

| Transportation

IL&FS Transportation Networks Limited

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

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CIN: L45203MH2000PLC129790

Postal Ballot

Dear Members,

Notice is hereby given that pursuant to Section 110 of the Companies Act, 2013 (the 'Act'), read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (the "Companies Rules") including any statutory modification(s) or re-enactment thereof for the time being in force, the Company is seeking consent/approval of the Members of the Company for the following proposals to be passed through Postal Ballot:

1. Increase in borrowing powers of the Company; and
2. Remuneration payable to Cost Auditors for the financial year ended March 31, 2016

The Explanatory Statement pursuant to Section 102 of the Act setting out the material facts and the reasons thereof is annexed hereto along with the Postal Ballot Form, for your consideration

The Company has, in compliance with Rule 22(5) of the Companies Rules, appointed Mr. S. Anantha Rama Subramanian, Practising Company Secretary, (FCS: 4443; CP No.:1925), Mumbai, as the Scrutinizer for conducting the Postal Ballot Process in a fair and transparent manner

Members having shares in demat form and in physical form may vote either by way of Postal Ballot or by way of remote e-voting. In case, Members wish to exercise their vote by using e-voting facility, they are required to follow the instructions in Note 4 of the accompanying notice

SPECIAL BUSINESS

1. Increase in borrowing powers of the Company

To consider and, if thought fit, to give assent or dissent to the following resolution proposed to be passed as a **Special Resolution:**

“RESOLVED THAT in supersession of the resolution dated December 23, 2015, passed by the Members of the Company and pursuant to the provisions of Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013, Foreign Exchange Management Act, 1999, including Rules and Regulations framed thereunder, (including any statutory modification thereof and circulars, notifications, clarifications, rules passed thereunder from time to time) and subject to any other approvals, if required, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any duly authorised Committee of Directors constituted or may hereinafter be constituted) to borrow by way of loans/debentures/bonds/deposits or such securities/instruments (whether secured or unsecured, rated or unrated, listed or unlisted) {either through private placement and / or through public offer} for the purpose of the business of the Company upto a limit of ₹ 16,000 Crore in place of the existing limit of ₹ 11,000 Crore either in Indian Rupees and/or in Foreign Currency from time to time from any bank(s) or any financial institution(s) and/or any other institution(s), firm(s), body/bodies corporate and/or other person(s) or from any other source in India or outside India for the purpose of working capital and other requirements of the Company notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose

RESOLVED FURTHER THAT the Board of Directors of the Company or Committee thereof be and are hereby authorized to do all such acts, deeds, as the Board may, in its absolute discretion, consider necessary, expedient or desirable including the power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interests of the Company, as it may deem fit”

2. Remuneration payable to Cost Auditors for the financial year ended March 31, 2016

To consider and, if thought fit, to give assent or dissent to the following resolution proposed to be passed as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014, (including any statutory modifications(s) / re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s. Chivilkar Solanki & Associates, Cost Accountants (Firm Registration No.: 000468), Cost Auditors appointed in place of Mr. Dattatraya Chivilkar to conduct the audit of the cost records of the Company for the financial year ended March 31, 2016, as recommended by the Audit Committee and approved by the Board of Directors of the Company, amounting to ₹ 2,00,000/- (Rupees Two Lakhs) plus service tax as applicable and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby approved”

By Order of the Board of Directors
For IL&FS Transportation Networks Limited

Krishna Ghag
Vice President &
Company Secretary
Membership No: FCS 4489

Mumbai, August 31, 2016

NOTES:

1. The Notice of the Postal Ballot is being sent to all the Members whose names appear in the Register of Members / Beneficial Owners as per the details furnished by the Depositories as on Friday, August 26, 2016
2. In accordance with Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and pursuant to the provisions of Section 108 and 110 of the Act read with the related Rules, the Company is pleased to provide remote e-voting (“e-voting”) facility to all its Members through National Securities Depository Limited (“NSDL”) to enable them to cast their votes electronically
3. Members whose e-mail addresses are registered with the Company / Depositories are being sent Notice of Postal Ballot by email and others by post / courier along with Postal Ballot Form with the self-addressed Business Reply Envelope. Members who have received Postal Ballot Notice by email and who wish to vote through physical Postal Ballot Form are requested to download the Postal Ballot Form from the link <https://www.evoting.nsdl.com> or www.itnlindia.com or seek duplicate Postal Ballot Form from **Link Intime (India) Private Limited**, Registrar & Transfer Agents, (Unit: IL&FS Transportation Networks Ltd) C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai 400 078 and the duly filled in Form should be sent to the Scrutinizer
4. Instructions for remote e-voting are as under:
 - (a) The remote e-voting period commences on Sunday, September 4, 2016 (9.00 am IST) and ends on Monday, October 3, 2016 (5.00 pm IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently
 - (b) The voting rights of Members shall be in proportion to their share in the paid-up share capital of the Company as on the cut-off date i.e. Friday, August 26, 2016
 - (c) A Member can opt for only one mode of voting i.e. either through remote e-voting or by ballot. If a Member casts votes by both modes, then the voting done through e-voting shall prevail and ballot shall be treated as invalid
 - (d) In case a Member receives an e-mail from NSDL (for Members whose email addresses are registered with the Depositories):
 - (i) Open email and open PDF file viz; “remote e-voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder –Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login

- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles
 - (vii) Select "EVEN" (Remote E-voting Event Number) of "IL&FS Transportation Networks Limited"
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to income108@yahoo.co.in with a copy marked to evoting@nsdl.co.in
- (e) In case a Member receives physical copy of the Postal Ballot Notice:
- (i) Initial password is provided as below/at the bottom of the Postal Ballot Form : **EVEN(Remote e-voting Event Number) USER-IDPASSWORD/PIN**
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote
- (f) The Scrutinizer will submit his report to the Company on or before Wednesday, October 5, 2016, after the completion of the scrutiny. The results of the Postal Ballot will be declared, subsequently, at the Registered Office of the Company and will be displayed along with the Scrutinizer's report, on the website of the Company (www.itnlindia.com) besides being communicated to the depositories and the Stock Exchanges viz., BSE and NSE, after the declaration of result by the Chairman or a person authorized by him in writing
5. In case of any queries pertaining to e-Voting, members may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads section of <https://www.evoting.nsdl.com/> or contact Mr. Rajiv Ranjan, Assistant Manager, NSDL 4th floor, 'A' Wing, Trade World, Kamala Mills Compound, Lower Parel, Mumbai – 400013; at email: rajivr@nsdl.co.in, Telephone No.: 022-2499 4738
6. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection by the Members at the Company's Registered Office on all working days (except Saturdays, Sundays and Public holidays) between 2.00 pm and 5.00 pm up to the last date of the receipt of the postal ballot

ANNEXURE TO THE NOTICE

Statement setting out the material facts pursuant to Section 102 of the Act and reasons for proposing the resolution as stated in the Notice

The following Explanatory Statement relating to the accompanying Notice sets out all material facts:

Item No. 1

On December 23, 2015, the Members had authorised the Board of Directors to borrow upto a limit of ₹ 11,000 Crore (includes the issue of Non-Convertible Debentures (NCDs) on private placement basis for an amount not exceeding ₹ 2,500 Crore within the overall borrowing limit of ₹ 11,000 Crore). The Members had also authorised the Board of Directors of the Company under Section 180(1)(a) of the Companies Act, 2013, to create and/or modify charge on the movable and/or the immovable properties of the Company against the borrowings from time to time

The borrowings of the Company as of date stand at ₹ 9,675 Crore against the limit of ₹ 11,000 Crore approved by the Members which has been deployed mainly towards investment in project companies and loans / sub-debt in project companies and working capital.

During last 18 months, the Company has been working on various initiatives to reduce its debt such as refinancing of its existing project borrowings, monetizing of its matured assets and sponsoring an Infrastructure Investment Trust to transfer specific identified assets to the Trust. The Company has also been working on elongating the maturity profile of its borrowings by contracting long tenure loans through issue of NCDs on private placement basis, External Commercial Borrowings and long term bank loans to refinance its short term borrowings. With these initiatives the Company has been able to improve the ratio of its short term borrowings to long term borrowing from 45:55 as on March 31, 2015 to 32: 68 as on August 31, 2016

Some of the recent NCDs issues by Corporates have received very good response in the market with subscription from all categories of investors indicating good appetite for quality paper in the market. The interest rate offered on these NCD

issues is also significantly lower compared to bank loans. To take advantage of this market opportunity, the Company proposes to raise funds through public issue of NCDs from time to time to the extent of ₹ 5000 Crore

The funds raised through these NCDs would be used to repay the existing short term as well as high cost borrowings of the Company. This would thus help the Company to further improve its borrowing profile as well as achieve a reduction in the overall interest cost. While the funds raised would be used to repay the existing borrowings of the Company, there could be timing mismatches in receipt of the funds and repayment of existing borrowings, thus leading to overall borrowings exceeding the existing approved limit for a temporary period of time

In view of above, as a matter of abundant caution, the Company proposes to seek Members approval for increasing the borrowing limit from ₹ 11,000 Crore to ₹ 16,000 Crore. This would provide the required flexibility to the Company to carry out the proposed NCD issuance

Prior approval of the Members of the Company is required by way of a Special Resolution, to borrow moneys in excess of paid-up capital and free reserves of the Company pursuant to Section 180 (1) (c) of the Companies Act, 2013

The Board of Directors is therefore seeking approval of the Members of the Company to borrow upto the maximum limit of ₹ 16,000 Crore, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business

Further, any amount raised by issue of non-convertible debentures not constituting a charge on the assets of the company and listed on a recognized Stock Exchange as per applicable regulations made by Securities and Exchange Board of India, shall not be treated as Deposits in terms of the Companies (Acceptance of Deposits) Amendment Rules, 2016

All the documents referred to in the accompanying notice are open for inspection by the Members at the Company's Registered Office on all working days (except Saturdays, Sundays and Public holidays) between 2.00 pm and 5.00 pm upto the last date of receipt of the postal ballot

The Board of Directors recommends passing of the Resolution set out above in the accompanying Notice as a Special Resolution

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise, in this resolution, except to the extent of their equity shareholding in the Company

Item No. 2

In terms of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the Board had appointed Mr. Dattatray D. Chivilkar, Practicing Cost Accountant to certify the records maintained by the Company for FY 2015-16 in accordance with The Companies (Cost records and audit) Rules, 2014. The Members had thereafter at the meeting held on August 9, 2016, approved the remuneration payable to him for conducting the cost auditing for financial year 2015-16. However, Mr. Dattatray D. Chivilkar passed away on August 6, 2016. In view thereof, on August 30, 2016, the Board appointed M/s. Chivilkar Solanki & Associates, Cost Accountants (Firm Registration No.: 000468) as Cost Auditors for FY 2015-16 to conduct audit of cost accounting records maintained by the Company for the financial year ended March 31, 2016 in place of Mr. Dattatray D. Chivilkar

The Board of Directors is therefore seeking approval of the Members for payment of remuneration to M/s. Chivilkar Solanki & Associates, Cost Accountants for the financial year 2015 -16, as set out in resolution under Item No.2

All documents referred to in the accompanying notice are open for inspection by the Members at the Company's Registered Office on all working days (except Saturdays, Sundays and Public holidays) between 2.00 pm and 5.00 pm up to the last date of the receipt of the postal ballot

The Board of Directors recommends the passing of the Resolution set out above of the accompanying Notice as an Ordinary Resolution

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise, in this resolution, except to the extent of their equity shareholding in the Company

By Order of the Board of Directors
For IL&FS Transportation Networks Limited

Krishna Ghag
Vice President &
Company Secretary
Membership No: FCS 4489

Mumbai, August 31, 2016