

**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)

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

Mumbai, May 13, 2014
KJM/NDU

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 Rs.4,822 million to 6 parties during the year. At the year-end, the outstanding balances of such loans aggregated Rs. 6,225 million (number of parties 6) and the maximum amount involved during the year was Rs. 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 Rs. 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 Rs. 6,850 million from 3 parties during the year. At the year-end, the outstanding balances of such loans aggregated Rs. 700 million from 1 party and the maximum amount involved during the year was Rs. 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, 2013 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
KJM/NDU

IL&FS TRANSPORTATION NETWORKS LIMITED
Balance Sheet as at March 31, 2014

₹ in Million

	Particulars	Note	As at	
			March 31, 2014	March 31, 2013
I	<u>EQUITY AND LIABILITIES</u>			
1	SHAREHOLDERS' FUNDS			
	(a) Share capital	2	5,707.18	1,942.68
	(b) Reserves and surplus	3	24,114.45	19,306.00
			29,821.63	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	8.81
			31,186.84	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	1,166.70
			36,261.57	29,297.59
	TOTAL		97,270.04	72,483.24
II	<u>ASSETS</u>			
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	2,181.58
			57,941.73	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	2,463.44
			39,328.31	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

For and on behalf of the Board

Kalpesh J. Mehta
Partner

Managing Director

Director

Mumbai, May 13, 2014

Chief Financial Officer

Company Secretary

Mumbai, May 13, 2014

IL&FS TRANSPORTATION NETWORKS LIMITED
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

For and on behalf of the Board

Kalpesh J. Mehta
Partner

Managing Director

Director

Mumbai, May 13, 2014

Chief Financial Officer

Company Secretary

Mumbai, May 13, 2014

IL&FS TRANSPORTATION NETWORKS LIMITED
Cash Flow Statement for the year ended March 31, 2014

₹ in Million

Particulars	Year Ended	Year Ended
	March 31, 2014	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)
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

IL&FS TRANSPORTATION NETWORKS LIMITED
Cash Flow Statement for the year ended March 31, 2014

₹ in Million

Particulars	Year Ended	Year Ended
	March 31, 2014	March 31, 2013
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

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.

Notes 1 to 39 form part of the financial statements.

In terms of our report attached.
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

For and on behalf of the Board

Kalpesh J. Mehta
Partner

Managing Director Director

Mumbai, May 13, 2014

Chief Financial Officer Company Secretary
Mumbai, May 13, 2014

IL&FS TRANSPORTATION NETWORKS LIMITED
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.

IL&FS TRANSPORTATION NETWORKS LIMITED
Notes forming part of the financial statements for the year ended March 31, 2014

(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.

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".

IL&FS TRANSPORTATION NETWORKS LIMITED

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

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 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.

IL&FS TRANSPORTATION NETWORKS LIMITED
Notes forming part of the financial statements for the year ended March 31, 2014

(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 backed by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realised.

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

X Lease Accounting

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

XI Provisions, Contingent Liabilities and Contingent Assets

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

XII Borrowing Costs

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

XIII Cash and Cash Equivalents

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

IL&FS TRANSPORTATION NETWORKS LIMITED
Notes forming part of the financial statements for the year ended March 31, 2014

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.

IL&FS TRANSPORTATION NETWORKS LIMITED
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	3,765	-	-
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

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	

IL&FS TRANSPORTATION NETWORKS LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2014

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.

Note 3: Reserves and surplus

Particulars	₹ in Million			
	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 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 Rs. 486.37 million (March 31, 2013 Rs. 461.37 million)

IL&FS TRANSPORTATION NETWORKS LIMITED

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

Note 4: Long-term Borrowings

Particulars	₹ in Million	
	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] :

As at March 31, 2014						
Series of NCDs	No. of NCDs issued	No. of NCDs outstanding as at March 31, 2014	Face value per NCD (₹)	Rate of interest % p.a.	Terms of repayment	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				

As at March 31, 2013						
Series of NCDs	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	Bullet repayment	April 2, 2015
Total	10,000	10,000				

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

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
	₹ in Million	₹ in Million
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	-	-

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

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

As at March 31, 2014			
Name of Bank	₹ in Million	Terms of repayment	Due Date for repayment
Yes Bank Limited	5,225.00	16 quarterly installments of ₹ 206.25 million to ₹ 412.50 million	June 30, 2015 to March 31, 2019
Yes Bank Limited	580.00	4th of 4 installments	September 30, 2017
Yes Bank Limited	580.00	3rd of 4 installments	September 30, 2016
Oriental Bank of Commerce	625.00	3rd of 3 installments	March 31, 2016
Lakshmi Vilas Bank	750.00	2nd of 2 installments	March 27, 2016
South Indian Bank	1,000.00	Bullet repayment	March 24, 2016
Bank of Baroda	1,000.00	2nd of 2 installments	March 24, 2016
Bank of Bahrain and Kuwait	275.00	2nd of 2 installments	January 31, 2016
South Indian Bank	1,000.00	Bullet repayment	December 19, 2015
United Bank of India	750.00	2nd of 2 installments	November 21, 2015
Yes Bank Limited	580.00	2nd of 4 installments	September 30, 2015
Oriental Bank of Commerce	312.50	2nd of 3 installments	September 30, 2015
Lakshmi Vilas Bank	750.00	1st of 2 installments	September 27, 2015
Development Credit Bank	275.00	2nd of 2 installments	September 26, 2015
State Bank of Bikaner & Jaipur	500.00	2nd of 2 installments	September 24, 2015
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		

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

As at March 31, 2013			
Name of Bank	₹ 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		

IL&FS TRANSPORTATION NETWORKS LIMITED

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

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

As at March 31, 2014			
Name of Bank	₹ in Million	Terms of repayment	Due Date for Repayment
Yes Bank Limited	275.00	4 installments of ₹ 68.75 million each	June 30, 2014 to 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		

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

As at March 31, 2013			
Name of Bank	₹ 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		

IL&FS TRANSPORTATION NETWORKS LIMITED

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

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 (Secured by First pari passu charge over current assets and receivables)	24.04	65.75
(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)

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):

₹ in Million

Particulars	As at March 31, 2013	Movement during the year (Refer Footnote 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

- 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.
- 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.

IL&FS TRANSPORTATION NETWORKS LIMITED

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

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	986.88	777.07
Provision for Dividend Distribution Tax on	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

IL&FS TRANSPORTATION NETWORKS LIMITED

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

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

IL&FS TRANSPORTATION NETWORKS LIMITED

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

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.

IL&FS TRANSPORTATION NETWORKS LIMITED

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
	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
	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

IL&FS TRANSPORTATION NETWORKS LIMITED
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
(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
(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

Particulars	₹ in Million	
	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

IL&FS TRANSPORTATION NETWORKS LIMITED

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

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"), Chhatisgarh Highways Development Company Limited ("CHDCL") and Jharkhand Road Projects Implementation Company Limited ("JRPICL") on the equity shares held by IL&FS as well as the interest granted by RIDCOR on the Fully Convertible Debentures ("FCDs") held by IL&FS. However, the Company is not entitled to rights and privileges, which IL&FS enjoys as a shareholder / debentureholder. The instruments are unsecured.
- 5 The Company's investment in redeemable / optionally convertible cumulative preference shares of West Gujarat Expressway Limited ("WGEL") are convertible, at the option of the Company, into 1 equity share and carry a coupon of 2% per annum upto the conversion, accrued annually in arrears ("Coupon"). An additional coupon consisting of 95% of the balance distributable profits, that may be available with WGEL after it has met all other obligations, would also accrue on the said preference shares ("Additional Coupon").
- 6 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. ("IPL") 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 IPL 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 alongwith 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)]

IL&FS TRANSPORTATION NETWORKS LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2014
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.

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

IL&FS TRANSPORTATION NETWORKS LIMITED

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

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

Note 19: Trade Receivables

₹ in Million

Particulars	As at March 31, 2014	As at March 31, 2013
<u>Trade receivables outstanding for a period less than six months from the date they are due for payment</u>		
Unsecured, considered good	19,196.71	15,076.93
	19,196.71	15,076.93
<u>Trade receivables outstanding for a period exceeding six months from the date they are due for payment</u>		
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

IL&FS TRANSPORTATION NETWORKS LIMITED

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

Note 21: Contingent Liabilities and Commitments

Particulars	₹ in Million	
	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 Income tax demands contested by the Company	538.90	70.10
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 and 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.

IL&FS TRANSPORTATION NETWORKS LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2014

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	- (2)	- (116.09)	NA (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 exercised by the holder and therefore nil liability is shown as at March 31, 2014.

- 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	EURO 0.06	4.17	EURO 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	₹ in million	Foreign currency in
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.

IL&FS TRANSPORTATION NETWORKS LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2014

Note 24: Revenue from operations

Particulars	₹ in Million	
	Year ended	Year ended
	March 31, 2014	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

Particulars	₹ in Million	
	Year ended	Year ended
	March 31, 2014	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

Particulars	₹ in Million	
	Year ended	Year ended
	March 31, 2014	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

Particulars	₹ in Million	
	Year ended	Year ended
	March 31, 2014	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.

IL&FS TRANSPORTATION NETWORKS LIMITED

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

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

₹ 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

IL&FS TRANSPORTATION NETWORKS LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2014

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

₹ in Million

Return on plan assets: Gratuity	For the year ended	For the year ended
	March 31, 2014	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	For the year ended
	March 31, 2014	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

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	As at	As at	As at	As at
	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	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	Year ended	Year ended	Year ended	Year ended
	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	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.

IL&FS TRANSPORTATION NETWORKS LIMITED

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

Note 28: Finance costs

₹ in Million

Particulars	Year ended	Year ended
	March 31, 2014	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	Year ended
	March 31, 2014	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

Footnote

Miscellaneous expenses includes payment to auditors for the following:

₹ in Million

Particulars	Year ended	Year ended
	March 31, 2014	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	Year ended
	March 31, 2014	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	1,161.36

IL&FS TRANSPORTATION NETWORKS LIMITED

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

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.

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 Operation	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%	0.07	0.07	-	-	-	-
		(Not applicable)	(Not applicable)	(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	For the year ended	
		March 31, 2014	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

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	2.14	2.31
Deputation cost	26.21	15.00
Others	3.60	27.33

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Notes forming part of the Financial Statements for the year ended March 31, 2014
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 Linited	FIIL	
	GIFT Parking Facilities Limited (<i>incorporated on January 9,2014</i>)	GPFL	
	Gujarat Road and Infrastructure Company Limited	GRICL	
	Hazaribagh Ranchi Expressway Limited	HREL	
	IL&FS Rail Limited	IRL	
	ITNL International Pte Ltd, Singapore	I IPL	
	ITNL Offshore Pte Ltd, Singapore	IOPL	
	ITNL Road Infrastructure Development Company Limited	IRIDCL	
	ITNL Road Investment Trust	IRIT	
	Jharkhand Road Projects Implementation Company Limited	JRPICL	
	Karyavattom Sports Facilities Limited	KSFL	
	Khed Sinnar Expressway Limited (<i>Since June 12, 2013</i>)	KSEL	
	Kiratpur Ner Chowk Expressway Limited	KNCCL	
	Moradabad Bareilly Expressway Limited	MBEL	
	MP Border Checkposts Development Company Limited	MPBCDCL	
	Pune Sholapur Road Development Company Limited	PSRDCL	
	Sikar Bikaner Highways Limited	SBHL	
	Vansh Nimay Infraprojects Limited	VNIL	
	West Gujarat Expressway Limited	WGEL	
	Subsidiaries - Indirect	North Karnataka Expressway Limited	NKEL
		Andhra Pradesh Expressway Limited (<i>Since March 27, 2014</i>)	APEL
		Alcantarilla Fotovoltaica SA, Sociedad Unipersonal	
		Antenea Seguridad Y Medico Ambiente SA	
		Area De Servicio Punta Umbria SL	
		Area De Servicio Coiros S.L.	
		Beasolarta S.L.	
CIESM-INTEVIA S.A. Sociedad Unipersonal			
Conservacion de Infraestructuras De Mexico SD DE CV			
Control 7, S. A			
Elsamex India Private Limited		ELSAIND	
Elsamex Internacional, SLR			
Elsamex Portugal-Engenharia E Sistemas De Gestao, S.A			
Elsamex Construcao E Manutencao LTDA, Brazil (<i>since June 26, 2013</i>)			
Elsamex Brazil LTDA			
ESM Mantenimiento Integral DE S.A DE C.V			
GRICL Rail Bridge Development Company Ltd (<i>incorporated on February 24, 2014</i>)		GRBDCL	
Grusamar Albania SHPK			
Grusamar Ingenieria Y Consulting, SL			
Grusamar India Limited		GIL	
Inteval-Gestao Integral Rodoviaria S.A			
ITNL Africa Projects Limited		IAPL	
ITNL International JLT		IJLT	
Mantenimiento Y Conservacion De Vialidades, DE C.V			
Elsamex Maintenance Services Ltd (<i>since September 12, 2013</i>)	EMSL		
Elsamex LLC (<i>since September 26, 2013</i>)			

IL&FS TRANSPORTATION NETWORKS LIMITED

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

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
Subsidiaries - Indirect	I IPL USA LLC (<i>since November 20, 2013</i>)	
	Sharjah General Services Company LLC (<i>since October 9, 2013</i>)	
	Grusamar Engenharia & Consultoria Brasil LTDA (<i>since August 29, 2013</i>)	
	Rapid MetroRail Gurgaon Limited	RMGL
	Rapid MetroRail Gurgaon South Limited	RMGSL
	Senalizacion Viales E Imagen, SA	
	Yala Construction Company Private Limited	YCCPL
Fellow Subsidiaries (Only with whom there have been transaction during the year/ there was balance outstanding at the year end)	IL&FS Financial Services Limited	IFIN
	IL&FS Capital Advisors Limited	ICAL
	IL&FS Education & Technology Services Limited	IETS
	IL&FS Environmental Infrastructure Services Limited	IEISL
	IL&FS Infrastructure Development Corporation Limited	IIDCL
	IL&FS Maritime Infrastructure Company Limited	IMICL
	IL&FS Township & Urban Assets Limited	ITUAL
	IL&FS Trust Company Limited	ITCL
	IL&FS Renewable Energy Limited	IREL
	IL&FS Securities Services Limited	ISSL
	IL&FS Airport Limited	IAL
	PT Mantimin Coal Mining	PTMCM
	Chattisgarh Highways Development Company Limited	CHDCL
	Jharkhand Accelerated Road Development Company Limited	JARDCL
Associates - Direct	Andhra Pradesh Expressway Limited (<i>upto March 26, 2014</i>)	APEL
	ITNL Toll Management Services Limited	ITMSL
	Thiruvananthapuram Road Development Company Limited	TRDCL
	Warora Chandrapur Ballarpur Toll Road Limited	WCBTRL
Associates - Indirect	Centro de Investigaciones de Curretros Andalucía S.A.	CICAN
	Labetec Ensayos Técnicos Canarias, 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
Jointly Controlled Entities - Direct	Emprsas Pame sa De CV	EPSD
	Noida Toll Bridge Company Limited	NTBCL
	Jorabat Shillong Expressway Limited	JSEL
Jointly Controlled Entities - Indirect	N.A.M. Expressway Limited	NAMEL
	Geotecnia y Control De Qualitat, S.A.	
	Chongqing Yuhe Expressway Co. Ltd.	
	Consortio De Obras Civiles S.R.L	
Jointly Controlled Operations	Vies Y Construcciones S. R. L.	
	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 (<i>wife of Mr K Ramchand</i>)	
	Mrs Sangeeta Sapre (<i>wife of Mr Mukund Sapre</i>)	

IL&FS TRANSPORTATION NETWORKS LIMITED

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 (i) (a) above)

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
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

IL&FS TRANSPORTATION NETWORKS LIMITED

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 (i) (a) above)

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities / Operations	Key Management personnel and relatives	Total
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
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
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							
IPL	-	61.86	-	-	-	-	61.86
RMGL	-	98.00	-	-	-	-	98.00
ELSAJVCA	-	-	-	-	-	-	-
	-	159.86	-	-	-	-	159.86

IL&FS TRANSPORTATION NETWORKS LIMITED

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 (i) (a) above)

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities / Operations	Key Management personnel and relatives	Total
Construction Cost							
ELSAIND	-	250.57	-	-	-	-	250.57
IRL	-	1,872.45	-	-	-	-	1,872.45
	-	2,123.02	-	-	-	-	2,123.02
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
Othres	-	-	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
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

IL&FS TRANSPORTATION NETWORKS LIMITED
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 (i) (a) above)

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities / Operations	Key Management personnel and relatives	Total
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
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
OTHRES	-	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

IL&FS TRANSPORTATION NETWORKS LIMITED

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

Note 35: Related Party Disclosures

(ii) Previous Year

(a) Name of the Related Parties and Description of Relationship:

Nature of Relationship	Name of Entity	Abbreviation used	
Holding Company	Infrastructure Leasing & Financial Services Limited	ILFS	
Subsidiaries - Direct	ITNL Road Infrastructure Development Company Limited	IRIDCL	
	Gujarat Road and Infrastructure Company Limited	GRICL	
	East Hyderabad Expressway Limited	EHEL	
	ITNL International Pte Ltd, Singapore	IPL	
	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 Linited (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)	IJLT	
	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 Ingeniería 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			
Inteval-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			
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	
	Chattisgarh Highways Development Company Limited	CHDCL	
	IMICL Dighi Maritime Limited	IDML	
Jharkhand Accelerated Road Development Company Limited	JARDCL		

IL&FS TRANSPORTATION NETWORKS LIMITED

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

Note 35: Related Party Disclosures

(ii) Previous Year

(a) Name of the Related Parties and Description of Relationship:

Nature of Relationship	Name of Entity	Abbreviation used
Associates - Direct	Andhra Pradesh Expressway Limited (<i>also a Fellow Subsidiary</i>)	APEL
	ITNL Toll Management Services Limited	ITMSL
	Thiruvananthapuram Road Development Company Limited	TRDCL
	Warora Chandrapur Ballarpur Toll Road Limited	WCBTRL
Associates - Indirect	Centro de Investigaciones de Curretros Andalucía S.A.	
	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 (<i>wife of Mr K Ramchand</i>)	
	Mrs Sangeeta Sapre (<i>wife of Mr Mukund Sapre</i>)	

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	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
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

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	Key Management personnel and relatives	Total
Interest Accrued and not due (Current)							
IPL	-	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
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
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
IPL	-	# 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

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	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
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	3.03
Mr Mukund Sapre-Executive Director and his relatives	-	-	-	-	-	1.50	1.50
Mrs Rita Ramchand (wife of Mr K Ramchand)	-	-	-	-	-	2.56	3.73
Mrs Sangeeta Sapre (wife of Mr Mukund Sapre)	-	-	-	-	-	1.50	1.50
	-	-	-	-	-	8.53	9.76
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

IL&FS TRANSPORTATION NETWORKS LIMITED
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.

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

Managing Director

Director

Chief Financial Officer

Company Secretary

Mumbai, May 13, 2014