S.A	
	Grusamar Albania SHPK	
	Antenea Seguridad Y Medico Ambiente SA	
	Proyectos Y Promociones Inmobiliarias Sanchez Marcos SL (upto September 24,2012)	
	Senalizacion Viales E Imagen, SA	

Notes

forming part of the financial statements for the year ended March 31, 2014

NOTE 35 : RELATED PARTY DISCLOSURES. (CONTD.)

Nature of Relationship	Name of Entity	Abbreviation used
	Yala Construction Company Private Limited	YCCPL
	Rapid MetroRail Gurgaon Limited	RMGL
	Rapid MetroRail Gurgaon South Limited (effective since December 6, 2012)	RMGSL
	Area De Servicio Coiros S.L.	
	Beasolarta S.L. Sociedad Unipersonal	
	Conservacion de Infraestructuras De Mexico SD DE CV	
	Alcantarilla Fotovoltaica SA, Sociedad Unipersonal	
	Area De Serviceo Punta Umbria SL. Sociedad Unipersonal	
	Beasolarta S.A.U (effective since November 29, 2012)	
	Grusamar India Limited (Effective since March 21, 2013)	GIL
	Elsamex Brazil LTDA	
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 Environmental Infrstructure Services Limited	IEISL
	IL&FS Energy Development Company Limited	IEDCL
	IL&FS Infrastructure Development Corporation Limited	IIDCL
	IL&FS Maritime Infrastructure Company Limited	IMICL
	IL&FS Township & Urban Assets Limited	ITUAL
	IL&FS Renewable Energy Limited	IREL
	IL&FS Securities Services Limited	ISSL
	IL&FS Airport Limited	IAL
	Chhattisgarh Highways Development Company Limited	CHDCL
	IMICL Dighi Maritime Limited	IDML
	Jharkhand Accelerated Road Development Company Limited	JARDCL
Associates - Direct	Andhra Pradesh Expressway Limited (also a Fellow Subsidiary)	APEL
	ITNL Toll Management Services Limited	ITMSL
	Thiruvananthpuram Road Development Company Limited	TRDCL
	Warora Chandrapur Ballarpur Toll Road Limited	WCBTRL
Associates - Indirect	Centro de Investigaciones de Curretros Andalucía S.A.	
	Labetec Ensayos Técnicos Canarios, S.A.	
	CGI 8 S.A.	
	Elsamex Road Technology Company Limited	
	Sociedad Concesionaria Autovía A-4 Madrid S.A	
	VCS-Enterprises Limited	
	Ramky Elsamex Ring Road Limited, Hyderabad	
	Emprsas Pame sa De CV	
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.	
Key Management Personnel ("KMP")	Mr K Ramchand-Managing Director and his relatives	
	Mr Mukund Sapre-Executive Director and his relatives	
Relatives of KMP	Mrs Rita Ramchand (wife of Mr K Ramchand)	
	Mrs Sangeeta Sapre (wife of Mr Mukund Sapre)	

Notes

forming part of the financial statements for the year ended March 31, 2014

NOTE 35 : RELATED PARTY DISCLOSURES. (CONTD.)

(b) transactions/ balances with above mentioned related parties (mentioned in note 35 (ii) (a) above)

(₹ in million)

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities / Operations	Key Management personnel and relatives	Total
BALANCES							
Investment in Preference Shares							
APEL	-	-	-	* 2,200	-	-	2,200.00
RMGL	-	996.03	-	-	-	-	996.03
OTHERS	-	296.90	-	-	-	-	296.90
	-	**1,292.93**	**-**	**2,200.00**	**-**	**-**	**3,492.93**
Retention Money Receivable							
HREL	-	79.30	-	-	-	-	79.30
PSRDCL	-	374.52	-	-	-	-	374.52
JSEL	-	-	-	-	222.25	-	222.25
OTHERS	-	43.13	-	-	-	-	43.13
	-	**496.95**	**-**	**-**	**222.25**	**-**	**719.20**
Advances Recoverable (Short term)							
ELSA	-	69.92	-	-	-	-	69.92
WGEL	-	72.55	-	-	-	-	72.55
IOPL	-	42.78	-	-	-	-	42.78
OTHERS	-	151.00	21.02	9.70	0.22	-	181.94
	-	**336.25**	**21.02**	**9.70**	**0.22**	**-**	**367.19**
Trade Payables							
ILFS	73.16	-	-	-	-	-	73.16
IETS	-	-	23.63	-	-	-	23.63
IFIN	-	-	34.39	-	-	-	34.39
OTHERS	-	60.39	10.89	11.47	-	-	82.75
	73.16	**60.39**	**68.91**	**11.47**	**-**	**-**	**213.93**
Trade Receivables							
CNTL	-	1,723.82	-	-	-	-	1,723.82
MBEL	-	1,561.96	-	-	-	-	1,561.96
OTHERS	-	9,271.71	0.51	412.64	2,248.64	-	11,933.50
	-	**12,557.49**	**0.51**	**412.64**	**2,248.64**	**-**	**15,219.28**
Investment in Covered Warrants							
ILFS	1,693.00	-	-	-	-	-	1,693.00
	1,693.00	**-**	**-**	**-**	**-**	**-**	**1,693.00**
Option premium liabilities							
IRIT	-	116.09	-	-	-	-	116.09
	-	**116.09**	**-**	**-**	**-**	**-**	**116.09**

Notes

forming part of the financial statements for the year ended March 31, 2014

NOTE 35 : RELATED PARTY DISCLOSURES. (CONTD.)

(₹ in million)

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities / Operations	Key Management personnel and relatives	Total
Interest Accrued and due							
JRPICL	-	117.07	-	-	-	-	117.07
WGEL	-	58.07	-	-	-	-	58.07
TRDCL	-	-	-	40.90	-	-	40.90
NAMEL	-	-	-	-	85.18	-	85.18
OTHERS	-	24.94	0.02	-	-	-	24.96
	-	**200.08**	**0.02**	**40.90**	**85.18**	**-**	**326.18**
Short-term Lendings							
HREL	-	730.00	-	-	-	-	730.00
IRIDCL	-	660.00	-	-	-	-	660.00
VNIL	-	387.80	-	-	-	-	387.80
TRDCL	-	-	-	416.00	-	-	416.00
OTHERS	-	467.25	3.00	-	280.00	-	750.25
	-	**2,245.05**	**3.00**	**416.00**	**280.00**	**-**	**2,944.05**
Long-term Lendings							
JRPICL	-	3,262.70	-	-	-	-	3,262.70
HREL	-	500.00	-	-	-	-	500.00
MPBDCL	-	485.00	-	-	-	-	485.00
OTHERS	-	217.17	-	343.60	-	-	560.77
	-	**4,464.87**	**-**	**343.60**	**-**	**-**	**4,808.47**
Short-term Borrowings							
NKEL	-	700.00	-	-	-	-	700.00
	-	**700.00**	**-**	**-**	**-**	**-**	**700.00**
Advance towards Share Application Money (Long-term)							
GRICL	-	600.00	-	-	-	-	600.00
HREL	-	964.50	-	-	-	-	964.50
MPBCDCL	-	530.56	-	-	-	-	530.56
OTHERS	-	0.03	-	-	-	-	0.03
	-	**2,095.09**	**-**	**-**	**-**	**-**	**2,095.09**
Interest Accrued and not due (Current)							
IIPL	-	7.82	-	-	-	-	7.82
JRPICL	-	18.15	-	-	-	-	18.15
TRDCL	-	-	-	11.31	-	-	11.31
OTHERS	-	-	0.65	-	-	-	0.65
	-	**25.97**	**0.65**	**11.31**	**-**	**-**	**37.93**

Notes

forming part of the financial statements for the year ended March 31, 2014

NOTE 35 : RELATED PARTY DISCLOSURES. (CONTD.)

(₹ in million)

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities / Operations	Key Management personnel and relatives	Total
Interest Accrued and not due (Non-current)							
JRPICL	-	211.29	-	-	-	-	211.29
TRDCL	-	-	-	68.24	-	-	68.24
	-	**211.29**	**-**	**68.24**	**-**	**-**	**279.53**
Interest accrued but not due on borrowings							
NKEL	-	84.62	-	-	-	-	84.62
	-	**84.62**	**-**	**-**	**-**	**-**	**84.62**
Investments in Units							
IRIT	-	1,083.56	-	-	-	-	1,083.56
	-	**1,083.56**	**-**	**-**	**-**	**-**	**1,083.56**
Mobilisation Advances Received (Long-term)							
CNTL	-	1,273.81	-	-	-	-	1,273.81
BKEL	-	316.59	-	-	-	-	316.59
SBHL	-	361.73	-	-	-	-	361.73
OTHERS	-	175.16	-	-	0.15	-	175.31
	-	**2,127.29**	**-**	**-**	**0.15**	**-**	**2,127.44**
Mobilisation Advances Received (Short-term)							
CNTL	-	309.08	-	-	-	-	309.08
MBEL	-	348.23	-	-	-	-	348.23
MPBCDCL	-	194.09	-	-	-	-	194.09
PSRDCL	-	167.14	-	-	-	-	167.14
JSEL	-	-	-	-	198.19	-	198.19
OTHERS	-	173.53	-	-	107.34	-	280.87
	-	**1,192.07**	**-**	**-**	**305.53**	**-**	**1,497.60**
Cost of Investment in equity shares							
CNTL	-	3,720.00	-	-	-	-	3,720.00
ELSA	-	2,722.34	-	-	-	-	2,722.34
OTHERS	-	13,356.37	-	952.76	3,299.13	-	17,608.26
	-	**19,798.71**	**-**	**952.76**	**3,299.13**	**-**	**24,050.60**
Retention Money Payable							
ELSAIND	-	0.20	-	-	-	-	0.20
IEISL	-	-	0.09	-	-	-	0.09
	-	**0.20**	**0.09**	**-**	**-**	**-**	**0.29**

Notes

forming part of the financial statements for the year ended March 31, 2014

NOTE 35 : RELATED PARTY DISCLOSURES. (CONTD.)

(₹ in million)

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities / Operations	Key Management personnel and relatives	Total
Rent Deposit							
Mr. K Ramchand-Managing Director and his relatives	-	-	-	-	-	0.50	0.50
Mr. Mukund Sapre-Executive Director and his relatives	-	-	-	-	-	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
	-	**-**	**-**	**-**	**-**	**1.50**	**1.50**
TRANSACTIONS							
Investment in Call Money - Matured							
ILFS	3,730.00	-	-	-	-	-	3,730.00
	3,730.00	**-**	**-**	**-**	**-**	**-**	**3,730.00**
Investment in Call Money made							
ILFS	3,730.00	-	-	-	-	-	3,730.00
	3,730.00	**-**	**-**	**-**	**-**	**-**	**3,730.00**
Dividend paid							
ILFS	540.00	-	-	-	-	-	540.00
IFIN	-	-	9.76	-	-	-	9.76
	540.00	**-**	**9.76**	**-**	**-**	**-**	**549.76**
Repayment of Lendings							
EHEL	-	955.00	-	-	-	-	955.00
HREL	-	1,030.00	-	-	-	-	1,030.00
JRPICL	-	1,000.00	-	-	-	-	1,000.00
IIPL	-	# 2,010.76	-	-	-	-	2,010.76
APEL	-	-	-	* 2,123.04	-	-	2,123.04
OTHERS	-	1,344.80	70.00	84.00	686.00	-	2,184.80
	-	**6,340.56**	**70.00**	**2,207.04**	**686.00**	**-**	**9,303.60**
Repayment of Borrowings							
ILFS	3,000.00	-	-	-	-	-	3,000.00
ISSL	-	-	2,250.00	-	-	-	2,250.00
IRL	-	640.00	500.00	-	-	-	1,140.00
	3,000.00	**640.00**	**2,750.00**	**-**	**-**	**-**	**6,390.00**

Notes

forming part of the financial statements for the year ended March 31, 2014

NOTE 35 : RELATED PARTY DISCLOSURES. (CONTD.)

(₹ in million)

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities / Operations	Key Management personnel and relatives	Total
Interest on Loans (Expense)							
ILFS	74.18	-	-	-	-	-	74.18
NKEL	-	66.50	-	-	-	-	66.50
ISSL	-	-	106.03	-	-	-	106.03
OTHERS	-	7.78	16.44	-	-	-	24.22
	74.18	**74.28**	**122.47**	**-**	**-**	**-**	**270.93**
Investment made / purchased							
APEL	-	-	-	* 2,200	-	-	-
SBHL	-	988.00	-	-	-	-	988.00
OTHERS	-	2,711.59	-	-	50.00	-	2,761.59
	-	**3,699.59**	**-**	**-**	**50.00**	**-**	**3,749.59**
Loans Given							
HREL	-	1,260.00	-	-	-	-	1,260.00
JRPICL	-	2,803.30	-	-	-	-	2,803.30
APEL	-	-	-	897.44	-	-	897.44
OTHERS	-	2,037.77	-	422.80	636.00	-	3,096.57
	-	**6,101.07**	**-**	**1,320.24**	**636.00**	**-**	**8,057.31**
Loans Taken							
ILFS	3,000.00	-	-	-	-	-	3,000.00
JRPICL	-	640.00	-	-	-	-	640.00
ISSL	-	-	2,250.00	-	-	-	2,250.00
OTHERS	-	-	500.00	-	-	-	500.00
	3,000.00	**640.00**	**2,750.00**	**-**	**-**	**-**	**6,390.00**
Other Income							
ILFS	104.26	-	-	-	-	-	104.26
JRPICL	-	386.08	-	-	-	-	386.08
OTHERS	-	711.82	9.46	212.64	122.93	-	1,056.85
	104.26	**1,097.90**	**9.46**	**212.64**	**122.93**	**-**	**1,547.19**
Revenue from Operations							
CNTL	-	6,703.27	-	-	-	-	6,703.27
MBEL	-	5,041.49	-	-	-	-	5,041.49
PSRDCL	-	5,381.17	-	-	-	-	5,381.17
OTHERS	-	9,864.06	70.00	138.22	4,557.23	-	14,629.51
	-	**26,989.99**	**70.00**	**138.22**	**4,557.23**	**-**	**31,755.44**
Administrative and general expenses							
ILFS	385.04	-	-	-	-	-	385.04
IETS	-	-	54.36	-	-	-	54.36
OTHERS	-	23.73	28.19	-	0.24	-	52.16
	385.04	**23.73**	**82.55**	**-**	**0.24**	**-**	**491.56**

Notes

forming part of the financial statements for the year ended March 31, 2014

NOTE 35 : RELATED PARTY DISCLOSURES. (CONTD.)

(₹ in million)

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities / Operations	Key Management personnel and relatives	Total
Deputation Cost							
ELSA	-	15.00	-	-	-	-	15.00
	-	**15.00**	**-**	**-**	**-**	**-**	**15.00**
Operating expenses							
ELSAIND	-	173.71	-	-	-	-	173.71
IIDCL	-	79.65	-	-	-	-	79.65
BTOML	-	-	48.32	-	-	-	48.32
OTHERS	-	0.91	2.56	-	-	-	3.47
	-	**254.27**	**50.88**	**-**	**-**	**-**	**305.15**
Inter corporate deposit received							
ITUAL	-	-	50.00	-	-	-	50.00
	-	**-**	**50.00**	**-**	**-**	**-**	**50.00**
Inter corporate deposit repaid							
ITUAL	-	-	50.00	-	-	-	50.00
	-	**-**	**50.00**	**-**	**-**	**-**	**50.00**
Rent Expense							
Mr. K Ramchand-Managing Director and his relatives	-	-	-	-	-	2.97	2.97
Mr. Mukund Sapre-Executive Director and his relatives	-	-	-	-	-	1.50	1.50
Mrs. Rita Ramchand (wife of Mr K Ramchand)	-	-	-	-	-	2.56	2.56
Mrs. Sangeeta Sapre (wife of Mr Mukund Sapre)	-	-	-	-	-	1.50	1.50
	-	**-**	**-**	**-**	**-**	**8.53**	**8.53**
Director Remuneration							
Mr. K Ramchand	-	-	-	-	-	64.17	64.17
Mr. Mukund Sapre	-	-	-	-	-	35.28	35.28
	-	**-**	**-**	**-**	**-**	**99.45**	**99.45**

* Refer foot note no. 8 of Note 14

Refer foot note no. 7 of Note 14

Notes

forming part of the financial statements for the year ended March 31, 2014

NOTE 36 : 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, 2014		March 31, 2013	
	Amount as at March 31, 2014	Maximum amount outstanding during the year	Amount as at March 31, 2013	Maximum amount outstanding during the year
Subsidiaries				
East Hyderabad Expressway Limited	-	267.50	72.50	781.40
Gujarat Road and Infrastructure Company Limited	-	-	-	308.80
ITNL International Pte. Ltd., Singapore	-	244.75	244.75	1,997.19
ITNL Road Infrastructure Development Company Limited	793.00	1,018.00	873.00	1,053.00
Vansh Nimay Infraprojects Limited	547.00	547.00	387.80	387.80
West Gujarat Expressway Limited	10.00	350.00	150.00	550.00
Elsamex India Private Limited	-	-	-	6.00
Hazaribagh Ranchi Expressway Limited	1,820.00	2,175.00	1,230.00	1,680.00
Jharkhand Road Projects Implementation Company Limited	2,506.60	3,943.60	3,262.70	4,192.70
MP Border Checkposts Development Company Limited	1,145.00	1,145.00	485.00	485.00
Pune Sholapur Road Development Company Limited	500.00	500.00	-	350.00
Elsamex S.A., Spain	4.68	4.68	4.17	4.34
Moradabad Bareilly Expressway Limited	1,487.50	1,487.50	-	-
Sikar Bikaner Highway Ltd.	280.00	280.00	-	-
Andhra Pradesh Expressway Limited (from March 27, 2014) *	-	-	-	-
Associates				
Andhra Pradesh Expressway Limited (upto March 26, 2014) *	-	-	-	1,540.60
Thiruvananthapuram Road Development Company Limited	944.50	944.50	759.60	809.60
Warora Chandrapur Ballarpur Toll Road Limited	-	-	-	34.00

* Refer footnote 11 to Note 14

NOTE 37

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

Notes

forming part of the financial statements for the year ended March 31, 2014

NOTE 38

During the year ended March 31, 2014, the Company has 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 current year is higher by ₹ 479.17 million

NOTE 39

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

K. Ramchand Managing Director	Arun K. Saha Director
George Cherian Chief Financial Officer	Krishna Ghag Company Secretary

Mumbai, May 13, 2014

Independent Auditors' Report

TO THE BOARD OF DIRECTORS 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** (the "Company"), its subsidiaries and jointly controlled entities/operations (the Company, its subsidiaries and jointly controlled entities/operations constitute "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated 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 CONSOLIDATED FINANCIAL STATEMENTS

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the 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 the internal control relevant to the Company's preparation and presentation 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 the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements / financial information of the subsidiaries, jointly controlled entities / operations and associates and unaudited financial statements of one associate referred to below in the Other Matters paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;

(b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and

(c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date

EMPHASIS OF MATTER

We draw attention to Note 13 and Note 19 to the consolidated financial statements, wherein significant elements of the consolidated financial statements have been determined based on management estimates (which in turn are based on technical evaluations by independent experts). These include:

i. Intangible Assets and Intangible Assets under Development covered under service concession arrangements aggregating to carrying value of ₹ 132,871.21 million (48.97% of the total assets), the useful lives and the annual amortisation thereof;

ii. Provision for Overlay carried at ₹ 423.40 million in respect of intangible assets covered under service concession arrangements; and

iii. Financial Assets covered under service concession arrangements, included as a part of Receivables against Service Concession Arrangements, carried at ₹ 80,666.64 million (29.73% of the total assets) and revenue recognised thereon based on the effective interest method which in turn is based on evaluations of the future operating and maintenance costs and the overlay / renewal costs and the timing thereof

Our opinion is not qualified in respect of this matter

OTHER MATTERS

We did not audit the financial statements of Forty Seven subsidiaries, whose financial statements reflect total assets of ₹ 180,352.46 million as at March 31, 2014, total revenues of ₹ 24,088.90 million and net cash inflows amounting to ₹ 1,663.79 million for the year ended on that date as considered in the consolidated financial statements. We also did not audit the financial statements of seven jointly controlled entities, in which the Group's proportionate share in total assets is ₹ 32,099.28 million as at March 31, 2014, in total revenues is ₹ 4,246.73 million and in net cash inflows is ₹ 55.75 million as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss amounting to ₹ 1.35 million for the year ended March 31, 2014, as considered in the consolidated financial statements, in respect of Ten associates whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities / operations and associates is based solely on the reports of the other auditors

The consolidated financial statements include the Group's share in the profit of one associate of ₹ 52.01 million (carrying value of ₹ 1,224.45 million) based on the unaudited financial statements as at / for the year ended March 31, 2014 provided by the Management. Our opinion on the Consolidated Financial Statement, in so far as it relates to the amounts and disclosures included in respect of this associate, is based solely on such unaudited financial information provided by the Management

Our opinion is not qualified in respect of this matter

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

Kalpesh J. Mehta
Partner
(Membership No. 48791)

Mumbai,
May 13, 2014

Consolidated Balance Sheet

as at March 31, 2014

₹ in million

Particulars	Note	As at March 31, 2014		As at March 31, 2013	
I EQUITY AND LIABILITIES					
1 Shareholders' Funds					
(a) Share capital	2	5,707.18		1,942.68	
(b) Reserves and surplus	3	44,331.07	50,038.25	34,455.45	36,398.13
2 Minority Interest	4,5		4,587.50		3,577.22
3 Non-Current Liabilities					
(a) Long-term borrowings	6	162,667.59		121,849.42	
(b) Deferred tax liabilities (net)	8	1,990.36		2,425.06	
(c) Other long term liabilities	9	5,162.16		2,994.35	
(d) Long-term provisions	11	526.58	170,346.69	634.12	127,902.95
4 Current Liabilities					
(a) Current maturities of long-term debt	6A	15,235.79		13,220.08	
(b) Short-term borrowings	7	10,261.91		8,521.99	
(c) Trade payables		15,451.40		11,066.69	
(d) Other current liabilities	10	2,959.86		3,236.04	
(e) Short-term provisions	12	2,446.23	46,355.19	1,979.46	38,024.26
TOTAL			**271,327.63**		**205,902.56**
II ASSETS					
1 Non-Current Assets					
(a) Fixed assets	13				
(i) Tangible assets (net)		1,553.32		1,415.49	
(ii) Intangible assets (net)		48,453.87		27,716.93	
(iii) Capital work-in-progress		496.53		475.99	
(iv) Intangible assets under development		84,861.90		66,969.81	
(b) Goodwill on consolidation (net)		5,753.15		5,232.59	
(c) Non-current investments (net)	14	4,675.68		6,527.51	
(d) Deferred tax assets	8	179.99		110.60	
(e) Long-term loans and advances (net)	16	11,203.94		8,116.57	
(f) Other non-current assets	18	83,438.44	240,616.82	68,175.57	184,741.06
2 Current Assets					
(a) Current investments	15	15.28		343.74	
(b) Inventories	20	171.54		168.87	
(c) Trade receivables (net)	21	9,875.38		7,516.96	
(d) Cash and cash equivalents	22	6,712.84		4,202.12	
(e) Short-term loans and advances	17	9,559.13		6,053.00	
(f) Other current assets	19	4,376.64	30,710.81	2,876.81	21,161.50
TOTAL			**271,327.63**		**205,902.56**

Note 1 To 41 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 13, 2014

For and on behalf of the Board

K. Ramchand
Managing Director

Arun K. Saha
Director

George Cherian
Chief Financial Officer

Krishna Ghag
Company Secretary

Mumbai, May 13, 2014

Consolidated Statement of Profit and Loss

for the year ended March 31, 2014

₹ in million

Particulars		Note	Year ended March 31, 2014	Year ended March 31, 2013
I	**REVENUE FROM OPERATIONS**	24	65,869.90	66,448.38
II	**OTHER INCOME**	25	2,154.92	1,439.71
III	**TOTAL REVENUE (I + II)**		**68,024.82**	**67,888.09**
IV	**EXPENSES**			
	Cost of materials consumed	26	2,272.70	1,557.37
	Operating expenses	27	36,337.25	39,489.14
	Employee benefits expense	28	4,141.45	3,819.26
	Finance costs	29	14,709.63	11,190.10
	Depreciation and amortisation expense	13	1,510.18	944.06
	Administrative and general expenses	30	4,222.19	3,203.91
	TOTAL EXPENSES (IV)		**63,193.40**	**60,203.84**
V	**PROFIT BEFORE TAXATION (III-IV)**		**4,831.42**	**7,684.25**
VI	**TAX EXPENSE:**			
	(1) Current tax		1,440.75	2,154.16
	(2) Tax relating to earlier years written back (Refer note 37)		(495.07)	-
	(3) Deferred tax (net)		(499.17)	274.41
	(4) MAT Credit entitlement		(181.02)	(154.55)
	TOTAL TAX EXPENSE (VI)		**265.49**	**2,274.02**
VII	**PROFIT BEFORE SHARE OF ASSOCIATES & SHARE OF MINORITY INTEREST (V-VI)**		**4,565.93**	**5,410.23**
VIII	**SHARE OF PROFIT OF ASSOCIATES (NET)**		50.66	46.82
IX	**SHARE OF PROFIT TRANSFERRED TO MINORITY INTEREST (NET)**		13.89	(254.94)
	PROFIT FOR THE YEAR (VII+VIII+IX)		**4,630.48**	**5,202.11**
	Earnings per equity share (Face value per share ₹ 10/-)	31		
	(1) Basic		21.79	26.68
	(2) Diluted		21.79	26.68

Note 1 To 41 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 13, 2014

For and on behalf of the Board

K. Ramchand
Managing Director

Arun K. Saha
Director

George Cherian
Chief Financial Officer

Krishna Ghag
Company Secretary

Mumbai, May 13, 2014

Consolidated Cash Flow Statement

for the year ended March 31, 2014

₹ in million

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Taxes, Minority Interest and Share of Associates	**4,831.42**	**7,684.25**
Adjustments for :		
Interest income	(1,091.36)	(1,080.24)
Profit on sale of investments (net)	(12.72)	(11.68)
Dividend Income	(6.00)	(1.18)
Finance costs	14,709.63	11,190.10
Loss / (Profit) on sale of fixed assets (net)	31.59	(0.44)
Provision for employee benefits (net)	(59.18)	166.00
Depreciation and amortization expense	1,510.18	944.06
Provision for Bad and Doubtful Debts	177.21	(54.33)
Provision / (Reversal) for Overlay expenses (net)	(240.66)	92.54
Reversal of provision for diminution in value of investments	-	(25.20)
Amortisation of goodwill	69.83	115.53
Amortisation of toll receivable account	31.41	30.76
Foreign currency fluctuation (gain) / loss and other adjustment	12.20	8.07
Excess provision written back	(0.98)	(7.70)
Preliminary expenses written off	-	0.05
Operating profit before Working Capital Changes	**19,962.57**	**19,050.59**
Adjustments changes in working capital:		
(Increase) / Decrease in Trade receivables	(876.59)	883.29
(Increase) / Decrease in other non-current and current assets and long-term and short-term loans and advances	(2,803.39)	476.45
Decrease in Trade payables, Other long-term and Other current liabilities	4,194.75	645.44
Cash Generated from Operations	**20,477.34**	**21,055.77**
Direct Taxes paid (Net)	(2,505.43)	(1,582.70)
NET CASH GENERATED FROM OPERATING ACTIVITIES (A)	**17,971.91**	**19,473.07**
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to fixed assets	(31,978.90)	(30,621.07)
Proceeds from sale of fixed assets	20.13	47.01
Increase in Receivable under Service Concession Arrangement (net)	(8,885.10)	(18,766.70)
Interest received	665.90	982.93
Purchase of / advance towards investments (net)	96.81	(195.97)
Proceeds from redemption / (purchase) of Mutual Funds & other units (net)	369.56	(208.66)
Movement in other bank balances	(1,139.06)	(1,732.07)
Long term loans repaid / (given) (net)	77.33	(201.21)
Short term loans given	(426.13)	(947.69)
Inter-corporate deposits encashed / (placed) (net)	(32.68)	673.30
Dividend received	6.00	1.18
Payment towards acquisition of subsidiary	(6.36)	-
NET CASH USED IN INVESTING ACTIVITIES (B)	**(41,232.50)**	**(50,968.95)**

Consolidated Cash Flow Statement

for the year ended March 31, 2014

₹ in million

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Preference Shares (including securities premium)	7,529.00	-
Preference issue expenses adjusted against securities premium	(67.23)	-
Proceeds from borrowings	77,356.19	57,558.47
Repayment of borrowings	(41,802.46)	(15,711.72)
Finance costs paid	(20,460.33)	(13,713.18)
Dividend paid	(780.93)	(777.07)
Tax on Dividend paid	(162.21)	(129.89)
Capital Grant received	2,591.46	4,554.45
Proceeds from minority interest (including securities premium)	1,035.30	515.30
Restructuring Charges paid by a subsidiary	(869.37)	-
NET CASH GENERATED FROM FINANCING ACTIVITIES (C)	**24,369.42**	**32,296.36**
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	**1,108.83**	**800.48**
Cash and Cash Equivalent at the beginning of the year	3,577.60	2,742.62
Impact of Foreign Currency translation	104.24	34.50
Impact of acquisition of subsidiary	(1,320.87)	-
Cash and Cash Equivalent at the end of the year	6,111.54	3,577.60
NET INCREASE IN CASH AND CASH EQUIVALENTS	**1,108.83**	**800.48**
Components of Cash and Cash Equivalents		
Cash on hand	35.91	23.42
Balances with Banks in current accounts	5,147.55	2,349.06
Balances with Banks in deposit accounts	928.08	1,205.12
	6,111.54	**3,577.60**
Unpaid dividend accounts	4.20	1.44
Balances held as margin money or as security against borrowings	597.10	623.08
CASH AND CASH EQUIVALENTS	**6,712.84**	**4,202.12**

Note 1 to 41 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 13, 2014

For and on behalf of the Board

K. Ramchand
Managing Director

George Cherian
Chief Financial Officer

Mumbai, May 13, 2014

Arun K. Saha
Director

Krishna Ghag
Company Secretary

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 1 : PRINCIPLES OF CONSOLIDATION, SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Consolidation:

(a) 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, its subsidiaries, jointly controlled entities and jointly controlled operations constitute "the Group"

(b) The CFS are prepared in accordance with the Generally Accepted Accounting Principles in India, where applicable, Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 ((which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) and Exposure Draft on the Guidance Note on Accounting for Service Concession Agreement (SCA) for Public-to-Private SCA to the extent it does not conflict with current Accounting Standards

(c) The preparation of the 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 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

B. Principles of Consolidation:

(a) 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"

Investments in Associates are accounted for under the equity method in accordance with AS 23 on "Accounting for Investments in Associates in Consolidated Financial Statements"

The financial statements of the Company and its subsidiaries have been combined 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 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

(b) The accounting policies of subsidiaries have been adjusted, as necessary and to the extent practicable, so as to ensure consistent accounting within the Group

(c) The excess of cost of the Group's investments in each subsidiary, jointly controlled entity and associates over the Group's share in equity of such entities, at the date on which such investment is made, is recognised as Goodwill and included as an asset in the Consolidated Balance Sheet. The excess of the Group's share in equity of each subsidiary, jointly controlled entity and associates at the date on which the investment is made, over the cost of the investment is recognised as Capital Reserve and included as Reserves and Surplus under Shareholders' Equity in the Consolidated Balance Sheet. 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

(d) Minority interest in the net assets of subsidiaries consists of amounts of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiaries and further movements in their share in the equity, subsequent to the dates of investments

(e) The financial statements of the subsidiaries, associates and joint ventures used in the consolidation are drawn up to the same reporting date as that of the Company i.e. March 31, 2014 except for one overseas subsidiary viz. Elsamex

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2014 (contd.)

S.A. whose audited 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, 2013 and adjusted for effects of significant transactions and other events that have occurred between January 01, 2014 and March 31, 2014

C. 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 March 14	As at March 13	
1. Held directly:				
Gujarat Road and Infrastructure Company Limited ("GRICL")	India	83.61	83.61	January 11, 2007
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	71.37	69.29	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
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	74.00	74.00	August 1, 2009
Pune Sholapur Road Development Company Limited ("PSRDCL")	India	90.91	100.00	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	93.04	February 27, 2010
Chenani Nashri Tunnelway Limited ("CNTL")	India	100.00	100.00	June 2, 2010
MP Border Checkpost Development Company Limited ("MPBCDCL")	India	51.00	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	61.22	July 14, 2011
Charminar RoboPark Limited ("CRL")	India	89.20##	89.92##	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 ("KSEL")	India	100.00	-	June 12, 2013
Barwa Adda Expressway Limited ("BAEL")	India	100.00	-	June 27, 2013
GIFT Parking Facilities Limited ("GPFL") ++	India	100.00	-	Incorporated on January 9, 2014
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

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2014 (contd.)

Name of the Subsidiary	Country of Incorporation	Proportion of Group's Interest (%)		Date of Acquisition of Control
		As at March 14	As at March 13	
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 $	73.50 *	March 18, 2008
Intevial 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	81.39#	59.26#	July 30, 2009
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 JLT ("IIJLT")	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	81.39@@	80.04@@	December 6, 2012
ITNL Africa Projects Ltd. ("IAPL")	Nigeria	100.00^	100.00^	February 28, 2013
Grusamar India Limited	India	100.00 $	-	March 21, 2013
Elsamex Construcao E Manutencao LTDA	Brazil	99.99 $	-	June 26, 2013
Sharjah General Services Company LLC ("SGSC")	UAE	49.00**	-	October 9, 2013
IIPL USA LLC	USA	100.00	-	November 20, 2013
Andhra Pradesh Expressway Limited	India	86.74$$	-	March 27, 2014
Elsamex Maintenance Services limited	India	99.88 $	-	September 12, 2013
Elsamex LLC ++	USA	100.00 $	-	Incorporated on September 26, 2013
Grusamar Engenharia y Consultoría Brasil LTDA ++	Brazil	99.99 $	-	Incorporated on August 29, 2013
GRICL Rail Bridge Development Company Limited ("GRBDCL") ++	India	100.00	-	Incorporated on February 24, 2014

$ Proportion of Group's Interest as at December 31, 2013

* Proportion of Group's Interest as at December 31, 2012

@ 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)

@@ Out of the above 35.00% is held directly by the Company and balance 46.16% through the IRL. (Previous year 35.00% held by Company and balance 45.04% held through IRL)

Out of the above 35.00% is directly held by the Company and balance 46.16% through IRL (Previous year 26.00% held by Company and balance 33.26% held through IRL)

Out of the above 74.00% is directly held by the Company and balance 15.44% through FIIL (Previous year 74.00% held by Company and balance 15.92% held through FIIL)

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2014 (contd.)

^ 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)

^^ 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%)

** IIPL has entered into a shareholders agreement with other shareholders of SGSC wherein the profit and loss are shared by IIPL 70% and other shareholders 30%. IIPL has Board control on SGSC

$$ Out of the above 12.74 % is directly held by the Company and balance 74% through IRIT

++ In these entities there has been no investments made by the Group. These are considered to be subsidiary based on subscription to the Memorandum & Articles of Association and / or Board control

D. The financial position and results (after eliminations) of BAEL, KSEL, SGSC, IIPLUS, APEL, GRBDCL, Grusamar India Limited, Elsamex Construcao E Manutencao LTDA , Elsamex Maintenance Services limited, Elsamex LLC, Grusamar Engenharia Y Consultoría 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**

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2014 (contd.)

₹ 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)**

The financial position and results (after eliminations) of BKEL, SBHL, IIJLT, Beasolarta S.L.U., IAPL and RMGSL, which became subsidiaries during the year ended March 31, 2013, are given below:

₹ in million

Equity and Liability as at March 31, 2013	BKEL	SBHL	IIJLT	Beasolarta SLU	IAPL	RMGSL
Shareholder's Funds (including share application money)	101.75	117.65	(21.38)	(0.31)	(9.73)	(0.35)
Non-current liabilities	-	-	-	-	-	0.52
Current liabilities	111.16	4.93	3.23	146.88	0.17	281.42
	212.91	**122.58**	**(18.15)**	**146.57**	**(9.56)**	**281.59**
Assets as at March 31, 2013						
Fixed Assets (Net Block)	1,317.90	1,733.89	44.44	147.54	34.22	1,484.90
Non-current assets	0.01	2.14	4.15	0.86	-	8.43
Current assets	90.27	9.23	13.79	0.47	156.27	28.61
	1,408.18	**1,745.26**	**62.38**	**148.87**	**190.49**	**1,521.94**
Income for the period (from the date of incorporation / acquisition to March 31, 2013)						
Operating income	1,251.92	1,663.61	-	0.31	-	1,214.57
Other income	0.01	-	-	-	-	-
TOTAL INCOME	**1,251.93**	**1,663.61**	**-**	**0.31**	**-**	**1,214.57**

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2014 (contd.)

Assets as at March 31, 2013						
Expenses for the period (from the date of incorporation / acquisition to March 31, 2013)						
Operating expenses	77.32	86.75	-	-	-	235.57
Depreciation	-	-	0.95	0.03	-	0.02
Other administrative expenses	7.91	10.50	21.78	0.59	10.08	0.33
TOTAL EXPENSES	**85.23**	**97.25**	**22.73**	**0.62**	**10.08**	**235.92**
Profit/(Loss) for the period before tax	1,166.70	1,566.36	(22.73)	(0.31)	(10.08)	978.65
Taxes	-	-	-	-	-	-
PROFIT/(LOSS) FOR THE PERIOD AFTER TAX	**1,166.70**	**1,566.36**	**(22.73)**	**(0.31)**	**(10.08)**	**978.65**

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 Incorporation	Date of Acquisition of Joint Control	Proportion of Group's Interest (%)	
			As at March 14	As at March 13
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, 2013

* Proportion of Group's Interest as at December 31, 2012

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

(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 :

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2014 (contd.)

Name of the Jointly Controlled Operations	Proportion of Group's Interest (%)	
	As at March 14 $	As at March 13 *
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 – Grusamar UTE Medio Ambiente-Comunidad Valenciana	-	50%
Atenea – Inastecan UTE Supervision Baleares 2008	-	80%
Atenea – Iz Ingenieros UTE Atda Embalse De Flix	50%	50%
Betancourt – Grusamar UTE Linares	50%	50%
Betancourt –Grusamar UTE Rio Alhama	50%	50%
Cgs-Geoteyco-Ciesm-Enmacosa UTE 2/2006	-	25%
Compañía General De Sondeos-Geoteyco-Emcosa-Ciesm-Sondeos Del Sur UTE 6/2004	-	23%
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%	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-Const.Hispánica UTE Peaje La Jonquera	-	50%
Elsamex-Fitonovo UTE Casa Del Queso	-	50%
Elsamex-Iberseñal UTE Señalización Madrid	60%	60%
Elsamex-Oca UTE Conservación Orense III	50%	50%
Elsamex-Oca UTE Coruña III	70%	70%
Elsamex-Opsa UTE Peri Serrano Uribe	-	80%
Elsamex-Rubau UTE Argentona	50%	50%
Elsamex-Sando UTE II Conservación A-395	50%	50%
Elsamex-Sando UTE Refuerzo Del Firme A-395	-	50%
Elsamex-Torrescamara UTE Presas	50%	50%
Elsamex-Velasco UTE Polideportivos Hortaleza	-	50%
Elsamex-Velasco UTE Polideportivos Latina	50%	50%
Elsamex-Velasco UTE Polideportivos Tetuán	-	50%
Elsamex-Vimac UTE Vimac 01	-	50%
Elsan Pacsa-Elsamex UTE Navalvillar De Pela II	50%	50%
Epsilon	35%	35%
Geoteyco-Cgs-Ciesm-Enmacosa 2/2008	24%	24%
Grusamar – Inserco UTE Santas Martas Palanquinos	-	50%
Grusamar – Kv Consultores UTE Puerto De Mahon	-	80%
Grusamar – Progescan UTE Areas De Servicio	100%	100%
Grusamar – Prover UTE Zeneta San Javier	-	50%
Grusamar- Elsamex – Atenea	30%	30%

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2014 (contd.)

Name of the Jointly Controlled Operations	Proportion of Group's Interest (%)	
	As at March 14 $	As at March 13 *
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%
Gusamar – Ineco UTE Inversiones 2008	-	50%
Intevia-Grusamar UTE Seguridad Vial Norte	30%	30%
Intevia-Grusamar UTE Seguridad Vial Norte	70%	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%	50%
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%	0%
UTE Atenea-Paymacotas	40%	40%
UTE Atenea-Prevecons	55%	55%
UTE Autovia de Santiago	50%	50%
UTE Bizcaya Bi	37.5%	28%
UTE Boca Chica Sucursal Dominicana	-	100%
UTE CAP 1	50%	50%
UTE CEIP 1	50%	50%
UTE Cican Ciesm	50%	50%
Ute Conservacion Almeria	70%	70%
Ute Conservacion Asturias	50%	50%
UTE Conservacion Caceres	50%	50%
UTE Conservacion Grupo Sur	-	100%
UTE Cordoba	50%	50%
UTE Dallas	50%	50%
UTE Elsamex Arias Oca Conservación Orense	50%	50%
UTE Elsamex-Alpidesa	-	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-Ingelan	60%	60%
Ute Grusamar-Intecsa-Inarsa-Atenea	30%	30%
Ute Grusamar-Intecsa-Inarsa-Atenea	30%	30%
UTE Grusumar – Inserco Rambla Retamar	50%	50%
UTE intevia tairona castinsa	-	30%
UTE Mantenimient De Cuenca	50%	50%

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forming part of the Consolidated Financial Statements for the year ended March 31, 2014 (contd.)

Name of the Jointly Controlled Operations	Proportion of Group's Interest (%)	
	As at March 14 $	As at March 13 *
UTE Parking Estacion Intermodal	50%	-
UTE Pycsa – Atenea	-	50%
UTE Romana Sucursal Dominicana	-	100%
UTE Sector 03	-	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%	45%
Consorcio Elsamex-Grusamar Ecuador	100%	-
JV Elsamex – Ascon	50%	-
UTE Control 7 Geoplaning	50%	-
Elsamex – ITNL JVCA	100%@	-

$ Proportion of Group's Interest as at December 31, 2013

* Proportion of Group's Interest as at December 31, 2012

@ Proportion of Group's Interest as at March 31, 2014

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:

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2014 (contd.)

	Name of the Company	Country of Incorporation	Proportion of Group's Interest (%)	
			As at March 14	As at March 13
1.	**Held directly :**			
	Andhra Pradesh Expressway Limited ("APEL")	India	-	49.00
	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
2.	**Held through Subsidiaries :**			
	Centro de Investigaciones de Curretros Andalucía S.A.	Spain	- $	49.00 *
	Labetec Ensayos Técnicos Canarios, S.A.	Spain	- $	50.00 *
	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 Hyderbad Ring Road Limited	India	26.00 $	26.00 *
	Empresas Pame sa De CV	Mexico	34.10 $	34.00 *
	Zheijang Elsamex Road Technology Co Ltd	China	23.44 $	- *
	Zheijang Elsamex Road Construction Equipment Co Ltd	China	23.44 $	- *

Note:

ITMSL is a subsidiary of NTBCL which is consolidated as a Jointly Controlled Entity

$ Proportion of Group's Interest as at December 31, 2013

* Proportion of Group's Interest as at December 31, 2012

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 acquisition of the foreign subsidiary is restated at the rate prevailing at the end of the period

(e) 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

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

i. 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

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

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forming part of the Consolidated Financial Statements for the year ended March 31, 2014 (contd.)

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 potion 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 infra-structure 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 construction services is recognised according to the stage of completion of the contract, which depends on the proportion of costs incurred for the work performed till date to the total estimated contract costs provided the outcome of the contract can be reliably estimated. When the outcome of the contract cannot be reliably estimated but the overall contract is estimated to be profitable, revenue is recognised to the extent of recoverable costs. Any expected loss on a contract is recognised as an expense immediately. Revenue is not recognised when the concerns about collection are significant

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

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 use specified in the Concession Agreement. All borrowing costs

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2014 (contd.)

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 year / period over Total Projected Revenue from project to Cost of Intangible assets i.e. proportionate of actual revenue earned for the 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:

(i) In respect of premises, depreciation is computed on the Straight Line Method at the rates provided under Schedule XIV of the Companies Act, 1956

(ii) The Group has adopted the Straight Line Method of depreciation so as to depreciate 100% of the cost of the following type of assets at rates higher than those prescribed under Schedule XIV to the Companies Act, 1956, based on the Management's estimate of useful life of such assets:

Asset Type	Useful Life
Computers	4 years
Specialised Office Equipment	3 years
Assets Provided to Employees	3 years

(iii) Leasehold improvement costs are capitalised and amortised on a straight-line basis over the period of lease agreement unless the corresponding rates under Schedule XIV are higher, in which case, such higher rates are used

(iv) All categories of assets costing less than ₹ 5,000 each, mobile phones and items of soft furnishing are fully depreciated in the year of purchase

(v) Depreciation on fixed assets, other than on assets specified in K (a) (i), (ii), (iii) and (iv) above, is provided for on the Written Down Value Method at the rates provided under Schedule XIV of the Companies Act, 1956. Depreciation is computed pro-rata from the date of acquisition of and up to the date of disposal

(b) 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

Notes

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Acquired intangible assets are reported separately from goodwill if they fulfil 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

(b) 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

(c) 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

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2014 (contd.)

(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 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

(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

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2014 (contd.)

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

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

(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

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2014 (contd.)

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) Hedging instruments are initially measured at fair value, and are remeasured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised directly in shareholder's funds and the ineffective portion is recognised immediately in Consolidated Statement of profit and loss

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in Consolidated Statement of profit and loss

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

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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:

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 Statement of Profit and Loss

NOTE 2 : SHARE CAPITAL

Particulars	As at March 31, 2014		As at March 31, 2013	
	Number of Shares	₹ in million	Number of Shares	₹ in million
Authorised				
Equity Shares of ₹ 10/- each	500,000,000	5,000.00	250,000,000	2,500.00
Preference Shares of ₹ 10/- each	1,000,000,000	10,000.00	-	-
Issued, Subscribed and Paid up (refer foot note no. i, ii, iii and iv)				
Equity Shares of ₹ 10/- each fully paid	194,267,732	1,942.68	194,267,732	1,942.68
Cumulative Non-Convertible Compulsorily Redeemable Preference Shares of ₹ 10/- each fully paid	376,450,000	3,764.50	-	-
TOTAL	**570,717,732**	**5,707.18**	**194,267,732**	**1,942.68**

Footnotes:

i. Of the above 135,000,000 (As at March 31, 2013 : 135,000,000) shares are held by the holding Company viz. Infrastructure Leasing & Financial Services Limited ("IL&FS") and 2,440,534 (As at March 31, 2013 : 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 period :

Equity Shares	As at March 31, 2014		As at March 31, 2013	
	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 outstanding at the end of the year	194,267,732	1,942.68	194,267,732	1,942.68

Cumulative Non-Convertible Compulsorily Redeemable Preference Shares	As at March 31, 2014		As at March 31, 2013	
	Number of Shares	₹ in million	Number of Shares	₹ in million
Shares outstanding at the beginning of the year	-	-	-	-
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	-	-

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2014 (contd.)

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, 2014		As at March 31, 2013	
	Number of Shares	% of total holding	Number of Shares	% of total holding
IL&FS	135,000,000	69.49%	135,000,000	69.49%

Cumulative Non-Convertible Compulsorily Redeemable Preference Shares	As at March 31, 2014		As at March 31, 2013	
	Number of Shares	% of total holding	Number of Shares	% of total holding
IMICL	100,000,000	26.56%	-	-
IFIN	100,000,000	26.56%	-	-
Azim Hasham Premji	25,000,000	6.64%	-	-
L and T Infrastructure Finance Company Limited	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 Company has offered 52,452,288 equity shares on rights basis in the ratio of 27:100. The record date for this purpose was March 14, 2014. The offer was open from April 28, 2014 to May 12, 2014 to all eligible equity shareholders. As at the end of the offer date i.e. May 12, 2014 Company has received application for 66,313,105 shares aggregating ₹ 6,631.31 millions from the eligible shareholders

During the current 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 below	20.50% per annum	Refer foot note 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	

Footnote:

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:

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2014 (contd.)

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**	**4,357.99**

Rights of above mentioned preference shareholders are as follows:

The holder(s) of 10.40% ITNL CNCRPS 2017 and 10.50% ITNL CNCRPS 2018 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 11% ITNL CNCRPS 2021 shall be subordinated to the claims of all secured and unsecured creditors of the Company but senior to equity shareholders and pari passu amongst themselves and with other preference shareholders of the Company

NOTE 3 : RESERVES AND SURPLUS

₹ in million

Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Securities Premium Account				
Opening balance	10,320.57		10,320.57	
(+) On Equity shares issued by a subsidiary to Minority Interest	43.63		-	
(+) On issue of 20.50% CRPS, 10.40% ITNL CNCRPS 2017, 10.50% ITNL CNCRPS 2018 and 11% ITNL CNCRPS 2021 by the Company	3,764.50		-	
(-) Premium utilised towards preference shares issue expenses and rights issue expenses	(67.23)	14,061.47	-	10,320.57
(b) General Reserve				
Opening balance	1,238.98		967.80	
(+) Transfer from balance in Statement of Profit and Loss	279.70	1,518.68	271.16	1,238.98
(c) Debenture Redemption Reserve (Refer Foot Note no.i)				
Opening balance	937.64		259.91	
(+) Transfer from balance in Statement of Profit and Loss	874.43	1,812.07	677.73	937.64
(d) Capital Reserve				
Opening balance	7,524.53		2,967.46	
(+) Capital Grants received during the year	3,039.25		4,557.07	
(-) Adjustment	(257.23)	10,306.55	-	7,524.53

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2014 (contd.)

NOTE 3 : RESERVES AND SURPLUS

₹ in million

Particulars	As at March 31, 2014		As at March 31, 2013	
(e) Other Reserves (Refer Foot Note no.ii)				
Foreign currency translation reserve	1,021.39		116.41	
Cash flow hedge reserve	(607.90)	413.49	(664.15)	(547.74)
(f) Capital Reserve on Consolidation (net)				
Opening balance	1,328.74		1,270.55	
(+) On account of acquisition (net)	-		58.19	
(-) Adjustment (Refer Foot Note no.iii)	(726.91)	601.83	-	1,328.74
(g) Surplus in Consolidated Statement of Profit and Loss				
Opening balance	13,652.73		10,330.00	
(+) Profit for the year	4,630.48		5,202.11	
(+/-) Consolidation adjustments	71.10		15.06	
(-) Transfer to general reserve	(279.70)		(271.16)	
(-) Transfer to debenture redemption reserve	(874.43)		(677.73)	
(-) Provision for proposed dividend on equity shares	(990.74)		(777.07)	
(-) Provision for dividend distribution tax on proposed dividend on equity shares	(197.87)		(149.72)	
(-) Provision for proposed dividend on preference shares	(305.11)		-	
(-) Provision for Dividend Distribution Tax on proposed dividend on preference shares	(51.85)		-	
(-) Redemption premium on CRPS	(25.62)		-	
(-) Premium on preference shares of a subsidiary	(12.01)		(16.14)	
(-) Dividend Tax on premium on preference shares of a subsidiary	-	15,616.98	(2.62)	13,652.73
TOTAL		**44,331.07**		**34,455.45**

Footnote:

i. Debenture Redemption Reserve

The Company had issued Non Convertible Debentures (NCDs) as detailed in Footnote 1 to Note 4 In terms of Section 117C of the Companies Act, 1956 read with the General circular No. 9/2002 (General Clarification No. 6/3/2001-CL.V dated April 18,2002) ("the General Circular") issued by the Ministry of Corporate Affairs, 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, 2014, the transfer to Debenture Redemption Reserve has been made in accordance with above provisions of the Companies Act, 1956 read with the General Circular amounting to ₹ 874.43 million (March 31, 2013 ₹ 677.73 million)

ii (a) Foreign currency translation reserve

(₹ in million)

Particulars	As at March 31, 2014	As at March 31, 2013
Balance at the beginning of the year [net of deferred tax asset (net) of ₹ 18.97 million, (previous year ₹ 15.08 million)]	116.41	102.35
Movement for the year (net) [net of deferred tax asset of ₹ 6.15 million (Previous Year ₹ 3.89 million)]	904.98	14.06
Balance at the end of the year	1,021.39	116.41

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2014 (contd.)

ii (b) Cash flow hedge reserve

The movement in hedging reserve held by a subsidiary during the year ended March 31, 2014 for derivatives designated as Cash flow hedges is as follow:

(₹ in million)

Particulars	As at March 31, 2014	As at March 31, 2013
Balance at the beginning of the year	(664.15)	(523.42)
Movement for the year (net)	56.25	(140.73)
Balance at the end of the year	(607.90)	(664.15)

iii. A subsidiary of the Group had filed a petition under Section 100 to 103 of the Companies Act, 1956 with the High Court of Gujarat at Ahmedabad for adjustment of restructuring charges paid to Banks and Financial Institutions during the year ended March 31, 2014 (payable under a Corporate Debt Restructuring Scheme approved in earlier years) aggregating to ₹ 869.37 million to Equity Share Capital. The subsidiary has received the necessary approval from the High Court on January 31, 2014. The Order of Reduction in Share Capital dated January 31, 2014, together with the minutes of the Shareholders meeting held on December 17, 2013 of the subsidiary has been registered with the Registrar of Companies ("ROC") and ROC has issued certificate dated February 21, 2014 registering the order of the Hon'ble Gujarat High Court and confirming the reduction of share capital. Accordingly, the impact has been taken to Capital reserve on consolidation created in earlier years in respect of the said subsidiary and Minority interest proportionately

NOTE 4 : PREFERENCE SHARES ISSUED BY SUBSIDIARY TO MINORITY SHAREHOLDERS (INCLUDED UNDER MINORITY INTEREST)

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

These preference shares issued amounting to ₹ 350.00 million (as at March 31, 2013 : ₹ 350.00 million) have been included as a part of Minority Interest

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2014 (contd.)

NOTE 5 : ADVANCE TOWARDS CAPITAL TO SUBSIDIARY BY MINORITY SHAREHOLDERS (INCLUDED UNDER MINORITY INTEREST) :

(₹ in million)

Particulars	As at March 31, 2014	As at March 31, 2013
Gujarat Road and Infrastructure Company Limited #	450.00	450.00
TOTAL	**450.00**	**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 ₹ 450.00 million (as at March 31, 2013 : ₹ 450.00 million) as detailed above has been included as a part of Minority Interest

NOTE 6 : LONG-TERM BORROWINGS

₹ in million

Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Bonds / Debentures				
(i) Secured				
Non convertible debentures	6,018.89		2,345.01	
Non convertible debentures - Related party	160.00		200.00	
Deep discount bonds - Related Party	141.09		141.09	
Deep discount bonds	226.65		222.74	
Zero coupon bonds	6,142.20	12,688.83	5,467.92	8,376.75
(ii) Unsecured				
Unsecured Redeemable Non-Convertible Debentures [NCDs]	10,000.00		10,000.00	
Unsecured Redeemable "ITNL, 11.50%, 2024 NCDs"	1,000.00		-	
Less : Unexpired Discount on issue	(44.65)		-	
Net	955.35		-	
Non convertible debentures - Related party	180.00	11,135.35	216.00	10,216.00
(b) Term Loans				
(i) Secured				
From banks	120,490.48		87,100.67	
From financial institutions	2,390.75		2,380.55	
From others - Related party	7.05	122,888.28	21.06	89,502.28
(ii) Unsecured				
From banks	12,394.09		6,263.57	
From financial institutions	1,000.00		-	
From others	997.51		7,127.47	
From others - Related party	1,440.90	15,832.50	217.50	13,608.54
(c) Finance lease obligations				
Secured	122.63		145.85	
Unsecured	-	122.63	-	145.85
TOTAL		**162,667.59**		**121,849.42**

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 6A : CURRENT MATURITIES OF LONG-TERM DEBT

₹ in million

Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Bonds / Debentures				
(i) Secured				
Non convertible debentures	1,088.11		699.91	
Non convertible debentures - Related party	40.00	1,128.11	-	699.91
(ii) Unsecured				
Non convertible debentures - Related party	36.00		36.00	
Deep discount bonds	-	36.00	-	36.00
(b) Term Loans				
(i) Secured				
From banks	3,946.45		2,151.63	
From financial institutions	128.40		167.73	
From others - Related party	19.72	4,094.57	94.85	2,414.21
(ii) Unsecured				
From banks	9,911.96		9,850.00	
From others	-	9,911.96	156.88	10,006.88
(c) Finance lease obligations				
(i) Secured				
From others	65.15		63.08	
From others - Related party	-	65.15	-	63.08
TOTAL		**15,235.79**		**13,220.08**

NOTE 7 : SHORT-TERM BORROWINGS

₹ in million

Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Loans repayable on demand				
(i) Secured				
From banks	24.04		65.75	
From Related Parties	-	24.04	-	65.75
(ii) Unsecured				
From banks	242.18		36.00	
From Related Parties	-	242.18	-	36.00
(b) Short term loans				
(i) Secured				
From banks	372.73		145.69	
From Related Parties	1,557.00		-	
(ii) Unsecured				
From banks	4,167.01		6,244.50	
From others	-	6,096.74	142.60	6,532.79
(c) Commercial paper				
Unsecured	4,000.00		2,000.00	
Less : Unexpired discount	(101.05)	3,898.95	(112.55)	1,887.45
TOTAL		**10,261.91**		**8,521.99**

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 8 : DEFERRED TAX LIABILITIES (NET) AND DEFERRED TAX ASSETS

The Group entities have net deferred tax liabilities aggregating ₹ 1,990.36 million (as at March 31, 2013 ₹ 2,425.06 million) and deferred tax assets aggregating ₹ 179.99 million (as at March 31, 2013 ₹ 110.60 million)

(a) The components of deferred tax liabilities (net) are furnished below:

₹ in million

Particulars	As at March 31, 2013	Movement	As at March 31, 2014
Liabilities:			
Timing differences in respect of income	1,741.76	(340.23)	1,401.53
Timing differences in respect of depreciation	1,397.25	572.52	1,969.77
Timing differences in respect of unamortised borrowing costs	-	214.85	214.85
Assets:			
Timing differences in respect of depreciation	(0.07)	(0.09)	(0.16)
Timing differences in respect of employee benefits	(9.96)	(6.86)	(16.82)
Timing differences in respect of unabsorbed depreciation	(575.65)	(977.31)	(1,552.96)
Timing differences in respect of provision for doubtful debts	(0.18)	(1.01)	(1.19)
Timing differences in respect of provision for overlay	(128.09)	103.43	(24.66)
DEFERRED TAX LIABILITIES (NET)	**2,425.06**	**(434.70)**	**1,990.36**

(b) The components of deferred tax assets is furnished below:

₹ in million

Particulars	As at March 31, 2013	Movement	As at March 31, 2014
Assets:			
Timing differences in respect of depreciation	95.59	55.78	151.37
Timing differences in respect of employee benefits	3.21	0.77	3.98
Timing differences in respect of provision for overlay	11.80	12.84	24.64
DEFERRED TAX ASSETS	**110.60**	**69.39**	**179.99**

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 & Loss is ₹ 714.01 million (as at March 31, 2013 ₹ 274.41 million) and ₹ 4.93 million (as at March 31, 2013 ₹ 5.13 million) is account on foreign exchange fluctuation
3. Deferred tax credit (net) during the year includes deferred tax credit of ₹ 6.15 million (as at March 31, 2013 ₹ 3.89 million) on account of deferred tax asset created during the year 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

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2014 (contd.)

NOTE 9 : OTHER LONG TERM LIABILITIES

₹ in million

Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Trade Payables				
From related parties	2.04		0.59	
From others	91.68	93.72	26.92	27.51
(b) Others				
Redemption premium accrued but not due on borrowings	1,800.49		1,537.91	
Mobilisation Advance Received	126.39		18.16	
Other Advance Received	27.77		19.88	
Security Deposit	34.76		19.63	
Interest accrued but not due on borrowings	645.81		43.49	
Retention Money Payable	2,051.87		1,152.47	
Other Liabilities	381.35	5,068.44	175.30	2,966.84
TOTAL		**5,162.16**		**2,994.35**

NOTE 10 : OTHER CURRENT LIABILITIES

₹ in million

Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Interest accrued but not due on borrowings	599.98		216.38	
(b) Interest accrued and due on borrowings	69.40		0.79	
(c) Income received in advance	106.79		33.36	
(d) Advance received	368.20		675.28	
(e) Unearned revenue	43.00		0.91	
(f) Statutory dues payable	663.36		587.16	
(g) Unpaid Dividends	4.20		1.44	
(h) Payable towards capital assets	524.89		1,285.44	
(i) Mobilisation Advance Received	147.17		75.90	
(j) Other liabilities	432.87	2,959.86	359.38	3,236.04
TOTAL		**2,959.86**		**3,236.04**

NOTE 11 : LONG-TERM PROVISIONS

₹ in million

Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Provision for dividend on preference shares of subsidiary	-		5.15	
(b) Provision for dividend tax on preference dividend of subsidiary	-		0.88	
(c) Provision for premium on preference shares of subsidiary	121.13		169.12	
(d) Provision for dividend tax on premium on preference shares of subsidiary	-		27.96	
(e) Provision for employee benefits (net)	45.36		34.85	
(f) Provision for overlay (Refer foot note (i) of note no. 12)	326.98		388.67	
(g) Provision for contingency (Refer foot note no. i)	7.49		7.49	
(h) Provision for redemption premium on Preference Shares	25.62	526.58	-	634.12
TOTAL		**526.58**		**634.12**

Foot Note:

(i) 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

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2014 (contd.)

₹ in million

Particulars	As at March 31, 2014	As at March 31, 2013
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 12 : SHORT-TERM PROVISIONS

₹ in million

Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Provision for employee benefits (net)	362.84		406.44	
(b) Provision for premium on preference shares of subsidiary	60.00		-	
(c) Provision for tax (net of advance)	338.91		258.61	
(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	305.11		-	
(g) Provision for tax on proposed dividend on Preference shares	51.85		-	
(h) Proposed dividend on equity shares	990.74		777.07	
(i) Provision for tax on proposed dividend on equity shares	234.33		149.72	
(j) Provision for overlay (refer foot note no. i)	96.42	2,446.23	387.62	1,979.46
TOTAL		**2,446.23**		**1,979.46**

Foot Note:

(i) 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:

₹ in million

Particulars	As at March 31, 2014		As at March 31, 2013	
	Long-term	Short-term	Long-term	Short-term
Opening balance	388.67	387.62	537.77	143.63
Adjustment for foreign exchange fluctuation during the year	22.36	-	2.35	-
Adjustment for reclassification during the year	(118.16)	118.16	(268.02)	268.02
Utilised for the year	-	(134.59)	-	(69.05)
Provision reversed during the year	(92.96)	(287.87)	-	-
Provision made during the year	127.07	13.10	116.57	45.02
Closing balance	**326.98**	**96.42**	**388.67**	**387.62**

NOTE 13 : FIXED ASSETS - CURRENT YEAR

₹ in million

Particulars	Gross Block (at cost)					Depreciation and Amortisation					Net Block	
	Balance as at April 1, 2013	Adjustments / Reclassi-fications (Refer Foot Note iii)	Additions	Deletions	**Balance as at March 31, 2014**	Balance as at April 1, 2013	Adjustments / Reclassi-fications (Refer Foot Note iii)	Charge for the year (refer foot note i)	Deletions	**Balance as at March 31, 2014**	**Balance as at March 31, 2014**
(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	22.96
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**
GRAND TOTAL	**34,931.58**	**22,634.03**	**435.16**	**40.86**	**57,959.91**	**5,799.16**	**665.02**	**1,511.31**	**22.77**	**7,952.72**	**50,007.19**
(c) Capital work-in-progress (refer foot note no. iv)	475.99	(367.24)	421.41	33.63	496.53	-	-	-	-	-	496.53
(d) Intangible assets under development (refer foot note no. ii and v)	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**

NOTE 13 : FIXED ASSETS - PREVIOUS YEAR

₹ in million

Particulars	Gross Block (at cost)					Depreciation and Amortisation					Net Block
	Balance as at April 1, 2012	Adjustments / Reclassi-fications (Refer Foot Note iii)	Additions	Deletions	Balance as at March 31, 2013	Balance as at April 1, 2012	Adjustments / Reclassi-fications (Refer Foot Note iii)	Charge for the year (refer foot note i)	Deletions	Balance as at March 31, 2013	Balance as at March 31, 2013
(a) Tangible assets											
Land	24.07	(4.33)	0.89	-	20.63	-	-	-	-	-	20.63
Building and structures	173.94	10.93	118.66	-	303.53	26.47	4.03	12.73	-	43.23	260.30
Vehicles	1,076.99	80.72	107.41	13.58	1,251.54	848.49	61.61	102.43	11.12	1,001.41	250.13
Data processing equipments	139.72	(11.89)	14.59	0.35	142.07	103.90	(7.20)	15.02	0.22	111.50	30.57
Office premises	11.52	-	35.23	-	46.75	2.10	-	0.48	-	2.58	44.17
Office equipments	81.64	(1.20)	8.55	1.23	87.76	46.25	(1.58)	10.25	1.11	53.81	33.95
Leasehold improvements	12.45	-	6.84	-	19.29	8.17	-	4.94	-	13.11	6.18
Furniture and fixtures	277.78	10.64	14.68	0.43	302.67	157.30	5.24	40.54	0.30	202.78	99.89
Electrical installations	98.59	22.48	3.61	7.11	117.57	96.65	10.80	12.15	3.10	116.50	1.07
Plant and machinery	1,924.31	272.37	99.38	17.08	2,278.98	1,653.02	186.64	103.99	12.80	1,930.85	348.13
Advertisement structure	24.80	(7.95)	-	-	16.85	19.08	(4.18)	1.52	-	16.42	0.43
Assets taken on lease :											
Plant and machinery	302.82	(221.85)	71.75	-	152.72	178.82	(135.95)	26.14	-	69.01	83.71
Vehicles	125.83	(72.41)	4.07	-	57.49	64.53	(42.92)	8.97	-	30.58	26.91
Furniture and fixtures - Leased	-	-	-	-	-	-	-	-	-	-	-
Building and structures	169.96	2.79	14.22	0.02	186.95	16.90	0.44	3.44	0.02	20.76	166.19
Land	28.89	0.62	13.72	-	43.23	-	-	-	-	-	43.23
TOTAL	**4,473.31**	**80.92**	**513.60**	**39.80**	**5,028.03**	**3,221.68**	**76.93**	**342.60**	**28.67**	**3,612.54**	**1,415.49**
(b) Intangible assets											
Software / Licences acquired	201.50	2.80	18.93	-	223.23	151.22	2.68	19.64	-	173.54	49.69
Commercial rights acquired	206.54	-	-	-	206.54	53.39	-	27.01	-	80.40	126.14
Rights under service concession arrangements (refer foot note no. ii)	28,581.61	550.61	153.52	20.36	29,265.38	1,247.34	18.25	543.46	0.14	1,808.91	27,456.47
Trademarks and licences	1.92	0.01	-	-	1.93	1.91	0.02	-	-	1.93	-
Others	182.41	15.57	8.49	-	206.47	107.28	2.28	12.28	-	121.84	84.63
TOTAL	**29,173.98**	**568.99**	**180.94**	**20.36**	**29,903.55**	**1,561.14**	**23.23**	**602.39**	**0.14**	**2,186.62**	**27,716.93**
(c) Capital work-in-progress (refer foot note no. iv)	195.20	(100.90)	397.44	15.75	475.99	-				-	475.99
(d) Intangible assets under development (refer foot note no. ii)	34,812.66	62.45	32,094.70	-	66,969.81	-	-	-	-	-	66,969.81
GRAND TOTAL	**68,655.15**	**611.46**	**33,186.68**	**75.91**	**102,377.38**	**4,782.82**	**100.16**	**944.99**	**28.81**	**5,799.16**	**96,578.22**

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2014 (contd.)

Foot Note:

i Depreciation on assets used during the construction period ₹ 1.13 million (previous year ₹ 0.93 million) has been included in "Capital Work in Progress". 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**

Under the Service Concession Arrangements, where the Group has received the right to charge users of the public services, such rights are recognized and classified as "Intangible Assets". Such a 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 recognized and classified as intangible assets. Such an intangible asset is recognised by the Group at cost (which is the fair value of consideration received or receivable for the construction services delivered)

Accordingly, the fair value of consideration for construction services in respect of intangible assets covered under service concession arrangements of the Group, the useful lives of such intangible assets, the annual amortisation in respect thereof, and the provisions for overlay costs have been estimated by the Management having regard to the contractual provisions, the evaluations of the units of usage and other technical evaluations by independent experts, the key elements having been tabulated below:

₹ in million

Particulars	Upto / As at March 31, 2014	Upto / As at March 31, 2013
Margin on construction services recognised in respect of intangible assets (₹ in million)	11,827.10	8,654.42
Carrying amounts of intangible assets (₹ in million)	48,009.31	27,456.47
Units of usage (No. of vehicles)	82,199,673 to 1,554,733,739	32,671,845 to 1,554,733,739
Provision for overlay in respect of intangible assets (₹ in million)	423.40	776.29
Carrying amounts of intangible assets under development (₹ in million)	84,861.90	66,969.81
	For year ended	
	March 31, 2014	March 31, 2013
Amortisation charge in respect of intangible assets (₹ in million)	1,039.29	543.46

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 Capital Work-In-progress of ₹ Nil million (As at March 31, 2013 ₹ 25.67 million) is advance payment towards Intangible Assets

v 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	March 31, 2014	March 31, 2013
Revenue		
Toll Revenue	450.62	-
Expenses		
Operating & maintenance and other general expenses	56.71	-
Interest & finance cost	690.62	-
TOTAL EXPENSES	**747.33**	**-**

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2014 (contd.)

NOTE 14 : NON-CURRENT INVESTMENTS

₹ in million

Particulars			As at March 31, 2014		As at March 31, 2013	
(a)	i)	Investments in Unquoted Equity Instruments - Associates				
		Investments in associates	1,262.02		1,275.27	
		Less: Unrealised gain on between the Company and its associates	(158.15)		(47.51)	
		Add: Post-acquisition share of profit of associates (net)	434.06		228.00	
		Add: Post-acquisition share of movement in the other reserves of an associate (net)	452.48		199.16	
		Less: Cash flow hedge reserve	(491.52)	1,498.89	(503.58)	1,151.34
	ii)	Investments in Redeemable Non-convertible Non-cumulative Preference Shares - Associates		-		2,200.00
(b)		Investments in Unquoted Equity Instruments (refer footnote ii)		189.75		189.13
(c)		Investments in Covered Warrants (refer foot note no. i)		1,693.00		1,693.00
(d)		Investment in Non Convertible Debentures		320.00		320.00
(e)		Investment Property		1,153.02		1,153.02
(f)		Investments in Other Instruments		0.02		0.02
		Less: Provision for diminution in the value of Investments		(179.00)		(179.00)
TOTAL				**4,675.68**		**6,527.51**

Foot Note:

(i) The Company's "Investment in Covered Warrants" aggregating to ₹ 1,693.00 million (As at March 31, 2013 ₹ 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"), Chhattisgarh 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

NOTE 15 : CURRENT INVESTMENTS

₹ in million

Particulars	As at March 31, 2014	As at March 31, 2013
Investments in Units of Mutual Funds	15.28	343.74
TOTAL	**15.28**	**343.74**

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2014 (contd.)

NOTE 16 : LONG-TERM LOANS AND ADVANCES

₹ in million

Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Capital Advances (refer foot note no. i)				
i Secured, considered good				
Others	-		26.91	
ii Unsecured, considered good				
Others	1,100.12		1,075.45	
Related Party	-	1,100.12	-	1,102.36
(b) Security Deposits				
Unsecured, considered good	297.37	297.37	631.73	631.73
(c) Loans and advances to related parties				
Unsecured, considered good				
- Mobilisation & pre-construction advance recoverable	119.38		176.74	
- Option premium (net of provision)	36.67		36.67	
- Long term loans	2,183.32	2,339.37	944.90	1,158.31
(d) Other loans and advances				
Unsecured, considered good				
- Advance receivable	629.14		95.84	
- Prepaid expenses	352.47		260.53	
- Pre-construction and mobilisation advance paid	2,498.03		2,762.93	
- Inter corporate deposits	40.04		38.66	
- Advance towards share application money	200.00		200.05	
- MAT credit entitlement	555.25		360.64	
- Advance payment of taxes (net of provision)	2,357.15		712.72	
- Loans to others	835.00	7,467.08	792.80	5,224.17
TOTAL		**11,203.94**		**8,116.57**

Foot Note:

(i) 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"). The amount will be transferred to intangible assets and amortised over the concession period of SSTL, once the Appointed Date is received by SSTL in accordance with the terms of the Concession Agreement. As at March 31, 2014, the appointed date is not yet granted

NOTE 17 : SHORT-TERM LOANS AND ADVANCES

₹ in million

Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Loans and advances to related parties				
Unsecured, considered good				
- Advance receivable	235.90		31.75	
- Inter-corporate deposits	31.30		-	
- Short term loans	681.50	948.70	419.00	450.75
(b) Other loans and advances				
Unsecured, considered good				
- Mobilisation & other advance	3,014.16		2,053.93	
- Prepaid expenses	481.01		268.19	
- Advance receivable	2,340.45		685.76	
- Short term loans - others	2,774.81	8,610.43	2,594.37	5,602.25
TOTAL		**9,559.13**		**6,053.00**

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2014 (contd.)

NOTE 18 : OTHER NON-CURRENT ASSETS

₹ in million

Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Long term Trade Receivables (unsecured, considered good)	25.93		643.31	
(b) Receivables against Service Concession Arrangement (refer foot note (i) of note no. 19)	77,787.31		63,592.26	
(c) Balances with Banks in deposit accounts (Restricted)	2,413.97		1,202.80	
(d) Unamortised borrowing costs	800.28		569.46	
(e) Receivable due to fair valuation of derivative contract	92.72		0.78	
(f) Retention money receivable	127.93		154.25	
(g) Interest accrued but not due	322.42		147.66	
(h) Interest accrued and due	34.24		-	
		81,604.80		66,310.52
(i) Toll Receivable account	1,865.05		1,895.81	
Less: Amortisation during the year	(31.41)		(30.76)	
Toll Receivable account (net)		1,833.64		1,865.05
TOTAL		**83,438.44**		**68,175.57**

NOTE 19 : OTHER CURRENT ASSETS

₹ in million

Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Unbilled revenue	9.62		5.71	
(b) Interest accrued	661.30		433.80	
(c) Receivables against Service Concession Arrangement (refer foot note no. i)	2,879.33		1,964.24	
(d) Unamortised borrowing costs	188.89		31.90	
(e) Grant receivable	637.50	4,376.64	441.16	2,876.81
TOTAL		**4,376.64**		**2,876.81**

Foot Note:

(i) Estimates under Service Concession Arrangement - Financial assets

Under the Service Concession Arrangements, 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 Arrangement"

Accordingly, the fair value of consideration for construction services and the effective interest rate in the case of financial assets of the Group covered under service concession arrangements included as a part of "Receivables against Service Concession Arrangement" have been estimated by the Management having regard to the contractual provisions, the evaluations of the future operating and maintenance costs and the overlay / renewal costs and the timing thereof by independent experts, the key elements having been tabulated below:

₹ in million

Particulars	As at March 31, 2014	As at March 31, 2013
Margin on construction and operation & maintenance and renewal services recognised in respect of Receivables against Service Concession Arrangement	6,103.43	5,494.74
Carrying amounts of Financial Assets included under Receivables against Service Concession Arrangement	80,666.64	65,556.50
Revenue recognised on Receivables against Service Concession Arrangement on the basis of effective interest method	20,545.29	14,405.59

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2014 (contd.)

NOTE 20 : INVENTORIES (lower of cost and net realisable value)

₹ in million

Particulars	As at March 31, 2014	As at March 31, 2013
Inventories (at cost)		
(i) Raw materials	58.62	87.32
(ii) Finished goods	103.18	76.20
(iii) Stores and spares	9.74	5.35
TOTAL	**171.54**	**168.87**

NOTE 21 : TRADE RECEIVABLES

₹ in million

Particulars	As at March 31, 2014		As at March 31, 2013	
(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	7,202.83	7,209.50	5,121.81	5,121.81
(b) Trade receivables outstanding for a period exceeding six months from the date they are due for payment				
Secured, considered good	-		-	
Unsecured, considered good	2,665.88		2,395.15	
Other considered doubtful	667.34		498.49	
Less: Provision for doubtful debt	(667.34)	2,665.88	(498.49)	2,395.15
TOTAL		**9,875.38**		**7,516.96**

NOTE 22 : CASH AND CASH EQUIVALENTS

₹ in million

Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Cash and cash equivalents				
Cash on hand	35.91		23.42	
Balances with Banks in current accounts	5,147.55		2,349.06	
Balances with Banks in deposit accounts	928.08	6,111.54	1,205.12	3,577.60
(b) Other bank balances				
Unclaimed dividend accounts	4.20		1.44	
Balances held as margin money or as security against borrowings	597.10	601.30	623.08	624.52
TOTAL		**6,712.84**		**4,202.12**

NOTE 23 : CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

(A) Contingent liabilities (refer foot note)

₹ in million

Particulars	As at March 31, 2014	As at March 31, 2013
(i) Claims against the Group not acknowledged as debt	957.76	607.33
(ii) Other money for which the company is contingently liable		
- Income tax demands contested by the Group	669.51	459.66
- Other tax liability	83.92	87.67
- Royalty to Nagpur Municipal Corporation	10.74	10.74
- Guarantees/ counter guarantees issued in respect of other companies	329.06	240.98
(iii) In case of Income Tax disputes decided in favour of the Group at the First Appellate Authority for amounts disallowed amounting to ₹ 1,361.09 million (March 31, 2013 ₹ 1,439.90 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

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2014 (contd.)

(B) Capital commitments

₹ in million

Particulars	As at March 31, 2014	As at March 31, 2013
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances paid aggregate ₹ 4,644.40 million) (as at March 31, 2013 ₹ 3,308.27 million)	64,346.27	64,271.98
(ii) Investment Commitments [net of advances of ₹ 200.00 million, (As at March 31, 2013 : ₹ 200.00 million)]	200.00	200.00

(C) Other commitments

₹ in million

Particulars	As at March 31, 2014	As at March 31, 2013
(i) Negative grant to National Highways Authority of India ("NHAI") (upto 2019-20)	2,400.00	2,600.00
(ii) Connectivity charges to Haryana Urban Development Authority	27,569.75	27,600.00

NOTE 24 : REVENUE FROM OPERATIONS

₹ in million

Particulars	Year ended March 31, 2014		Year ended March 31, 2013	
(a) Income from services				
Advisory and project management fees	1,474.30		722.28	
Lenders' engineer and supervision fees	240.68		166.12	
Operation and maintenance income	11,169.73		9,742.18	
Licence fee	10.51	12,895.22	6.59	10,637.17
(b) Toll revenue		4,178.80		3,649.13
(c) User fee income		830.58		477.72
(d) Finance income		6,139.70		5,042.71
(e) Construction income		41,666.55		46,495.86
(f) Sales (net of sales tax)		79.97		66.71
(g) Operation and maintenance Grant		79.08		79.08
TOTAL		**65,869.90**		**66,448.38**

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2014 (contd.)

NOTE 25 : OTHER INCOME

₹ in million

Particulars	Year ended March 31, 2014		Year ended March 31, 2013	
(a) Interest Income				
Interest on loans granted	733.66		739.10	
Interest on debentures	46.69		164.05	
Interest on call money	-		28.57	
Interest on bank deposits	279.73		135.17	
Interest on short term deposit	31.28	1,091.36	13.35	1,080.24
(b) Profit on sale of investment (net)		12.72		11.68
(c) Profit on sale of fixed assets (net)		0.46		0.55
(d) Dividend income		6.00		1.18
(e) Other non-operating income				
Advertisement income	52.78		35.84	
Excess provisions written back	0.98		7.70	
Exchange rate fluctuation gain (net)	19.32		8.78	
Insurance claim received	190.28		-	
Recovery of expenses	183.59		-	
Reversal of excess overlay provision	380.83		-	
Miscellaneous income	216.60	1,044.38	293.74	346.06
TOTAL		**2,154.92**		**1,439.71**

NOTE 26 : COST OF MATERIALS CONSUMED

₹ in million

Particulars	Year ended March 31, 2014		Year ended March 31, 2013	
(a) Material consumption	2,192.20		1,398.35	
(b) Purchase of traded products	68.10		66.21	
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade.	12.40	2,272.70	92.81	1,557.37
TOTAL		**2,272.70**		**1,557.37**

NOTE 27 : OPERATING EXPENSES

₹ in million

Particulars	Year ended March 31, 2014		Year ended March 31, 2013	
Construction contract costs	29,836.36		34,234.98	
Fees for technical services / design and drawings	611.67		460.54	
Diesel and fuel expenses	299.37		251.92	
Operation and maintenance expenses	5,063.06		4,131.64	
Provision for overlay expenses	140.17		161.59	
Periodic maintenance expenses	37.94		60.95	
Toll plaza expenses	148.68		87.52	
Negative grant to NHAI	200.00	36,337.25	100.00	39,489.14
TOTAL		**36,337.25**		**39,489.14**

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2014 (contd.)

NOTE 28 : EMPLOYEE BENEFITS EXPENSE

₹ in million

Particulars	Year ended March 31, 2014		Year ended March 31, 2013	
(a) Salaries and wages	3,322.45		3,073.54	
(b) Contribution to provident and other funds	681.92		626.10	
(c) Staff welfare expenses	52.14		53.20	
(d) Deputation cost	84.94	4,141.45	66.42	3,819.26
TOTAL		**4,141.45**		**3,819.26**

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 ₹ 46.16 (previous period ₹ 38.21) 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:

₹ in million

Particulars	As At March 31, 2014	As At March 31, 2013
Present value of commitment	84.58	81.19
Fair value of plans	90.26	76.46
Unrecognised past service cost	-	-
PAYABLE / (PREPAID) AMOUNT TAKEN TO THE BALANCE SHEET	**(5.68)**	**4.73**

Defined benefit commitments:

₹ in million

Gratuity	As At March 31, 2014	As At March 31, 2013
Opening balance	81.19	57.39
Excess provision written back	0.40	(0.31)
Interest cost	6.21	4.55
Current service cost	23.01	17.95
Benefits paid	(20.68)	(5.41)
Actuarial (gain) / loss	(5.55)	6.74
Transferred from / to other company	-	0.28
CLOSING BALANCE	**84.58**	**81.19**

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2014 (contd.)

Plan Assets: ₹ in million

Gratuity	As At March 31, 2014	As At March 31, 2013
Opening balance	76.46	56.35
Opening balance adjustment	-	-
Expected return on plan assets	6.63	5.24
Contributions by the Company / Group	27.75	19.35
Benefits paid	(20.46)	(5.20)
Transferred from / to other company	-	0.28
Actuarial gain / (loss)	(0.12)	0.44
Other adjustments	-	-
Fair value of plan assets	**90.26**	**76.46**

Return on Plan Assets: ₹ in million

Gratuity	Year ended March 31, 2014	Year ended March 31, 2013
Expected return on plan assets	6.63	5.24
Actuarial gain / (loss)	(0.12)	0.44
Actual return on plan assets	**6.51**	**5.68**

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

Gratuity	As At March 31, 2014	As At March 31, 2013
Current service cost	23.01	17.95
Interest expenses	6.21	4.55
Expected return on investments	(6.63)	(5.24)
Net actuarial (gain) / loss	(5.43)	6.30
Expenses charged to Consolidated Statement of Profit and Loss	**17.16**	**23.56**

(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

₹ in million

Particulars	Year ended March 31, 2014		Year ended March 31, 2013	
	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	8.00%-9.39%	8.25%	8.25%-8.50%	8.25%
Expected salary increase rate	6.50%	6.50%	6.00%-6.50%	6.50%
Expected return on scheme assets	8.70%	6.50%	8.00%	6.50%
Attrition rate	2%	Not disclosed	2%	Not disclosed
Mortality table used	Indian Assured Lives Mortality (2006-08) Ultimate	LIC (1994-96) Ultimate table	Indian Assured Lives Mortality (2006-08) Ultimate	LIC (1994-96) Ultimate table

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2014 (contd.)

(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, 2014	As At March 31, 2013	As At March 31, 2012	As At March 31, 2011	As At March 31, 2010
Defined benefit commitments	84.58	81.19	57.39	41.65	28.80
Plan assets	90.26	76.46	56.35	56.35	35.27
Unfunded liability transferred from group companies	-	-	-	0.64	-
(Surplus) / Deficit	(5.68)	4.73	1.04	(14.06)	(6.47)

₹ in million

Gratuity (Funded Plan)	As At March 31, 2014	As At March 31, 2013	As At March 31, 2012	As At March 31, 2011	As At March 31, 2010
Experience adjustments on plan commitments	(1.67)	(4.03)	(0.40)	4.32	(0.87)
Experience adjustments on plan assets	(0.12)	0.69	(0.35)	1.11	0.15

(iv) The contribution expected to be made by some of the constituents of the Group during the financial year 2014-2015 ₹ 66.88 million (March 31, 2013 ₹ 67.47 million)

(v) The above disclosure does not include details of its seven foreign subsidiaries and one foreign joint venture as the same is not applicable in their respective countries

NOTE 29 : FINANCE COSTS

₹ in million

Particulars	Year ended March 31, 2014		Year ended March 31, 2013	
(a) Interest expenses				
Interest on loans for fixed period	11,994.00		9,942.94	
Interest on debentures	1,869.05		759.07	
Interest on deep discount bonds	342.72	14,205.77	155.89	10,857.90
(b) Other finance charges				
Guarantee commission	172.07		90.01	
Finance charges	331.79	503.86	242.19	332.20
TOTAL		**14,709.63**		**11,190.10**

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NOTE 30 : ADMINISTRATIVE AND GENERAL EXPENSES

₹ in million

Particulars	Year ended March 31, 2014		Year ended March 31, 2013	
Legal and consultation fees	607.47		334.73	
Travelling and conveyance	367.33		259.12	
Rent	653.86		747.67	
Rates and taxes	199.57		181.57	
Repairs and maintenance others	228.97		153.96	
Bank commission	105.16		71.72	
Registration expenses	55.54		28.36	
Communication expenses	90.35		79.30	
Insurance	258.50		249.47	
Printing and stationery	44.53		37.15	
Electricity charges	80.06		44.60	
Directors' fees	15.83		11.39	
Provision for doubtful debts	177.21		-	
Project management fees	31.01		-	
Loss on sale of fixed assets (net)	32.05		0.11	
Brand subscription fees	308.45		290.33	
Amortisation of goodwill	69.83		115.53	
Amortisation of toll receivable account	31.41		30.76	
Miscellaneous expenses	865.06	4,222.19	568.14	3,203.91
TOTAL		**4,222.19**		**3,203.91**

NOTE 31 : EARNINGS PER EQUITY SHARE

Particulars	Unit	Year ended March 31, 2014	Year ended March 31, 2013
Profit for the year	₹ in million	4,630.48	5,202.11
Redemption premium on preference shares of the Company	₹ in million	(25.62)	Not applicable
Dividend on Cumulative preference shares of the Company	₹ in million	(305.11)	Not applicable
Tax on Dividend on cumulative preference shares of the Company	₹ in million	(51.85)	Not applicable
Premium on preference shares of a subsidiary	₹ in million	(12.01)	(16.14)
Tax on premium on preference shares of a subsidiary	₹ in million	-	(2.62)
Dividend on Non- Cumulative preference shares of a subsidiary	₹ in million	(2.60)	Not applicable
Tax on dividend on Non-Cumulative preference shares of a subsidiary	₹ in million	(0.44)	Not applicable
Profit available for Equity Shareholders	₹ in million	4,232.85	5,183.35
Weighted average number of Equity Shares outstanding	Number	194,267,732	194,267,732
Nominal Value per equity share	₹	10.00	10.00
Basic Earnings per share	₹	21.79	26.68
Weighted average number of Equity shares used to compute diluted earnings per share	Number	194,267,732	194,267,732
Diluted Earnings per share	₹	21.79	26.68

In the absence of clarity as to the impact of advance towards capital on the earnings of the Group, no adjustment has been made for potential dilution in computing diluted earnings per share

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NOTE 32 : DISCLOSURE IN TERMS OF ACCOUNTING STANDARD (AS) 7 – CONSTRUCTION CONTRACTS

₹ in million

Particulars		Year ended March 31, 2014	Year ended March 31, 2013
(i)	Contract Revenue recognised as revenue during the year	41,666.55	46,495.86
(ii)	Aggregate amount of Contract Costs incurred during the year	29,836.36	34,234.98
(iii)	Profits during the year	11,830.19	12,260.88

NOTE 33 : DISCLOSURE OF LEASES :

(A) Operating Lease:

The Group holds certain properties under a non-cancellable operating lease. The Group's 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, 2014	As at March 31, 2013
Within one year	538.76	330.37
Over one year but less than 5 years	212.64	267.75
More than 5 years	-	5.45

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

₹ in million

Particular	Year ended March 31, 2014	Year ended March 31, 2013
Amount charged to the Consolidated Statement of Profit and Loss for rent	531.58	657.85

(B) Finance Leases:

(a) Subsidiaries

₹ in million

Particulars	As at March 31, 2014			As at March 31, 2013		
	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	69.19	65.15	4.05	68.18	63.08	5.10
Amount payable >1 but < 5 years	90.50	84.01	6.49	115.46	106.38	9.08
Amount payable > 5 years	39.70	38.62	1.08	41.71	39.47	2.24
TOTAL	**199.39**	**187.78**	**11.62**	**225.35**	**208.93**	**16.42**

(b) Jointly controlled entities - Nil

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NOTE 34 : The Group's percentage holding in various jointly controlled entities are given below:

Name of the jointly controlled entity	As at March 31, 2014 % holding	As at March 31, 2013 % 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, 2014	As at March 31, 2013
Assets		
Fixed assets (net)	26,454.71	23,320.16
Deferred tax assets	24.72	11.80
Investment	15.28	343.75
Non-current assets	3,302.20	3,852.99
Current assets	2,302.36	954.72
	32,099.27	**28,483.42**
Equity and Liabilities		
Reserves and surplus	5,560.02	3,419.37
Non-current liabilities	16,325.24	13,570.78
Deferred Tax Liability	227.69	191.03
Current liabilities	1,091.56	1,292.07
	23,204.51	**18,473.25**

₹ in million

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Income		
Revenue from operations	4,823.16	8,319.10
Other Income	100.92	80.84
	4,924.08	**8,399.94**
Expenses		
Operating expenses	1,672.76	3,411.12
Administrative and general expenses	191.71	460.32
Depreciation and amortization expense	435.75	360.79
Finance costs	907.33	779.94
Taxes - Current tax & Deferred tax	174.89	58.25
	3,382.44	**5,070.42**

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₹ in million

Particulars	As at March 31, 2014	As at March 31, 2013
Contingent Liabilities	-	-
Capital Commitments	1,844.88	2,400.37

NOTE 35

The period end foreign currency exposures that have not been hedged by derivative instrument or otherwise are given below:

Receivable	March 31, 2014		March 31, 2013	
Name of Currency	₹ in million	Foreign Currency in million	₹ in million	Foreign Currency in million
DOP	1,679.69	1,147.88	1,147.91	826.58
COP	319.27	9,983.25	120.43	3,893.23
USD	224.00	4.08	52.85	0.96
ALL	4.90	7.94	4.23	8.02
EUR	3,655.45	43.02	3,341.35	46.21
MXN	111.53	23.66	127.55	30.25
REALES	1.12	0.04	-	-
DIRHAMS	894.96	53.33	-	-
HNL	8.68	2.80	5.96	2.12

Payable	March 31, 2014		March 31, 2013	
Name of Currency	₹ in million	Foreign Currency in million	₹ in million	Foreign Currency in million
DOP	1,123.58	767.84	727.64	523.95
COP	345.32	10,797.65	120.19	3,885.36
USD	41.07	0.88	25.22	0.46
ALL	8.45	13.70	6.97	13.22
EUR	1,244.09	14.64	838.07	11.59
MXN	15.67	3.32	32.77	7.77
REALES	2.26	0.09	-	-
DIRHAMS	352.94	21.03	-	-
HNL	577.24	186.17	517.82	184.25

Note: USD = US Dollar, DOP = Domnican Pesos, COP = Colombian Pesos, MXN = Mexican Pesos, HNL = Honduran Lempira, ECS = Ecuador Sucro, ALL = Albanian Lek, EUR = Euro

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NOTE 36

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 Vadodara Halol Road Project ("VHRP") and the Ahmedabad Mehsana Road Project ("AMRP") are concession arrangements entered into with the Government of Gujarat through Gujarat Road and Infrastructure Company Limited ("GRICL"). The construction activities of VHRP and AMRP were completed on October 24, 2000 and February 20, 2003 respectively. Maintenance activities cover routine maintenance, overlays and renewals. The concessions, which have been granted for periods of 30 years from those dates, envisage that GRICL will earn a designated return over the concession periods. In the event GRICL is unable to earn the designated return GRICL 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 and to custom escalators. Premature termination before the said period of 30 years is not permitted except in the event of a force majeure. Premature termination without the default on the part of GRICL will entitle GRICL to the cost of the project and return thereon remaining to be recovered as on the date of transfer. At the end of the concession period, GRICL is required to hand back the carriageway to the grantor at a nominal consideration

b) 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

c) 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:

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 completed	46 years	At the discretion of 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

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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

d) 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

e) 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

f) 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 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

g) 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

h) 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

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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

i) 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

j) 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

k) 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

l) 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

m) The Sikar Bikaner Project ("SBP") is a concession arrangement entered into between MORTH and Sikar Bikaner Highway Limited ("SBHL"). SHBL 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

n) 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

o) 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').

Notes

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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

p) 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

q) 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

r) 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 Concessioniare 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 NKEP 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

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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 form 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 form 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

NOTE 37

During the year ended March 31, 2014, the Company has 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 current year is higher by ₹ 479.17 million

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NOTE 38 : SEGMENT REPORTING

₹ in million

	Surface Transportation Business		Others		Total	
	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2014	Year ended March 31, 2013
Revenue						
External	62,649.45	64,968.25	3,220.45	1,480.13	65,869.90	66,448.38
Inter-Segment	-	-	-	-	-	-
Segment Revenue	62,649.45	64,968.25	3,220.45	1,480.13	65,869.90	66,448.38
Segment expenses	44,560.48	47,058.80	2,621.15	1,244.64	47,181.63	48,303.44
Segment results	18,088.97	17,909.45	599.30	235.49	18,688.27	18,144.94
Unallocated income (excluding interest income)					1,063.56	359.48
Unallocated expenditure					1,302.14	710.30
Finance cost					14,709.63	11,190.10
Interest Income unallocated					1,091.36	1,080.24
Tax expense (net)					265.49	2,274.02
Share of profit / (loss) of Associates (net)					50.66	46.82
Share of profit transferred to minority interest (net)					(13.89)	254.94
PROFIT FOR THE YEAR					**4,630.48**	**5,202.12**

	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Segment assets	242,790.52	194,183.85	3,700.24	1,682.89	246,490.76	195,866.74
Unallocated Assets (Refer footnote 1)					24,836.87	10,035.82
TOTAL ASSETS					**271,327.63**	**205,902.56**
Segment liabilities	18,520.46	14,087.69	2,772.18	981.21	21,292.64	15,068.90
Unallocated Liabilities (Refer footnote 2)					195,409.24	154,435.52
TOTAL LIABILITIES					**216,701.88**	**169,504.42**

	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2014	Year ended March 31, 2013
Capital Expenditure for the year	38,131.95	33,186.68	24.70	-	38,156.65	33,186.68
Depreciation and amortization expense	1,422.48	905.72	87.70	38.34	1,510.18	944.06
Non cash expenditure other than depreciation for the year	418.63	307.94	-	-	418.63	307.94

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(II) Secondary - Geographical Segments: ₹ in million

Particulars	India	Outside India	India	Outside India
	Year ended March 31, 2014	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2013
Revenue - External	53,109.41	12,760.49	55,231.39	11,216.99
Capital Expenditure	37,529.49	627.16	32,246.27	940.41
	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013	As at March 31, 2013
Segment Assets	215,431.00	31,059.76	169,688.35	26,178.39

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, etc

2) Unallocated liabilities include borrowings, interest accrued on borrowings, deferred tax liabilities (net), provision for tax (net), unpaid dividends, minority interest etc

3) Unallocated income includes Profit on sale of investment (net), Advertisement income, Excess provisions written back, Miscellaneous income, Exchange rate fluctuation and Bad debts and provision for doubtful debts

NOTE 39 : 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
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)

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2014 (contd.)

Nature of Relationship	Name of Entity	Abbreviation used
Associates	Andhra Pradesh Expressway Limited (also a fellow subsidiary) upto March 26, 2014	APEL
	ITNL Toll Management Services Limited	ITMSL
	Thiruvananthpuram 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	EPSD
	Elsamex Road Technology Company Limited	ERTC
	Ramky Elsamex Hyderabad Ring Road	REHRR
	VCS Enterprises Limited	VCSEL
	Sociedad Concesionaria Autovia A-4 Madrid S.A.	A4 CONCESSION
Key Management Personnel	Mr. K Ramchand - Managing Director and relatives	
	Mr. Mukund Sapre - Executive Director and relatives	
Relatives of KMP	Mrs. Rita Ramchand (wife of Mr. K Ramchand)	
	Mrs. Sangeeta Sapre (wife of Mr. Mukund Sapre)	

(b) Current year balances / transactions with above mentioned related parties (mentioned in note 39 (i)(a) above)

₹ in million

Particulars	Holding Company	Fellow Subsidiaries	Associates	Key Management personnel and relatives	Total
Balances:					
Advance towards capital in a subsidiary					
ILFS	150.00	-	-	-	150.00
	150.00	**-**	**-**	**-**	**150.00**
Call Option Premium					
ILFS (net of provision of ₹ 79.13 million)	36.67	-	-	-	36.67
	36.67	**-**	**-**	**-**	**36.67**
Current liabilities					
IFIN	-	312.35	-	-	312.35
ILFS	140.45	-	-	-	140.45
OTHERS	-	27.37	67.22	-	94.59
	140.45	**339.72**	**67.22**	**-**	**547.39**
Current Maturities of Long-term debt					
ILFS	95.72	-	-	-	95.72
	95.72	**-**	**-**	**-**	**95.72**
Interest Accrued					
ILFS	10.97	-	-	-	10.97
TRDCL	-	-	207.57	-	207.57
OTHERS	-	1.15	-	-	1.15
	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
	9.88	**17.41**	**-**	**-**	**27.28**

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₹ in million

Particulars	Holding Company	Fellow Subsidiaries	Associates	Key Management personnel and relatives	Total
Investment in Covered Warrants					
ILFS	1,693.00	-	-	-	1,693.00
	1,693.00	**-**	**-**	**-**	**1,693.00**
Long-term borrowings					
ILFS	1,611.53	-	-	-	1,611.53
ITUAL	-	317.50	-	-	317.50
	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
	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
	-	**4,000.00**	**-**	**-**	**4,000.00**
Prepaid					
IFIN	-	199.21	-	-	199.21
	-	**199.21**	**-**	**-**	**199.21**
Provision for redemption premium on Preference Shares					
IFIN	-	12.81	-	-	12.81
IMICL	-	12.81	-	-	12.81
	-	**25.62**	**-**	**-**	**25.62**
Redemption premium accrued but not due					
ILFS	410.62	-	-	-	410.62
	410.62	**-**	**-**	**-**	**410.62**
Rent Deposit					
Mr. K Ramchand - Managing Director and his relatives	-	-	-	0.50	0.50
Mr. Mukund Sapre - Executive Director and his relatives	-	-	-	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
	-	**-**	**-**	**1.50**	**1.50**
Retention Money Payable					
IEISL	-	0.24	-	-	0.24
	-	**0.24**	**-**	**-**	**0.24**
Secured Deposit - Long-term					
ITCL	-	0.004	-	-	0.004
	-	**0.004**	**-**	**-**	**0.004**
Short-term Borrowings					
IFIN	-	1,557.00	-	-	1,557.00
	-	**1,557.00**	**-**	**-**	**1,557.00**

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₹ in million

Particulars	Holding Company	Fellow Subsidiaries	Associates	Key Management personnel and relatives	Total
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
	22.22	**325.03**	**601.45**	**-**	**948.70**
Trade Payables					
ITUAL	-	2.04	-	-	2.04
	-	**2.04**	**-**	**-**	**2.04**
Trade Receivables					
TRDCL	-	-	183.35	-	183.35
	-	**-**	**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
	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
	8.56	**8,850.00**	**-**	**-**	**8,858.56**
Director Remuneration					
Mr. K Ramchand-Managing Director and his relatives	-	-	-	69.72	69.72
Mr. Mukund Sapre-Executive Director and his relatives	-	-	-	40.08	40.08
	-	**-**	**-**	**109.80**	**109.80**
Dividend Paid					
IFIN	-	9.76	-	-	9.76
ILFS	541.20	-	-	-	541.20
	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
	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
	16.59	**375.89**	**-**	**-**	**392.48**

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₹ in million

Particulars	Holding Company	Fellow Subsidiaries	Associates	Key Management personnel and relatives	Total
Inter-corporate deposits - matured					
IFIN	-	135.00	-	-	135.00
ILFS	792.29	-	-	-	792.29
	792.29	**135.00**	**-**	**-**	**927.29**
Inter-corporate deposits - placed					
IFIN	-	145.00	-	-	145.00
ILFS	813.59	-	-	-	813.59
	813.59	**145.00**	**-**	**-**	**958.59**
Interest Income					
ILFS	144.72	-	-	-	144.72
TRDCL	-	-	114.23	-	114.23
OTHERS	-	0.55	-	-	0.55
	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
	583.53	**203.37**	**-**	**-**	**786.91**
Lendings					
IMICL	-	77.50	-	-	77.50
TRDCL	-	-	190.00	-	190.00
	-	**77.50**	**190.00**	**-**	**267.50**
Long-term borrowings					
ITUAL	-	100.00	-	-	100.00
	-	**100.00**	**-**	**-**	**100.00**
Miscellaneous Income					
PTMCM	-	183.59	-	-	183.59
	-	**183.59**	**-**	**-**	**183.59**
Mobilisation Advance recovered					
ITUAL	-	57.36	-	-	57.36
	-	**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
	36.60	**595.29**	**-**	**-**	**631.89**
Other Income					
ILFS	7.43	-	-	-	7.43
A4 CONCESSION	-	-	74.48	-	74.48
OTHERS	-	0.36	0.22	-	0.59
	7.43	**0.36**	**74.70**	**-**	**82.49**

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₹ in million

Particulars	Holding Company	Fellow Subsidiaries	Associates	Key Management personnel and relatives	Total
Premium paid on exercise of call option of APEL					
ILFS	6.36	-	-	-	6.36
	6.36	**-**	**-**	**-**	**6.36**
Proposed Dividend on Preference Shares					
IFIN	-	105.03	-	-	105.03
IMICL	-	105.03	-	-	105.03
	-	**210.05**	**-**	**-**	**210.05**
Purchase of goods					
IETS	-	0.76	-	-	0.76
	-	**0.76**	**-**	**-**	**0.76**
Redemption on NCD					
ILFS	36.00	-	-	-	36.00
	36.00	**-**	**-**	**-**	**36.00**
Rent Expense					
Mr. K Ramchand-Managing Director and his relatives	-	-	-	3.03	3.03
Mr. Mukund Sapre-Executive Director and his relatives	-	-	-	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
	-	**-**	**-**	**9.76**	**9.76**
Rental Income					
IETS	-	5.84	-	-	5.84
	-	**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
	7.05	**8,850.00**	**-**	**-**	**8,857.05**
Repayment of Lending					
TRDCL	-	-	5.10	-	5.10
	-	**-**	**5.10**	**-**	**5.10**
Revenue from Operations					
APEL	-	-	71.44	-	71.44
TRDCL	-	-	38.82	-	38.82
	-	**-**	**110.25**	**-**	**110.25**

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2014 (contd.)

(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 Investment Managers Limited	IIML
	IL&FS Maritime Infrastructure Company Limited	IMICL
	IL&FS Airport Limited	IAL
	IL&FS Urban Infrastructure Managers Limited	IUIML
	IMICL Dighi Maritime Limited	IDML
	Chattisgarh Highways Development Company Limited	CHDCL
	IL&FS Securities Services Limited	ISSL
	IL&FS Township & Urban Assets Limited *(formerly known as MPPL Enterprises Limited)*	ITUAL
	IL&FS Trust Company Limited	ITCL
	Jharkhand Accelerated Road Development Company Limited	JARDCL
	IL&FS Global Financial Services (ME) Limited	IGFSL(ME)
	IL&FS Global Financial Services (UK) Limited	IGFSL(UK)
	IL&FS Global Financial Services Pte Limited	IGFSPL
Associates	Andhra Pradesh Expressway Limited (also a fellow subsidiary)	APEL
	ITNL Toll Management Services Limited	ITMSL
	Thiruvananthpuram 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	EPSD
	Elsamex Road Technology Company Limited	ERTC
	Ramky Elsamex Hyderabad Ring Road	REHRR
	Sociedad Concesionaria Autovia A-4 Madrid S.A.	A4 CONCESSION
Key Management Personnel	Mr. K Ramchand-Managing Director and relatives	
	Mr. Mukund Sapre-Executive Director and relatives	
Relatives of KMP	Mrs. Rita Ramchand (wife of Mr. K Ramchand)	
	Mrs. Sangeeta Sapre (wife of Mr. Mukund Sapre)	

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2014 (contd.)

(b) Previous year balances / transactions with above mentioned related parties (mentioned in note 39 (ii) (a) above)

₹ in million

Particulars	Holding Company	Fellow Subsidiaries	Associates	Key Management personnel and relatives	Total
Balances:					
Investment in Preference Shares					
APEL	-	-	2,200.00	-	2,200.00
	-	**-**	**2,200.00**	**-**	**2,200.00**
Trade Payables					
ILFS	74.55	-	-	-	74.55
IFIN	-	34.39	-	-	34.39
IETS	-	23.63	-	-	23.63
OTHERS	-	11.62	14.95	-	26.57
	74.55	**69.63**	**14.95**	**-**	**159.12**
Trade Receivables					
REHRR	-	-	90.20	-	90.20
TRDCL	-	-	157.60	-	157.60
WCBTRL	-	-	227.60	-	227.60
OTHERS	-	0.51	30.90	-	31.41
	-	**0.51**	**506.31**	**-**	**506.81**
Other Current Liabilities					
ILFS	0.04	-	-	-	0.04
IFIN	-	305.75	-	-	305.75
OTHERS	-	17.61	-	-	17.61
	0.04	**323.36**	**-**	**-**	**323.40**
Investment in Covered Warrants					
ILFS	1,693.00	-	-	-	1,693.00
	1,693.00	**-**	**-**	**-**	**1,693.00**
Borrowings					
ILFS	115.95	-	-	-	115.95
ITUAL	-	217.50	-	-	217.50
	115.95	**217.50**	**-**	**-**	**333.45**
Interest accrued but not due on borrowings					
ITUAL	-	24.78	-	-	24.78
	-	**24.78**	**-**	**-**	**24.78**
Current liabilities					
ILFS	28.73	-	-	-	28.73
	28.73	**-**	**-**	**-**	**28.73**
Long-term borrowings					
ILFS	341.09	-	-	-	341.09
	341.09	**-**	**-**	**-**	**341.09**
Non Convertible Debentures					
ILFS	252.00	-	-	-	252.00
	252.00	**-**	**-**	**-**	**252.00**
Advance towards capital in a subsidiary					
ILFS	150.00	-	-	-	150.00
	150.00	**-**	**-**	**-**	**150.00**

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2014 (contd.)

₹ in million

Particulars	Holding Company	Fellow Subsidiaries	Associates	Key Management personnel and relatives	Total
Retention Money Payable					
IEISL		0.09	-	-	0.09
	-	**0.09**	**-**	**-**	**0.09**
Call Option Premium					
ILFS (net of provision of ₹ 163.28 million)	36.67	-	-	-	36.67
	36.67	**-**	**-**	**-**	**36.67**
Mobilisation Advance paid					
ITUAL	-	176.74	-	-	176.74
	-	**176.74**	**-**	**-**	**176.74**
Redemption premium accrued but not due					
IFIN	347.15	-	-	-	347.15
	347.15	**-**	**-**	**-**	**347.15**
Long Term Loan and Advances					
TRDCL	-	-	343.60	-	343.60
A4 CONCESSION	-	-	601.30	-	601.30
	-	**-**	**944.90**	**-**	**944.90**
Short Term Loan and Advances					
TRDCL			416.00	-	416.00
CHDCL	-	3.00	-	-	3.00
	-	**3.00**	**416.00**	**-**	**419.00**
Other Loan and Advances					
ILFS	0.04	-	-	-	0.04
IAL	-	18.36	-	-	18.36
APEL	-	-	9.70	-	9.70
OTHERS	-	3.12	0.53	-	3.65
	0.04	**21.48**	**10.24**	**-**	**31.75**
Interest accrued - Assets					
TRDCL	-	-	79.55	-	79.55
CHDCL	-	0.65	-	-	0.65
	-	**0.65**	**79.55**	**-**	**80.20**
Interest Accrued and due on loans given					
TRDCL	-	-	40.90	-	40.90
OTHERS	-	0.02	-	-	0.02
	-	**0.02**	**40.90**	**-**	**40.92**
Rent Deposit					
Mr K Ramchand-Managing Director and his relatives	-	-	-	0.50	0.50
Mr Mukund Sapre-Executive Director and his relatives	-	-	-	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
	-	**-**	**-**	**1.50**	**1.50**

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2014 (contd.)

₹ in million

Particulars	Holding Company	Fellow Subsidiaries	Associates	Key Management personnel and relatives	Total
Transactions					
Operating expenses					
ILFS	14.50	-	-	-	14.50
IIDCL	-	48.32	-	-	48.32
OTHERS	-	2.56	-	-	2.56
	14.50	**50.88**	**-**	**-**	**65.38**
Dividend paid					
ILFS	540.24	-	-	-	540.24
OTHERS	-	9.76	-	-	9.76
	540.24	**9.76**	**-**	**-**	**550.00**
Lending					
APEL	-	-	897.44	-	897.44
TRDCL	-	-	422.80	-	422.80
	-	**-**	**1,320.24**	**-**	**1,320.24**
Repayment of Lending					
APEL	-	-	2,123.04 #	-	2,123.04
OTHERS	-	70.00	84.00	-	154.00
	-	**70.00**	**2,207.04**	**-**	**2,277.04**
Other Income					
ILFS	119.11	-	-	-	119.11
APEL	-	-	124.49	-	124.49
TRDCL	-	-	86.01	-	86.01
OTHERS	-	10.23	2.14	-	12.36
	119.11	**10.23**	**212.64**	**-**	**341.98**
Revenue from Operations					
IMICL	-	70.00	-	-	70.00
APEL	-	-	99.20	-	99.20
TRDCL	-	-	39.02	-	39.02
OTHERS	-	-	4.83	-	4.83
	-	**70.00**	**143.05**	**-**	**213.05**
Administrative and general expenses					
ILFS	385.05	-	-	-	385.05
ITUAL	-	235.19	-	-	235.19
OTHERS	-	108.26	13.78	-	122.04
	385.05	**343.45**	**13.78**	**-**	**742.28**
Repayment of Borrowings					
ILFS	3,255.28	-	-	-	3,255.28
ISSL	-	2,250.00	-	-	2,250.00
IFIN	-	500.00	-	-	500.00
	3,255.28	**2,750.00**	**-**	**-**	**6,005.28**
Intangible assets under development					
ILFS	44.81	-	-	-	44.81
IFIN	-	168.54	-	-	168.54
OTHERS	-	8.05	-	-	8.05
	44.81	**176.59**	**-**	**-**	**221.40**

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2014 (contd.)

₹ in million

Particulars	Holding Company	Fellow Subsidiaries	Associates	Key Management personnel and relatives	Total
Finance charges					
ILFS	4.07	-	-	-	4.07
IFIN	-	236.00	-	-	236.00
OTHERS	-	11.10	-	-	11.10
	4.07	**247.10**	**-**	**-**	**251.17**
Borrowings					
ILFS	3,000.00	-	-	-	3,000.00
ISSL	-	2,250.00	-	-	2,250.00
OTHERS	-	717.50	-	-	717.50
	3,000.00	**2,967.50**	**-**	**-**	**5,967.50**

Company's investment in 7,864,000 Optionally Convertible Debentures (Face value ₹ 100 each) amounting ₹ 786.40 million issued by Andhra Pradesh Expressway Limited ("APEL") and loans given to APEL of ₹ 1,262.04 million and interest accrued ₹ 151.56 million were converted into 220,000,000 Non-Convertible Non-Cumulative Redeemable preference shares (Face value ₹ 10 each) aggregating to ₹ 2,200.00 million

₹ in million

Particulars	Holding Company	Fellow Subsidiaries	Associates	Key Management personnel and relatives	Total
Inter corporate deposit received					
ITUAL	-	50.00	-	-	50.00
	-	**50.00**	**-**	**-**	**50.00**
Inter corporate deposit repaid					
ITUAL	-	50.00	-	-	50.00
	-	**50.00**	**-**	**-**	**50.00**
Inter-corporate deposits - matured					
ILFS	5,687.51	-	-	-	5,687.51
IFIN	-	185.20	-	-	185.20
	5,687.51	**185.20**	**-**	**-**	**5,872.71**
Inter-corporate deposits - placed					
ILFS	5,014.20	-	-	-	5,014.20
IFIN	-	185.20	-	-	185.20
	5,014.20	**185.20**	**-**	**-**	**5,199.40**
Interest on Borrowings					
ILFS	233.50	-	-	-	233.50
ISSL	-	106.03	-	-	106.03
OTHERS	-	41.22	-	-	41.22
	233.50	**147.25**	**-**	**-**	**380.74**
Redemption of Non convertible Debentures.					
ILFS	36.00	-	-	-	36.00
	36.00	**-**	**-**	**-**	**36.00**

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2014 (contd.)

₹ in million

Particulars	Holding Company	Fellow Subsidiaries	Associates	Key Management personnel and relatives	Total
Mobilisation Advance paid.					
ITUAL	-	200.00	-	-	200.00
	-	**200.00**	**-**	**-**	**200.00**
Mobilisation Advance recovered					
ITUAL	-	23.26	-	-	23.26
	-	**23.26**	**-**	**-**	**23.26**
Director Remuneration					
Mr. K Ramchand	-	-	-	64.17	64.17
Mr. Mukund Sapre	-	-	-	35.28	35.28
	-	**-**	**-**	**99.46**	**99.46**
Rent Expense					
Mr. K Ramchand-Managing Director and his relatives	-	-	-	2.97	2.97
Mr. Mukund Sapre-Executive Director and his relatives	-	-	-	1.50	1.50
Mrs. Rita Ramchand (wife of Mr K Ramchand)	-	-	-	2.56	2.56
Mrs. Sangeeta Sapre (wife of Mr Mukund Sapre)	-	-	-	1.50	1.50
	-	**-**	**-**	**8.53**	**8.53**

NOTE 40 : STATEMENT PURSUANT TO EXEMPTION RECEIVED UNDER SECTION 212 (8) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARIES

₹ in million

Sr. No.	Name of Subsidiary	Reporting Currency	Country of incorporation	Exchange Rate as at March 31, 2014	Capital	Reserve and Surplus	Total Assets	Total Liabilities (Other than shareholder's funds)	Investments other than investment in subsidiary	Total Revenue	Profit before taxation	Provision for taxation	Profit after taxation	Proposed dividend
1	Gujarat Road and Infrastructure Company Limited	INR	India	1.00	904.62	2,232.81	6,815.91	3,678.48	-	1,231.18	709.48	(42.06)	751.54	5.15
2	East Hyderabad Expressway Limited	INR	India	1.00	293.10	305.81	3,869.60	3,270.68	-	422.87	6.50	-	6.50	-
3	ITNL Road Infrastructure Development Company Limited	INR	India	1.00	1,400.00	(223.46)	8,056.47	6,879.93	0.02	2,940.62	68.58	-	68.58	-
4	IL&FS Rail Limited	INR	India	1.00	3,923.00	205.93	5,223.99	1,095.06	-	2,773.01	61.84	22.99	38.85	-
5	Rapid MetroRail Gurgaon Limited	INR	India	1.00	4,484.04	397.59	13,869.34	8,987.70	-	2,945.09	(325.85)	(109.47)	(216.38)	-
6	Rapid MetroRail Gurgaon South Limited	INR	India	1.00	1,620.50	377.00	6,212.67	4,215.17	-	3,987.41	581.45	204.10	377.35	-
7	Vansh Nimay Infraprojects Limited	INR	India	1.00	158.90	(1,041.46)	208.03	1,090.59	-	564.11	(218.17)	-	(218.17)	-
8	Scheme of ITNL Road Investment Trust	INR	India	1.00	1,096.06	7.94	1,104.26	0.26	-	47.81	47.37	-	47.37	47.81
9	West Gujarat Expressway Limited	INR	India	1.00	400.00	(476.34)	2,554.70	2,631.05	-	485.52	(329.59)	0.03	(329.63)	-
10	Hazaribagh Ranchi Expressway Limited	INR	India	1.00	1,310.00	(265.34)	10,394.18	9,349.52	-	1,381.59	(434.61)	-	(434.61)	-
11	Pune Sholapur Road Development Company Limited	INR	India	1.00	1,760.00	4,087.59	18,403.70	12,556.11	-	3,594.38	116.71	(103.04)	219.76	-
12	Moradabad Bareilly Expressway Limited	INR	India	1.00	2,216.60	6,039.68	23,459.73	15,203.45	-	3,170.95	440.22	110.15	330.06	-
13	Jharkhand Road Projects Implementation Company Limited	INR	India	1.00	2,594.98	601.42	25,744.96	22,548.55	-	4,483.43	(320.22)	(297.75)	(22.47)	-
14	Chenani Nashri Tunnelway Limited	INR	India	1.00	3,720.00	1,676.62	29,133.42	23,736.80	-	6,622.75	238.11	(401.36)	639.47	-
15	Badarpur Tollway Operations Management Limited	INR	India	1.00	0.50	2.69	3.59	0.41	-	6.74	(1.68)	0.17	(1.85)	-
16	MP Border Checkpost Development Company Limited	INR	India	1.00	959.68	365.03	11,923.74	10,599.02	-	3,143.82	(129.07)	(43.87)	(85.20)	-
17	North Karnataka Expressway Limited	INR	India	1.00	593.91	1,545.07	5,363.08	3,224.10	-	620.80	184.81	53.60	131.21	59.39
18	Kiratpur Ner Chowk Expressway Limited	INR	India	1.00	1,770.00	385.28	5,840.48	3,685.21	-	3,444.09	389.98	-	389.98	-
19	Baleshwar Kharagpur Expressway Limited	INR	India	1.00	1,163.00	284.12	4,023.22	2,576.10	-	2,189.64	177.79	-	177.79	-
20	Sikar Bikaner Highway Limited	INR	India	1.00	1,240.50	1,099.58	5,709.92	3,369.84	-	2,654.42	239.31	-	239.31	-
21	Khed Sinnar Expressway Limited	INR	India	1.00	515.00	368.89	4,508.67	3,624.78	-	4,150.03	368.89	-	368.89	-
22	Barwa Adda Expressway Limited	INR	India	1.00	282.50	(4.56)	2,346.99	2,069.05	-	2,099.56	(4.56)	-	(4.56)	-
23	Karyavattom Sports Facilities Limited	INR	India	1.00	150.50	13.69	1,391.97	1,227.78	-	694.56	8.23	-	8.23	-
24	Futureage Infrastructure India Limited	INR	India	1.00	51.30	(16.39)	37.39	2.48	-	7.70	(11.18)	-	(11.18)	-
25	Charminar RoboPark Limited	INR	India	1.00	63.24	(3.77)	95.97	36.50	-	10.63	(0.75)	-	(0.75)	-
26	ITNL International Pte. Limited	USD	Singapore	60.10	2,426.20	(1,233.18)	12,587.64	11,394.62	4.52	606.34	(405.68)	39.89	(445.57)	-

NOTE 40 : STATEMENT PURSUANT TO EXEMPTION RECEIVED UNDER SECTION 212 (8) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARIES

₹ in million

Sr. No.	Name of Subsidiary	Reporting Currency	Country of incorporation	Exchange Rate as at March 31, 2014	Capital	Reserve and Surplus	Total Assets	Total Liabilities (Other than shareholder's funds)	Investments other than investment in subsidiary	Total Revenue	Profit before taxation	Provision for taxation	Profit after taxation	Proposed dividend
27	ITNL Offshore Pte. Limited	USD	Singapore	60.10	208.44	(40.24)	6,490.77	6,322.58	-	373.63	10.31	9.14	1.18	-
28	ITNL International JLT	AED	UAE	16.28	148.34	(71.62)	83.86	7.15	-	10.25	(61.71)	-	(61.71)	-
29	ITNL Africa Projects Ltd	NGN	Nigeria	0.36	146.79	(120.80)	78.65	52.66	-	0.71	(125.25)	-	(125.25)	-
30	Sharjah General Services Company LLC	AED	UAE	16.28	5.09	(14.73)	4.96	14.60	-	-	(14.65)	-	(14.65)	-
31	IIPL USA LLC	USD	USA	60.10	62.56	(3.89)	58.67	-	-	-	(1.44)	-	(1.44)	-
32	Andhra Pradesh Expressway limited	INR	India	1.00	2,537.00	(335.10)	8,804.25	6,602.36	-	870.03	120.94	-	120.94	-
33	GRICL Rail Bridge Development Company Limited #	INR	India	1.00	-	(0.02)	-	0.02	-	-	(0.02)	-	(0.02)	-
34	GIFT Parking Facilities Limited #	INR	India	1.00	-	-	-	-	-	-	-	-	-	-
35	Elsamex SA	Euro	Spain	82.58	1,673.38	2,851.77	14,618.68	10,093.54	426.61	6,759.84	375.77	53.08	322.69	209.17
36	Atenea Seguridad Y Medio Ambiente S.A.	Euro	Spain	82.58	10.75	132.89	491.19	347.55	-	230.03	63.39	19.17	44.22	-
37	Senalizacion Viales E Imagen S.A.U.	Euro	Spain	82.58	56.81	(285.45)	539.31	767.94	-	99.64	(68.54)	(20.56)	(47.98)	-
38	Elsamex Internacional SL	Euro	Spain	82.58	1,181.72	(531.37)	3,079.72	2,429.37	-	1,003.52	(68.91)	(52.15)	(16.76)	-
39	Grusamar Ingenieria Y Consulting SRL	Euro	Spain	82.58	288.60	63.57	1,305.60	953.44	19.43	978.73	37.03	12.74	24.30	-
40	Elsamex Portugal SA	Euro	Portugal	82.58	28.90	76.75	195.57	89.92	-	242.73	17.95	5.40	12.55	-
41	Intevial Gestao Integral Rodoviaria, S.A.	Euro	Portugal	82.58	115.61	119.80	504.84	269.43	-	1,515.49	118.69	32.76	85.92	-
42	Elsamex India Private Limited	INR	India	1.00	0.34	1.12	5.33	3.88	-	10.21	1.24	0.38	0.87	-
43	Yala Construction Co Private Limited	INR	India	1.00	0.97	0.27	2.07	0.84	-	2.68	0.50	0.16	0.34	-
44	Mantenimiento and Conservacion Vialidades SA (MANCOVI) Mexico Construction	pesos mejicanos	Mexico	4.57	2.72	0.91	4.36	0.73	-	7.70	(0.63)	(0.11)	(0.52)	-
45	ESM Mantenimiento Integral de SA de CV	pesos mejicanos	Mexico	4.57	1.58	(0.06)	1.62	0.10	-	1.19	(0.02)	0.01	(0.03)	-
46	CISEM INTEVIA, S.A.	Euro	Spain	82.58	4.95	59.19	959.90	895.76	6.48	334.24	27.81	(3.40)	31.20	-
47	Control 7, S.A	Euro	Spain	82.58	45.46	44.43	392.29	302.40	-	168.66	(34.52)	(6.33)	(28.19)	-
48	Grusamar Albania SHPK	Lek	Albania	0.58	0.00	(0.02)	0.03	0.06	-	-	(0.00)	-	(0.00)	-
49	Area De Servicio Coiros S.L.	Euro	Spain	82.58	82.83	134.44	436.80	219.53	-	42.91	(3.16)	(0.60)	(2.56)	-
50	Conservacion De Infraestructuras De Mexico S.A. De C.V.	pesos mejicanos	Mexico	4.57	0.01	(0.01)	0.01	0.01	-	-	(0.00)	-	(0.00)	-
51	Alcantarilla Fotovoltaica, S.L.U.	Euro	Spain	82.58	3.53	3.90	444.66	437.24	-	42.45	(5.91)	1.61	(7.51)	-
52	Area De Servicio Punta Umbria S.L.U.	Euro	Spain	82.58	6.84	30.42	192.12	154.87	-	29.58	6.60	2.58	4.02	-

NOTE 40 : STATEMENT PURSUANT TO EXEMPTION RECEIVED UNDER SECTION 212 (8) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARIES

₹ in million

Sr. No.	Name of Subsidiary	Reporting Currency	Country of incorporation	Exchange Rate as at March 31, 2014	Capital	Reserve and Surplus	Total Assets	Total Liabilities (Other than shareholder's funds)	Investments other than investment in subsidiary	Total Revenue	Profit before taxation	Provision for taxation	Profit after taxation	Proposed dividend
53	Beasolarta S.A.U	Euro	Spain	82.58	3.39	2.40	266.83	261.04	-	30.56	4.90	1.47	3.43	-
54	Elsamex Brazil LTDA	Reales	Brasil	26.37	-	-	-	-	-	-	-	-	-	-
55	Elsamex Construccao E Manutencao LTDA	Reales	Brasil	26.37	0.90	(1.25)	0.35	0.70	-	-	(1.16)	-	(1.16)	-
56	Elsamex Maintenance Services Limited	INR	India	1.00	0.01	(0.00)	0.01	-	-	-	(0.00)	-	(0.00)	-
57	Elsamex LLC #	USA	USD	60.10	-	-	-	-	-	-	-	-	-	-
58	Grusamar India LTD	INR	India	1.00	0.01	0.06	0.21	0.14	-	0.31	0.10	0.03	0.07	-
59	Grusamar Engenharia Y Consultoría Brasil LTDA #	Reales	Brasil	26.37	-	-	-	-	-	-	-	-	-	-

In these entities there has been no investments made by the Group. These are considered to be subsidiary based on subscription to the Memorandum & Articles of Association and / or Board control

NOTE 41

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

K. Ramchand
Managing Director

Arun K. Saha
Director

George Cherian
Chief Financial Officer

Krishna Ghag
Company Secretary

Mumbai, May 13, 2014

Notice

Notice is hereby given that the Fourteenth Annual General Meeting of IL&FS Transportation Networks Limited will be held at Y B Chavan Auditorium, Next to Sachivalaya Gymkhana, Gen. J. Bhosale Marg, Mumbai 400 021 on Thursday, August 21, 2014 at 10.30 a.m. to transact the following business:

ORDINARY BUSINESS:

(1) To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended March 31, 2014 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon

(2) To confirm the payment of interim dividend as final dividend on Preference Shares

(3) To declare dividend on Equity Shares

(4) To appoint a director in place of Mr. Ravi Parthasarathy (holding DIN 00002392), who retires by rotation and being eligible offers himself for re-appointment

(5) To appoint a director in place of Mr. Hari Sankaran (holding DIN 00002386), who retires by rotation and being eligible offers himself for re-appointment

(6) Appointment of Auditors

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any of the Companies Act, 2013 and the rules made thereunder, as amended from time to time, Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration no. 117366W) be and is hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 17th AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM) on such remuneration as may be fixed by the Board of Directors of the Company"

SPECIAL BUSINESS:

(7) To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Deepak Dasgupta (holding DIN 00457925), who was appointed as a Director liable to retire by rotation and holding office as an Independent Director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto March 31, 2019"

(8) To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. R C Sinha (holding DIN 00051909), who was appointed as a Director liable to retire by rotation and holding office as an Independent Director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto March 31, 2019"

(9) To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. H P Jamdar (holding DIN 00062081), who was appointed as a Director liable to retire by rotation and holding office as an Independent Director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto March 31, 2019"

(10) To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Deepak Satwalekar (holding DIN 00009627), who was appointed as a Director liable to retire by rotation and holding office as an Independent Director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto March 31, 2019"

(11) Issue of further Securities

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 42, 62 and other applicable provisions, if any, of the Companies Act, 2013, The Companies (Share Capital and Debentures) Rules, 2014 and all applicable rules made thereunder (including any amendments / modifications thereto or re-enactment thereof) (the "Companies Act") and pursuant to the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, (the "SEBI ICDR Regulations"), as amended, and subject to all the other rules, regulations, guidelines, notifications and circulars prescribed by the Securities and Exchange Board of India ("SEBI"), the applicable provisions of the Foreign Exchange Management Act, 1999, as amended ("FEMA") and regulations made thereunder including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, and the enabling provisions of the Memorandum and Articles of Association of the Company, the Listing Agreements entered into by the Company with the Stock Exchanges where the Company's equity shares and / or Non-Convertible Debentures ('NCD') are listed ("Listing Agreements"), and in accordance with the applicable regulations and/ or guidelines issued by any other competent authorities and/ or clarifications issued thereon, from time to time and subject to all such approvals, permissions, consents and / or sanctions as may be necessary from the Government of India ("GOI"), the Reserve Bank of India ("RBI"), SEBI, the Stock Exchanges, the Ministry of Finance (Department of Economic Affairs) and Ministry of Commerce & Industry (Foreign Investment Promotion Board / Secretariat for Industrial Assistance) and / or all other ministries, departments or other statutory or local authorities of the GOI and/or any other competent governmental or regulatory authorities as may be required, whether in India or outside India (hereinafter collectively referred to as 'Appropriate Authority') and subject to such conditions and / or modifications as may be prescribed by any of them while granting such approvals, permissions, consents and/or sanctions (hereinafter referred to as "Requisite Approvals"), which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any duly authorised Committee constituted or may hereinafter be constituted and/or any Director(s) of the Company, delegated with the powers necessary for the purpose, including the powers conferred by this Resolution), consent of the Members of the Company be and is hereby accorded to the Board of Directors or Committee thereof to create, offer, issue and allot in one or more tranches, whether rupee denominated or denominated in foreign currency, in the course of international and/or domestic offering(s) in one or more foreign markets and/or domestic market, for a value of upto ₹ 1,000 Crores (Rupees One Thousand Crores only), such number of Equity Shares, Global Depository Receipts ("GDRs"), American Depository Receipts ("ADRs"), Foreign Currency Convertible Bonds ("FCCBs"), and/or Equity Shares through Depository Receipt Mechanism and/ or Fully Convertible Debentures ("FCDs") and/or Non Convertible Debentures ("NCDs") with warrants, or any other financial instruments convertible into or linked to Equity Shares and/or any other instruments and/or combination of instruments with or without detachable warrants with a right exercisable by the warrant holders to convert or subscribe to the Equity Shares or otherwise, in registered or bearer form including without limitation, the Securities as defined under the Securities Contract Regulation Act,1956 and the rules made thereunder as amended from time to time (hereinafter collectively referred to as the "Securities") whether, secured or unsecured,

listed on any stock exchange(s) in India or any international stock exchange(s) abroad, through an offer document and/or prospectus and/or offer letter and/or offering circular and/or placement document, and/or listing particulars, to any person including foreign / resident investors (whether institutions, incorporated bodies, mutual funds and/or individuals or otherwise), foreign institutional investors, venture capital funds, foreign venture capital investors, qualified foreign investors, alternative investment funds, multilateral and bilateral financial institutions, state industrial development corporations, insurance companies, provident funds, pension funds, insurance funds set up by army, navy, or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India, development financial institutions, Indian mutual funds, non-resident Indians, promoters, members of group companies, Indian public, bodies corporate, companies (private or public) or other entities, authorities, and/or any other categories of investors, whether they be holders of Equity Shares of the Company or not (collectively called the "Investors") including allotment in exercise of a green shoe option, if any, by the Company, through public issue(s), Rights Issue(s), private placement(s), and / or qualified institutional placement under Chapter VIII of the SEBI ICDR Regulations or a combination thereof at such time or times, at such price or prices, at a discount or premium to the market price or prices, including discounts as permitted under applicable law, in such manner and on such terms and conditions including security, rate of interest and conversion terms, as may be decided by and deemed appropriate by the Board in its absolute discretion including the discretion to determine the categories of investors to whom the offer, issue and allotment shall be made to the exclusion of all other categories of investors at the time of such issue and allotment considering the prevailing market conditions and other relevant factors wherever necessary in consultation with the lead managers, or other advisor(s) for such issue(s), as the Board in its absolute discretion may deem fit and appropriate

RESOLVED FURTHER THAT if any issue of Securities is made by way of a qualified institutional placement in terms of Chapter VIII of the SEBI ICDR Regulations, the allotment of the Securities, or any combination of Securities as may be decided by the Board shall be completed within twelve months from the date of this resolution or such other time as may be allowed under the SEBI ICDR Regulations from time to time and the Securities shall not be eligible to be sold for a period of twelve months from the date of allotment, except on a recognized stock exchange, or except as may be permitted from time to time under the SEBI ICDR Regulations

RESOLVED FURTHER THAT in the event that Equity Shares are issued to qualified institutional buyers under Chapter VIII of the SEBI ICDR Regulations, the relevant date for the purpose of pricing of the Equity Shares shall be the date of the meeting in which the Board decides to open the proposed issue of Equity Shares and at such price being not less than the price determined in accordance with the pricing formula (including any permitted discounts) provided under Chapter VIII of the SEBI ICDR Regulations

RESOLVED FURTHER THAT in the event that warrants which are convertible into Equity Shares of the Company are issued simultaneously with non-convertible debentures and/or other convertible securities are issued to qualified institutional buyers under Chapter VIII of the SEBI ICDR Regulations, the relevant date for the purpose of pricing of such securities, shall be the date of the meeting in which the Board decides to open the issue of such convertible securities and/or warrants simultaneously with non-convertible debentures and at such price being not less than the price determined in accordance with the pricing formula (including any permitted discounts) provided under Chapter VIII of the SEBI ICDR Regulations

RESOLVED FURTHER THAT in the event the Securities are proposed to be issued as FCCBs, ADRs or GDRs, the relevant date for the purpose of pricing the Securities shall be the date of the meeting in which the Board decides to open the issue of such Securities in accordance with the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through the Depositary Receipt Mechanism) Scheme, 1993 and other applicable pricing provisions issued by the Ministry of Finance

RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid Securities may have such features and attributes or any terms or combination of terms in accordance with international practices to provide for the tradability and free transferability thereof as per the prevailing practices and regulations in the capital markets including but not limited to the terms and conditions

in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payments whatsoever including terms for issue of additional Equity Shares or variation of the conversion price of the Securities during the term of the Securities and the Board be and is hereby authorised in its absolute discretion to dispose off such of the Securities that are not subscribed in such manner as it may deem fit

RESOLVED FURTHER THAT the issue of Securities which are convertible into Equity Shares shall, inter alia, be subject to the following terms and conditions:

(a) in the event of the Company making a bonus issue by way of capitalisation of its profits or reserves prior to the allotment of the Equity Shares, the number of Equity Shares to be allotted shall stand augmented in the same proportion in which the Equity Share capital increases as a consequence of such bonus issue and the premium, if any, shall stand reduced pro tanto;

(b) in the event of the Company making a rights offer by issue of Equity Shares prior to the allotment of the Equity Shares, the entitlement to the Equity Shares shall stand increased in the same proportion as that of the rights offer and such additional Equity Shares shall be offered to the holders of the Securities at the same price at which the same are offered to the existing shareholders; and

(c) in the event of any merger, amalgamation, takeover or any other re-organisation, the number of Equity Shares, the price and the time period as aforesaid shall be suitably adjusted

RESOLVED FURTHER THAT the Board be and is hereby authorised to appoint lead managers, co-managers, underwriters, guarantors, depositories, custodians, registrars, trustees, bankers, lawyers, advisors, stabilizing agent and all such agencies as may be involved or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memorandum, documents, etc., with such agencies and also to seek the listing of such Securities on one or more national and international stock exchange(s) , to seek consent, if required from lenders of the Company and parties with whom the Company has entered into various commercial and other agreements in connection with the issue and allotment of Securities and also to open one or more bank accounts in the name of the Company within or outside India, as may be required, subject to receipt of requisite approvals wherever required from the RBI or any overseas regulatory authority, as applicable

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of Equity Shares including issue and allotment of Equity Shares as may be required to be issued and allotted upon conversion of any Securities or as may be necessary in accordance with the terms of the offering, all such Equity Shares that may be issued and allotted by the Company, including issue and allotment of equity shares upon conversion of any securities referred above, shall be issued and allotted in accordance with the provisions of the Memorandum and Articles of Association of the Company and shall rank pari passu inter se with the existing Equity Shares of the Company in all respects except as provided otherwise under the terms of issue/offering and in accordance with the offer document and/or prospectus and/or offer letter and/or offering circular and/or listing particulars

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised to determine the form, terms and timing of the issue(s), including the class of Investors to whom the Securities are to be allotted, number of Securities to be allotted in each tranche, issue price, face value, discount(s) permitted under applicable law (now or hereafter), premium amount on issue/conversion of Securities/ exercise of warrants/ redemption of Securities, rate of interest, redemption period, listings on one or more stock exchanges in India and/or abroad as the Board in its absolute discretion deems fit and to make and accept any modifications in the proposal as may be required by the authorities involved in such issues in India and/or abroad, to do all acts, deeds, matters and things and to settle any questions or difficulties that may arise in regard to the issue(s)

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board be and is hereby authorized to do all such acts, deeds, matters and things including but not limited to finalization and approval of the preliminary as well as final offer document(s), placement document or offering circular, as the case may be, execution of various

transaction documents, creation of mortgage/ charge in accordance with Section 180 of the Companies Act, 2013 or such other provisions of the Companies Act, 2013 and the Rules made thereunder, in respect of any Securities as may be required either on pari passu basis or otherwise as it may in its absolute discretion deem fit and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilization of the issue proceeds as it may in its absolute discretion deem fit without being required to seek further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate (to the extent permitted by law) all or any of the powers herein conferred to any committee of directors or any executive director or directors or any other officer or officers of the Company to give effect to the aforesaid resolutions"

By Order of the Board
For IL&FS Transportation Networks Limited

Krishna Ghag
Vice President & Company Secretary

Mumbai, July 22, 2014

Registered Office:
The IL&FS Financial Centre,
C-22, G-Block, Bandra – Kurla Complex,
Bandra (East), Mumbai 400051
CIN: L45203MH2000PLC129790

NOTES:

1. **A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY – EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions / authority, as applicable**

   A person can act as proxy on behalf of Members not exceeding Fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder

2. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act"), in respect of the business under Item Nos. 7 to 11 of the Notice is annexed hereto. The relevant details as required under Clause 49 of the Listing Agreement, entered into with the Stock Exchanges for persons seeking Appointment/Re-appointment as Directors under Item no. 4, 5 and 7 to 10 of the Notice are also annexed

3. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company will remain closed from Thursday, August 14, 2014 to Thursday, August 21, 2014 (both days inclusive)

4. The Dividend as recommended by the Board of Directors on the Equity Shares of the Company, if approved by the Shareholders at the 14th Annual General Meeting of the Company, shall be paid to those Members whose names appear on the Register of Members of the Company on Thursday, August 21, 2014. In respect of shares held in electronic form, the Dividend will be payable to the Beneficial Owners of the shares as on the closing hours of business on August 13, 2014 as per the details furnished by the Depositories for this purpose

5. Members are requested to immediately intimate changes, if any, in their registered addresses along with pincode number to the Company or the Registrars & Share Transfer Agents. Members holding shares in dematerialised mode are requested to intimate the same to their respective Depository Participants

6. In order to avail the facility of Electronic Clearing Service (ECS), Members holding shares in physical form are requested to provide bank account details to the Company or the Registrar & Share Transfer Agents. Members holding shares in dematerialised mode are requested to instruct their respective Depository Participants regarding bank accounts in which they wish to receive the dividends. The Company/Registrars & Share Transfer Agents will not act on any direct request received from the Members holding shares in dematerialised form for change/ deletion of such bank details

7. Members holding shares in physical form are requested to consider converting their holding to dematerialised form to eliminate risks associated with physical shares

8. The Company is obliged to print bank details on the Dividend warrants as furnished by NSDL and CDSL, "the Depositories" to the Company and the Company cannot entertain any request for deletion/change of Bank details already printed on the Dividend warrant(s) based on the information received from the concerned Depositories without confirmation from them. In this regard, Members are advised to contact their Depository Participant and furnish them the particulars of any change desired

9. Pursuant to the provisions of Section 124 of the Companies Act, 2013, the amount of dividend which remains unpaid /unclaimed for a period of 7 years would be transferred to the "Investor Education and Protection Fund (IEPF)", constituted by the Central Government

   Pursuant to the provisions of the IEPF (uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules 2012, the Company has uploaded the details of unpaid / unclaimed amounts lying with the Company as on August 8, 2013 (the date of last Annual General Meeting) on the website of the Company (www.itnlindia.com), as also on the website of the Ministry of Corporate Affairs

   Members who have not yet encashed their dividend warrant(s) pertaining to the Equity Dividend for the financial year 2009-10 onwards are requested to make their claims without any delay to the Company

10. The Notice of the AGM along with the Annual Report 2013-14 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode

11. Members intending to require information or clarifications on the Financial Accounts are requested to inform the Company atleast a week in advance to enable the Company to compile the information and provide replies at the Meeting

12. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during (3.00 pm to 5.00 pm) on all working days, upto and including the date of the Annual General Meeting of the Company

13. Members are requested to bring their copy of the Annual Report to the Meeting

14. Voting through electronic means

    In compliance with the provisions of Section 108 of the Act and the Rules made thereunder, the Members are provided with the facility to cast their vote electronically, through the e-Voting Services provided by National Securities Depository Limited (NSDL) on all resolutions set forth in this Notice

    The instructions for e-voting are as under:

    (a) In case a Member receives an e-mail from NSDL (for Members whose email addresses are registered with the Companies / Depositories):

        (i) Open the e-mail and also open the PDF file viz; "ITNL e-Voting.pdf" with your Client ID or Folio Number as Password. The said PDF file contains your User ID and Password for e-voting. Please note that the password is an initial password

        (ii) Open the internet browser and type the following URL: https://www.evoting.nsdl.com

        (iii) Click on Member - Login

        (iv) If you are already registered with NSDL for evoting then you can use your existing user ID and password

        (v) If you are logging in for the first time, please enter the user ID and password provided in the pdf file attached with the email as initial password. The Password change menu will

appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits/characters or combination of both. Please take utmost care to keep your password confidential

(vi) Once the e-Voting Home page opens, click on e-Voting - > Active Voting Cycles

(vii) Select "EVEN" (Evoting Event Number) of IL&FS Transportation Networks Limited

(viii) Now you are ready for e-Voting as Cast Vote page opens

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted

(x) Upon confirmation, the message "Vote cast successfully" will be displayed

(xi) Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently

(xii) Institutional Members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail: income108@yahoo.co.in with a copy marked to: evoting@nsdl.co.in

(xiii) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting user manual for Members available at the Downloads section of : www.evoting.nsdl.com

(b) In case a Member receives the physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company / Depositories):

(i) Initial password is provided in the enclosed Ballot Form: "EVEN" (Evoting Event Number) User ID and password

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xiii) of (a) above, to cast vote

(c) Other Instructions

(i) The e-voting period commences on Friday, August 15, 2014 (9.00 am IST) and ends on Sunday, August 17, 2014 (5.30 pm IST). The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently

(ii) The voting rights of Members shall be in proportion to their share of the paid up share capital of the Company as on July 18, 2014

(iii) Mr. S. Anantha Rama Subramanian, Practising Company Secretary (FCS: 4443; CP No.:1925), has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner

(iv) The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period shall make a report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company

(v) Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) in the postage prepaid self addressed envelop so as to reach the scrutinizer not later than Monday, August 18, 2014. Ballot form received after this date will be treated as invalid

Members can also download the Ballot Form from the link https://www.evoting.nsdl.com or www.itnlindia.com or seek duplicate Ballot Form from M/s. Link Intime (India) Private Limited, Registrar & Transfer Agents, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai 400 078

(vi) A Member can opt for only one mode of voting i.e. either through e-voting or by ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and ballot shall be treated as invalid

(vii) The result of the Ballot will be posted on the website of the Company : www.itnlindia.com within two days of the passing of the resolutions at the Fourteenth AGM of the Company scheduled on August 21, 2014 and communicated to the BSE Ltd and National Stock Exchange of India Ltd, where the shares of the Company are listed

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item no. 7 to 10

The Company had appointed Mr. Deepak Dasgupta, Mr. R. C. Sinha, Mr. H. P. Jamdar and Mr. Deepak Satwalekar as Independent Directors pursuant to the provisions of Clause 49 of the Listing Agreements entered into with the Stock Exchanges

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, it is proposed to appoint the above named Independent Directors for a consecutive period of five years for a term upto March 31, 2019. A notice proposing their candidature for the office of Director has been received by the Company

In the opinion of the Board, all the above named Independent Directors fulfil the conditions specified in the Companies Act, 2013 and the Rules made thereunder for appointment as an Independent Director of the Company. The terms and conditions of appointment of the Independent Directors shall be open for inspection by the Members at the Registered Office of the Company during all working days from 3.00 pm to 5.00 pm upto the date of the Meeting

The Board considers that their continued association would be of immense benefit to the Company and therefore recommends the resolutions as set out at Item No. 7 to 10, for the approval by the Members of the Company

Except the Independent Director being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, in their respective resolution as set out at Item No. 7 to 10

In terms of Clause 49 of the Listing Agreement, brief profile of all the Directors proposed to be appointed / re-appointed at the Meeting is provided in the Annexure to this Notice

Item no. 11

Given the Company's future growth plans, the Board, considers it necessary to augment the long term resources of the Company by way of issuing Securities to eligible investors, subject to an aggregate maximum limit of up to an amount of ₹ 1,000 Crores or equivalent amount in any other currency and further subject to the prevailing market conditions and other relevant considerations. The Board intends to deploy the net proceeds from the issue, post payment of all offering related fees and expenses, of the above mentioned securities for funding any one or more of the following: (i) augmenting long term finance for funding growth and capital expenditure (ii) pre-payment/ repayment of debt (iii) funding capital requirements of subsidiaries/ associate companies/ joint ventures (iv) working capital requirements and (v) general corporate purpose

Accordingly, the Company proposes to create, offer, issue and allot such number of Equity Shares, Global Depository Receipts (GDRs), American Depository Receipts (ADRs), Foreign Currency Convertible Bonds (FCCBs), and/or Equity Shares through Depository Receipt Mechanism and/or Fully Convertible Debentures (FCDs) and/or Non Convertible Debentures (NCDs) with warrants, or any other financial instruments convertible into or linked to Equity Shares and/or any other instruments and/or combination of instruments with or without detachable warrants with a right exercisable by the warrant holders to convert or subscribe to the Equity Shares or otherwise, in registered or bearer form or any combination of Securities through public issue(s), private placement(s) or a combination thereof, including issuance of Securities through a qualified institutional placement under Chapter VIII of the SEBI ICDR Regulations

The Board may in their discretion adopt any one or more of the mechanisms prescribed above to meet its objectives as stated in the aforesaid paragraphs without the need for fresh approval from the Members of the Company

The pricing of the Securities that may be issued to qualified institutional buyers pursuant to a qualified institutional placement shall be freely determined subject to such price not being less than the price calculated in accordance with Chapter VIII of the SEBI ICDR Regulations. The Company may, in accordance with applicable law, offer a discount of not more than 5% or such percentage as permitted under applicable law on the price determined pursuant to the SEBI ICDR Regulations. The "Relevant Date" for this purpose will be the date when the Board or the Committee of the Board thereof decides to open the qualified institutional placement for subscription

The Special Resolution also seeks to give the Board powers to issue Securities in one or more tranche or tranches, at such time or times, at such price or prices and to such person(s) including institutions, incorporated bodies and/ or individuals or otherwise as the Board in its absolute discretion deem fit. The detailed terms and conditions for the issue(s)/offering(s) will be determined by the Board

or its committee in its sole discretion in consultation with the advisors, lead managers, underwriters and such other authority or authorities as may be necessary considering the prevailing market conditions and in accordance with the applicable provisions of law and other relevant factors

The Equity Shares allotted or arising out of conversion of any Securities would be listed. The offer/issue/allotment/ conversion/redemption would be subject to the availability of regulatory approvals, if any. The conversion of Securities held by foreign investors into Equity Shares would be subject to the applicable foreign investment cap and relevant foreign exchange regulations. As and when the Board does take a decision on matters on which it has the discretion, necessary disclosures will be made to the stock exchanges as may be required under the provisions of the Listing Agreement

Section 62(1)(c) of the Companies Act 2013 provides, inter alia, that when it is proposed to increase the issued capital of a company by allotment of further Equity Shares, such further Equity Shares shall be offered to the existing Members of such company in the manner laid down in Section 62 of the Companies Act, 2013 unless the Members in a General Meeting decide otherwise. Since, the Special Resolution proposed in the business of the Notice may result in the issue of Equity Shares of the Company to persons other than Members of the Company, consent of the Members is being sought pursuant to the provisions of Sections 42, 62 and other applicable provisions of the Companies Act, 2013 as well as applicable Rules notified by the Ministry of Corporate Affairs and in terms of the provisions of the Listing Agreement executed by the Company with the stock exchanges where the Equity Shares of the Company are listed

The Special Resolution, if passed, will have the effect of allowing the Board to offer, issue and allot Securities to the Investors, who may or may not be the existing Members of the Company

None of the Directors and Key Managerial Personnel and any of their relatives are deemed to be concerned or interested in the passing of resolution, except to the extent of securities issued/allotted to them or to the companies in which they are director or members

The Board of Directors of the Company recommends the resolution for the approval of the Members as a Special Resolution

By Order of the Board
For IL&FS Transportation Networks Limited

Krishna Ghag
Vice President & Company Secretary

Mumbai, July 22, 2014

Registered Office:
The IL&FS Financial Centre,
C-22, G-Block, Bandra – Kurla Complex,
Bandra (East), Mumbai 400051
CIN: L45203MH2000PLC129790

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGE:

Particulars	Deepak Dasgupta	H P Jamdar	R. C. Sinha	Deepak Satwalekar	Mr. Ravi Parthasarathy	Mr. Hari Sankaran
Date of Birth	16-Dec-1942	6-May-1944	22-May-1938	14-Nov-1948	4-Oct-1952	19-Feb-1961
Date of Appointment	30-June-2009	6-Jan-2001	19-Mar-2001	30-June-2009	6-Jan-2001	29-Nov-2000
Qualifications	Master's degree in Science	Bachelor's degree in Civil Engineering	(i) Bachelor's degree in Law, (ii) Master's degree in Economics (iii) Master's Degree in Urban Development	(i) Bachelor's degree in Technology from IIT, Mumbai (ii) Master's degree in Business Administration from the American University, Washington DC	(i) B.Sc. (ii) MBA from IIM, Ahmedabad	(i) B.A.-Economics (ii) M.Sc – Economics from London School of Economics
Expertise in specific functional areas	Has worked in various Central Govt departments related to infrastructure development & policy formulation	Worked in various capacities in State Government departments including roads and ports sector	Worked in various capacities in State Government departments/ including heading infrastructure projects	Has considerable experience in the fields of finance, infrastructure and corporate governance	Eminent Professional with rich and varied experience in Infrastructure & financial services segment	Eminent Professional with rich and varied experience in Infrastructure & financial services segment
Directorships in other Public Limited Companies*	• IJM (India) Infrastructure Limited • Road Infrastructure Development Company of Rajasthan Limited • IL&FS Rail Limited • Rapid MetroRail Gurgaon Limited • Rapid MetroRail Gurgaon South Limited	• Nila Infrastructures Ltd	• Bengal Ambuja Housing Development Company Limited • Quippo Construction Equipment Ltd • Nac Infrastructure Equipment Ltd	• Asian Paints Limited • Piramal Healthcare Limited • The Tata Power Company Limited	• 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 (*erstwhile* IL&FS Infrastructure Development Corporation Limited)	• Infrastructure Leasing & Financial Services Limited • IL&FS Energy Development Company Limited • IL&FS Financial Services Limited • IIDC Limited (*erstwhile* IL&FS Infrastructure Development Corporation Limited) • IL&FS Education & Technology Services Ltd • Gujarat International Finance Tec-City Company Limited

Particulars	Deepak Dasgupta	H P Jamdar	R. C. Sinha	Deepak Satwalekar	Mr. Ravi Parthasarathy	Mr. Hari Sankaran
Directorships in other Public Limited Companies*					• IIDC Limited (*erstwhile* IL&FS Infrastructure Development Corporation Limited) • IL&FS Skill Development Corporation Limited • IL&FS Investment Managers Limited • IL&FS Maritime Infrastructure Company Limited • Reliance Haryana SEZ Limited • IL&FS Capital Advisors Limited	• IL&FS Environmental Infrastructure and Services Limited • IL&FS Renewable Energy Limited • IL&FS Maritime Infrastructure Company Ltd • Road Infrastructure Development Company of Rajasthan Limited • Mangalore SEZ Limited
Membership of Committees in other Public Limited Companies (includes only Audit & Shareholders' / Investors' Grievance Committee	• Road Infrastructure Development Company of Rajasthan Limited *Audit Committee* • IL&FS Rail Ltd *Audit Committee* • Rapid MetroRail Gurgaon Limited *Audit Committee* • Rapid MetroRail Gurgaon South Limited *Audit Committee*	-	-	• The Tata Power Company Limited *Audit Committee* • Piramal Healthcare Limited *Investor Grievance Committee*	-	• IL&FS Energy Development Company Ltd *Audit Committee*
No. of Shares held in the Company	79	-	53	-	399,796	432,916

* Excludes Directorships in Private Limited Companies, Foreign Companies and Government bodies

Notes

IL&FS | Transportation

Regd.Office: The IL&FS Financial Centre, C-22, G-Block,
Bandra – Kurla Complex, Bandra (East), Mumbai 400051
CIN: L45203MH2000PLC129790

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

DP Id*		Folio No.	
Client Id*		No. of Shares	

NAME AND ADDRESS OF THE MEMBER

I hereby record my presence at the **ANNUAL GENERAL MEETING** of IL&FS Transportation Networks Limited held on August 21, 2014 at 10.30 a.m. at Y. B. Chavan Auditorium, Gen. J. Bhosale Marg, Mumbai 400 021

* Applicable for investors holding shares in electronic form

Signature of Member / proxy

PROXY FORM

IL&FS | Transportation

Regd.Office: The IL&FS Financial Centre, C-22, G-Block,
Bandra – Kurla Complex, Bandra (East), Mumbai 400051
CIN: L45203MH2000PLC129790

Name of the member(s): Registered address:		e-mail Id: Folio No/ *Client Id /*DP Id:	

I/We, being the member(s) of _____ shares of IL&FS Transportation Networks Limited, hereby appoint:

1) _____ of _____ having e-mail id _____ or failing him

2) _____ of _____ having e-mail id _____ or failing him

3) _____ of _____ having e-mail id _____

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **Annual General Meeting** of the Company, to be held on August 21, 2014 at 10.30 a.m. at Y. B. Chavan Auditorium, Gen. J. Bhosale Marg, Mumbai 400 021 and at any adjournment thereof in respect of such resolutions as are indicated below:

** I wish my above Proxy to vote in the manner as indicated in the box below:

Resolutions	For	Against
1. Consider and adopt the Audited Financial Statement, Reports of the Board of Directors and Auditors		
2. Confirm the Payment of interim Dividend as Final Dividend on Preference Shares		
3. Declaration of Dividend on Equity Shares		
4. Re-appointment of Mr. Ravi Parthasarathy who retires by rotation		
5. Re-appointment of Mr. Hari Sankaran who retires by rotation		
6. Appointment of Deloitte Haskins & Sells, LLP as Statutory Auditors and fixing their remuneration		
7. Appointment of Mr. Deepak Dasdgupta as an Independent Director		
8. Appointment of Mr. R. C. Sinha as an Independent Director		
9. Appointment of Mr. H. P. Jamdar as an Independent Director		
10. Appointment of Mr. Deepak Satwalekar as an Independent Director		
11. Issue of futher Securities by the Company		

Signed this..... day of.....2014

Signature of Member

Affix a 15 paise Revenue Stamp

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

* Applicable for members holding shares in electronic form

P.T.O.

Notes:

(1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting

(2) A Proxy need not be a member of the Company

(3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member

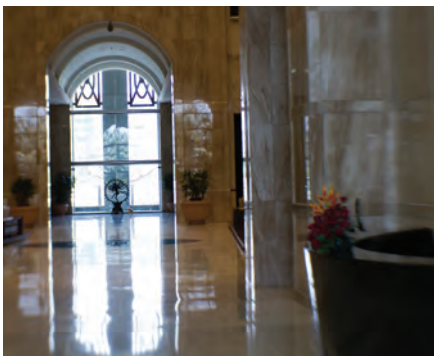
** (4) This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate

(5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes

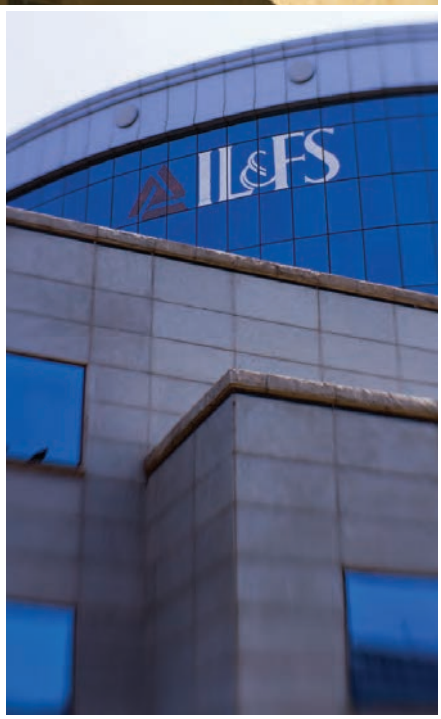
(6) In the case of jointholders, the signature of any one holder will be sufficient, but names of all the jointholders should be stated











Interior and exterior views of the IL&FS Financial Centre, Mumbai

"Optimism is the faith that leads to achievement. Nothing can be done without hope and confidence"

- Helen Keller

IL&FS | Transportation

IL&FS Transportation Networks Limited

The IL&FS Financial Centre

Plot C-22, G-Block, Bandra Kurla Complex
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CIN: L45203MH2000PLC129790

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