

August 13, 2018

General Manager,
Listing Department,
BSE Limited,
P.J. Tower, Dalal Street,
Mumbai 400 001

Vice President,
Listing Department,
National Stock Exchange of India Limited
'Exchange Plaza', Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051

Scrip Code: 533177

Security: IL&FSTRANS EQ

Dear Sirs,


Re: Financial Results for the quarter ended June 30, 2018

We are enclosing the text of the (i) Unaudited Standalone Financial Results for the quarter ended June 30, 2018 and (ii) Extract of the Standalone Financial Results of the Company for the quarter ended June 30, 2018 alongwith the Limited Review Report issued by SRBC & Co. LLP, Statutory Auditors in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 which was approved by the Board of Directors at their meeting concluded today at 2.40 p.m. for your information and records

Thank you

Yours faithfully,

For IL&FS Transportation Networks Limited


Krishna Ghag
Vice President &
Company Secretary

Limited Review Report

Review Report to
The Board of Directors
IL&FS Transportation Networks Limited

1. We have reviewed the accompanying statement of unaudited Ind AS financial results of IL&FS Transportation Networks Limited (the 'Company') for the quarter ended June 30, 2018 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation'), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular').
2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS) 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended, read with the Circular is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of the Regulation, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.



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IL&FS Transportation Networks Limited

5. We draw attention to:

- a. Note 5 to the financial results in respect of suspension of toll of an associate company pursuant to the order of Hon'ble High Court of Allahabad and the matter is pending with Hon'ble Supreme Court of India and Arbitral Tribunal.
- b. Note 6 to the financial results regarding the existence of material uncertainty on the Company's ability to continue as going concern and management plan to raise funds through rights issue of equity shares, monetization of assets and through other strategic initiatives to meet its obligations.

Our conclusion is not modified in respect of these matters.

6. The comparative Ind AS financial information of the Company for the corresponding quarter and period ended June 30, 2017, included in these standalone Ind AS financial results, were jointly reviewed by us along with the predecessor auditor. We and the joint auditor expressed an unmodified conclusion on those financial information on August 8, 2017.

For SRBC & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003



per Ravi Bansal
Partner
Membership Number: 49365

Place of Signature: Mumbai
Date: August 13, 2018

IL&FS TRANSPORTATION NETWORKS LIMITED

Registered Office : The IL&FS Financial Centre, Plot C-22, 'G' Block, Bandra Kuria Complex, Bandra (East), Mumbai - 400 051
Telephone : +91 22 2653 3333 Fax : +91 22 2652 3979 Website : www.itnlindia.com CIN : L45203MH2000PLC129790

Statement of Standalone Financial Results for the quarter ended June 30, 2018

₹ in Crore

Particulars	Quarter ended			Year ended
	June 30, 2018 (Unaudited)	March 31, 2018 (Audited)	June 30, 2017 (Unaudited)	March 31, 2018 (Audited)
Income				
I. Revenue from operations (Refer Note 1 & 2)	806.58	1,218.41	749.18	3,536.83
II. Other income (Refer Note 3)	228.80	393.59	247.94	1,172.65
III. Total income (I+II)	1,035.38	1,612.00	997.12	4,709.48
IV. Expenses				
Cost of material consumed	0.95	5.42	2.64	12.17
Construction Costs	689.38	797.08	439.49	2,120.76
Operating expenses	56.57	68.62	47.04	213.16
Employee benefits expense	16.64	21.16	19.29	80.19
Finance costs	489.16	429.94	379.62	1,642.10
Depreciation and amortisation expense	4.86	5.73	5.67	22.33
Other expenses	63.22	144.79	68.48	286.98
Total expenses	1,320.78	1,472.74	962.23	4,377.69
V Profit/(Loss) before tax (III-IV)	(285.40)	139.26	34.89	331.79
VI Tax expense :				
Current tax	-	10.09	-	24.85
Adjustment of Tax relating to earlier periods	-	-	-	7.59
Deferred tax Charge/(Credit)	(37.39)	22.63	10.11	47.59
VII Profit/(Loss) for the period (V-VI)	(248.01)	106.54	24.78	251.76
VIII Other Comprehensive Income / (Expense)				
<u>Items that may be reclassified to Statement of Profit and Loss</u>				
Effective portion of gains and losses on designated portion of hedging instruments in a cash flow hedge	32.13	16.21	(11.31)	(4.21)
Income tax relating to items that may be reclassified to Statement of Profit and Loss	(11.23)	1.47	-	1.47
<u>Items that may not be reclassified to Statement of Profit and Loss</u>				
Actuarial loss on defined benefit plan	(0.65)	(2.60)	-	(2.60)
Income tax relating to items that may not be reclassified to Statement of Profit and Loss	0.23	0.91	-	0.91
IX Total Comprehensive Income for the period (VII+VIII)	(227.53)	122.53	13.47	247.33
X Earnings per share (of ₹ 10/- each) (* not annualised)				
Basic	*(7.54)	*3.24	*0.75	7.65
Diluted	*(7.54)	*3.24	*0.75	7.65
XI Paid-up equity share capital (face value - ₹ 10 per share)	328.96	328.96	328.96	328.96
XII Other Equity				2,747.50
See accompanying Notes 1 to 11 to the Financial Results				

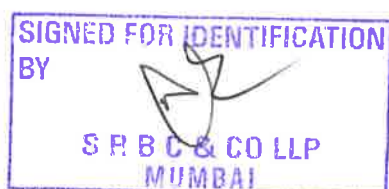
SIGNED FOR IDENTIFICATION
BY

S R B C & CO LLP
MUMBAI



Notes to the financial results

- 1 Revenue from Operations includes:
 - i. Gain of ₹ 7.20 Crore, ₹ 0.46 Crore, ₹ 147.50 Crore and ₹ 444.22 Crore for the Quarter ended June 30, 2018, March 31, 2018, June 30, 2017 and year ended March 31, 2018 respectively on sale of its investment in wholly owned subsidiary and an associate.
 - ii. Expected credit losses/(gain) on current year billing of ₹ 23.07 Crore, ₹ (22.54) Crore, ₹ 22.58 Crore and ₹ 20.93 Crore for the Quarter ended June 30, 2018, March 31, 2018, June 30, 2017 and year ended March 31, 2018 respectively.
 - iii. Also refer note no. 2 below for impact of Ind AS 115 on Revenue.
- 2 The Company has aligned its policy of revenue recognition with IND AS 115 "Revenue from Contracts with customers" which is effective from 1st April, 2018. The application of Ind AS 115 has impacted the Company's accounting of expected credit losses on contract assets and identification of performance obligation on certain transaction. As permitted under the standard, the Company has adopted modified retrospective approach' and debited the retained earnings as at 1st April, 2018 by ₹ 4.75 Crore net of tax effect. On account of application of Ind AS 115, the current quarter's revenue has reduced and loss before tax has increased by ₹ 16.35 Crore and the loss after tax has increased by ₹ 10.64 Crore.
- 3 Other income includes reversal of expected credit losses amounting to ₹ 9.44 Crore, ₹ 13.14 Crore, ₹ 43.29 Crore, ₹ 212.58 Crore, for the quarters ended June 30, 2018, March 31, 2018, June 30, 2017 and year ended March 31, 2018 respectively. Based on review and reassessment, the Company has regrouped such expected credit loss under 'Other Income' which were netted off from 'Other Expenses' till the end of quarter ended June 30, 2017. There is no impact on profit or loss for the period/year. Further, during the preceding quarter and year ended March 31, 2018, in view of InvIT plan not being pursued, the Company had reassessed the business plan for certain subsidiaries and reversed the expected credit loss (net of impairment) of ₹ 110.55 Crore recognised on its financial assets and included in Other income.
- 4 Other Comprehensive Income includes gain/(loss) of ₹ 32.13 Crore, ₹ 16.21 Crore, ₹ (11.31) Crore and ₹ (4.21) Crore for the quarters ended June 30, 2018, March 31, 2018, June 30, 2017 and year ended March 31, 2018 respectively comprising of notional gain/charge on account of mark to market provisions on fully hedged External Commercial Borrowings availed by the Company. These provisions will get reversed over the life of the respective hedge.
- 5 Pursuant to the order of the Hon'ble High Court of Allahabad, the collection of toll at an associate company was suspended since October 26, 2016 and the matter is pending with the Hon'ble Supreme Court of India and Arbitral Tribunal. Based on the provisions of the Concession agreement (relating to the Compensation and other recourses) supported by legal opinion, the Company is confident that the underlying value of the Intangible and other assets of associate are fully recoverable. Consequently the Company is of the view that it would be appropriate to carry its investment in the associate at ₹ 162.33 Crore.
- 6 Though the Company has incurred losses during the current quarter and credit ratings for some of its borrowings have been downgraded in the recent period, Management is taking various initiatives including monetisation of assets, raising of fresh capital through rights issue of equity shares (approved by Board of Directors in the meeting held on July 27, 2018 for upto ₹ 3,000 Crore), refinance of debt in matured annuity projects and other strategic initiatives to address any uncertainty relating to repayment of borrowings in next twelve months and to create sustainable cash flows. Accordingly, the financial results continue to be prepared on a going concern basis, which contemplates realization of assets and settlement of liabilities in an orderly manner.
- 7 Subsequent to the quarter ended June 30, 2018, few project subsidiaries of the Company have served notices on the respective authorities to cure material breaches/defaults by these authorities under the concession agreement and have consequently claimed damages in accordance with provisions of the contract. In the event, a satisfactory resolution is not achieved with the authorities within the stipulated time, the project subsidiaries shall have the right to proceed to terminate the contracts. The Company has investments and loans/receivables (net) aggregating to ₹ 1,350 Crore and ₹ 3,254 Crore respectively in these subsidiaries and management is confident of recovering the above investments and loans/receivables.
- 8 The Company has only single reportable primary (operating) segment viz. Surface Transportation Business.
- 9 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on August 13, 2018.
- 10 The figures for the quarters ended March 31, 2018 are balancing figures arrived at as the difference between the audited figures of the year ended March 31, 2018 and the published unaudited figures for the nine months ended December 31, 2017, which were subjected to a limited review.
- 11 The figures for the Quarter ended March 31, 2018, June 30, 2017 and Year ended March 31, 2018 have been regrouped and / or re-arranged wherever necessary to conform to the classification adopted in the current quarter ended June 30, 2018.



On behalf of the Board

K Ramchand
Managing Director

Place: Mumbai
Date: August 13, 2018

IL&FS | Transportation

IL&FS TRANSPORTATION NETWORKS LIMITED

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

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Extract of Standalone Financial Results for the quarter ended June 30, 2018


(₹ in Crore)

Particulars	Quarter ended			Year ended
	June 30, 2018 (Unaudited)	March 31, 2018 (Audited)	June 30, 2017 (Unaudited)	March 31, 2018 (Audited)
Total income from operations	806.58	1,218.41	749.18	3,536.83
Net Profit / (Loss) for the period (before Tax, Exceptional and/or Extraordinary items)	(285.40)	139.26	34.89	331.79
Net Profit / (Loss) for the period before tax (after Exceptional and/or Extraordinary items)	(285.40)	139.26	34.89	331.79
Net Profit / (Loss) for the period after tax (after Exceptional and/or Extraordinary items)	(248.01)	106.54	24.78	251.76
Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	(227.53)	122.53	13.47	247.33
Equity share capital	328.96	328.96	328.96	328.96
Reserves (excluding Revaluation Reserve) as shown in the Audited Balance Sheet of the previous year				2,747.50
Earnings Per Share (of ₹ 10/- each) (for continuing and discontinued operations) -				
1. Basic:	*(7.54)	*3.24	*0.75	7.65
2. Diluted:	*(7.54)	*3.24	*0.75	7.65
* Not annualised				

NOTE:

- The above is an extract of the detailed format of Quarterly / Annual Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of Quarterly / Annual Financial Results are available on the BSE website (www.bseindia.com), NSE website (www.nseindia.com) and on the Company's website (www.itnlindia.com)
- The above results are in compliance with Indian Accounting Standards (IND AS) notified by the Ministry of Corporate Affairs.
- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on August 13, 2018 and the same have also been subjected to a limited review by the statutory auditors of the Company.

On behalf of the Board



K Ramchand
Managing Director
 Place: Mumbai
 Date: August 13, 2018