



**IL&FS TRANSPORTATION NETWORKS LIMITED**

**19<sup>th</sup>  
ANNUAL REPORT  
2018-19**

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# CONTENTS

<b>Particulars</b>	<b>Page No.</b>
<b>Corporate Information</b>	<b>1</b>
Notice	4
<b>Directors' Report</b>	<b>15</b>
Management Discussion and Analysis	105
<b>Report on Corporate Governance</b>	<b>121</b>
Independent Auditors' Report on the Standalone Financial Statements	149
<b>Standalone Balance Sheet</b>	<b>162</b>
Standalone Statement of Profit and Loss	163
<b>Statement of Changes in Equity</b>	<b>164</b>
Statement of Standalone Cash flows	166
<b>Notes to Financial Statements</b>	<b>168</b>
Statement on Impact of Audit Qualifications	272

# CORPORATE INFORMATION

## Current Board of Directors

**Mr. C. S. Rajan**  
Chairman & Nominee Director  
(effective October 25, 2018)

**Mr. Vineet Nayyar**  
Nominee Director  
(effective October 25, 2018)

**Mr. Nand Kishore**  
Nominee Director  
(effective November 15, 2018)

**Mr. Bijay Kumar**  
Nominee Director  
(effective May 21, 2019)

## Committees of the Board

### **Audit Committee**

Mr. Nand Kishore, Chairman  
Mr. Vineet Nayyar, Member  
Mr. C. S. Rajan, Member

### **Stakeholders' Relationship Committee**

Mr. Vineet Nayyar, Chairman  
Mr. Nand Kishore, Member  
Mr. C. S. Rajan, Member

### **Nomination and Remuneration Committee**

Mr. C. S. Rajan, Chairman  
Mr. Vineet Nayyar, Member  
Mr. Nand Kishore, Member

### **Corporate Social Responsibility Committee**

Mr. Vineet Nayyar, Chairman  
Mr. Nand Kishore, Member  
Mr. C. S. Rajan, Member

## Company Secretary

Krishna Ghag

## Erstwhile Board Of Directors

**Mr. Ravi Parthasarathy**  
Non-Executive Director  
(upto July 21, 2018)

**Mr. Hari Sankaran**  
Non-Executive Director  
(upto October 01, 2018)

**Mr. Arun Saha**  
Non-Executive Director  
(upto October 01, 2018)

**Mr. K Ramchand**  
Managing Director  
(upto October 29, 2018)

**Mr. Mukund Sapre**  
Executive Director  
(upto November 02, 2018)

**Ms. Neeru Singh**  
Independent Director  
(upto November 01, 2018)

**Mr. Deepak Dasgupta**  
Independent Director  
(upto March 31, 2019)

**Mr. R C Sinha**  
Independent Director  
(upto March 31, 2019)

**Mr. H P Jamdar**  
Independent Director  
(upto March 31, 2019)

## Auditors

SRBC & Co LLP  
Chartered Accountants

## Senior Management

**Mr. Dilip Bhatia**  
Chief Executive Officer

**Mr. S. C. Mittal**  
Head – Implementation

**Ms. Shaivali Parekh**  
Chief Operating Officer

**Mr. Mohit Bhasin**  
Chief Financial Officer

**Mr. Krishna Ghag**  
Vice President & Company Secretary

## Registered Office

The IL&FS Financial Centre, Plot No C22, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051.

Tel: +91 22 26533333

Fax: +91 22 26523979

Website: [www.itnindia.com](http://www.itnindia.com)

Email: [itninvestor@ilfsindia.com](mailto:itninvestor@ilfsindia.com)

CIN: L45203MH2000PLC129790

## Registrar & Share Transfer Agent

**Link Intime India Private Limited**  
C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083. Telephone No: +91 22 4918 6200 / 1800 2208 78  
Fax: +91 22 4918 6060  
Email: [rt.helpdesk@linkintime.co.in](mailto:rt.helpdesk@linkintime.co.in)

## CORPORATE INFORMATION

### **BRIEF PROFILE OF THE NEW BOARD OF DIRECTORS:**

**Mr. Vineet Nayyar** (DIN 00018243), Nominee Director of the Company, has led several organizations across various industries. In a career spanning over 50 years, Mr. Nayyar has worked with the Government of India, international multilateral agencies and in the Corporate Sector (both Public and Private). He started his career with the Indian Administrative Service and held a series of senior positions, including that of a District Magistrate, Secretary - Agriculture & Rural Development for the Government of Haryana and Director, Department of Economic Affairs, Government of India. He also worked with The World Bank for over 10 years in a series of senior assignments, including successive terms as the Chief for the Energy, Infrastructure and the Finance Divisions for East Asia and Pacific.

Mr. Nayyar was also the founding Chairman and Managing Director of the state-owned Gas Authority of India and has served as the Managing Director of HCL Corporation Ltd., and as the Vice Chairman of HCL Technologies Ltd. He was also a co-founder and Chief Executive Officer of HCL Perot Systems. Mr. Nayyar received a Master's Degree in Development Economics from Williams College, Massachusetts. Mr. Nayyar was also the Vice Chairman of Tech Mahindra Ltd and under his leadership Tech Mahindra took-over Satyam Computer Services Ltd and revived it from the brink of collapse. In addition, Mr. Nayyar is also the Chairman of Tech Mahindra Foundation and Mahindra Educational Institutions.

Mr. Nayyar was appointed as Director of Infrastructure Leasing and Financial Services Limited ("IL&FS") by the Government of India w.e.f. October 01, 2018. Presently he holds the position of Executive Vice Chairman of IL&FS w.e.f. April 03, 2019.

**Mr. Chandra Shekhar Rajan** (DIN 00126063), Chairman of the Company, is an IAS Officer of the 1978 Batch, who retired as Chief Secretary, Rajasthan, on June 30, 2016. He then served as Deputy Chairman, Chief Minister's Advisory Council till December 2018.

During his 38 years in the IAS, Mr. Rajan has served for around 14 years in various capacities in Agriculture and Rural Development, 12 years in Infrastructure sectors like Power, Roads, Industries, 5 years in Finance and 5 years in General Administration. He has co-authored a book on "Farmers Participation in Agricultural Research and Extension". Mr. Rajan has also briefly served as a Consultant with the World Bank.

Mr Rajan was appointed as Director of Infrastructure Leasing and Financial Services Limited ("IL&FS") by the Government of India w.e.f. October 3, 2018. Presently he holds the position of Managing Director, IL&FS w.e.f. April 3, 2019.

## CORPORATE INFORMATION

**Mr. Nand Kishore** (DIN 08267502), Nominee Director of the Company is a 1981 batch officer of Indian Audit and Account Service. He retired as Deputy Comptroller and Auditor General (Dy. CAG) in the rank and pay of Secretary to Government of India. As Dy. CAG he looked after audit of Defence, Railways and Communications ministries of Government of India including their departments and public sector units.

Mr. Kishore holds a Bachelor of Engineering (Electrical) degree from University of Roorkee (now IIT Roorkee) and is also a Certified Internal Auditor from The Institute of Internal Auditors, Florida, USA.

Mr. Kishore was appointed as Director of Infrastructure Leasing and Financial Services Limited (“IL&FS”) by the Government of India w.e.f. October 1, 2018. Mr. Kishore is also the Chairman of the Audit Committee of IL&FS and the Company.

**Mr. Bijay Kumar** (DIN 07262627), Nominee Director of the Company, is an IAS Officer of the 1986 Batch. Mr. Kumar retired as Additional Chief Secretary (Agriculture, ADF & Marketing), Government of Maharashtra. Mr. Kumar also worked as Principal Secretary (Finance), Government of Maharashtra.

Prior to the Member of Indian Administrative Service in the year 1986, Mr. Kumar served as a member of IPS (Punjab Cadre) 1985 batch. Mr. Kumar represented Government of India in CODEX meeting organized by USDA at Washington and led Indian delegation under Indo Israel Corporation Programme in Agriculture Sector.

Mr Kumar was appointed as Director of Infrastructure Leasing and Financial Services Limited (“IL&FS”) by the Government of India w.e.f. from December 21, 2018. Presently, he holds the position of Deputy Managing Director, IL&FS w.e.f. December 24, 2018.

## NOTICE

Notice is hereby given that the Nineteenth Annual General Meeting of IL&FS Transportation Networks Limited will be held on Tuesday, June 30, 2020 at 3.00 p.m. IST through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following business:

### **ORDINARY BUSINESS:**

- (1) To receive, consider and adopt the Audited Standalone Financial Statements for the year ended March 31, 2019 together with the Reports of the Board of Directors and the Auditors thereon

### **SPECIAL BUSINESS:**

- (2) To consider and, if thought fit, to give assent or dissent to the following resolution 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), and based on the recommendation of the Audit Committee and approval of the Board of Directors of the Company, the remuneration payable to M/s. Chivilkar Solanki & Associates, Cost Accountants, Mumbai (Firm Registration No.: 000468) appointed as Cost Auditors of the Company to conduct the cost audit of the records of the Company for FY 2019-20, amounting to ₹ 2,00,000/- (Rupees Two Lakhs only) plus taxes 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  
For IL&FS Transportation Networks Limited**

**Sd/-**  
Krishna Ghag  
Vice President &  
Company Secretary  
Membership No. F4489

Mumbai, June 4, 2020

Registered Office:  
The IL&FS Financial Centre,  
C-22, G-Block, Bandra – Kurla Complex,  
Bandra (East), Mumbai 400051

**CIN: L45203MH2000PLC129790**

**Note:**

The Company has been facing capacity issues due to loss of key employees while meeting the need for servicing information requirements and providing clarifications to multiple investigating agencies, providing information to enable the ongoing asset monetisation and restructuring activities and meeting 'going concern' requirements. Further, challenges are being faced by the respective subsidiaries in terms of valuation of underlying assets and extended timelines for finalizing and adopting audited financial statements. In view of the above, the Financial Statements of the subsidiary companies will not be available before the Annual General Meeting of the Company. Accordingly, the Company is unable to provide its Consolidated Financial Statement and salient features of the Financial Statements of the Company's subsidiaries and Joint Ventures in Form AOC- 1 as required under Section 129(3) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014. Further, an application has been filed by the holding company to the competent authority seeking an exemption for IL&FS Group including the Company from presenting its consolidated financial statement.

**Other Notes:**

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the EGM/AGM venue is not required and Annual General Meeting (AGM) be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM). Hence, Members can attend and participate in the ensuing EGM/AGM through VC/OAVM.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circular No. 14/2020 dated April 08, 2020 through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative pursuant to Section 113 of the Companies Act,2013 to attend the AGM through VC / OAVM on its behalf and cast their votes through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to [evoting@mehta-mehta.com](mailto:evoting@mehta-mehta.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
4. Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large

Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

5. Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as VC / OAVM on the date of the AGM will be provided by NSDL.
7. In compliance with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.itnlindia.com](http://www.itnlindia.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
8. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“the Act”), under Item No. 2 of the Notice is annexed hereto.
9. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company will remain closed from Wednesday June 24, 2020 to Tuesday, June 30, 2020 (both days inclusive)
10. The Register of Directors and Key Managerial Persons and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the Members at the AGM upon request from any member after due credentials check by the Company.
11. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the Members at the AGM upon request from any member after due credentials check by the Company.



12. Members are requested to immediately intimate changes, if any, in their registered addresses along with pincode number to the Company or the Registrar & Share Transfer Agents. Members holding shares in dematerialised mode are requested to intimate the same to their respective depository participants.
13. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website [www.itnlindia.com](http://www.itnlindia.com). Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to the Company in case the shares are held in physical form.
14. Members holding shares in physical form are requested to consider converting their holding to dematerialised form to eliminate risks associated with physical shares.

According to SEBI Circular, except in case of transmission or transposition of securities, request for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised form, Accordingly, the members holding shares in physical form are requested to dematerialised the shares

15. In terms of Section 125 of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (the Rules), unclaimed/unpaid dividend for FY 2010-11 and FY 2011-12 lying in the Company's bank account for a consecutive period of seven years amounting to ₹ 1,90,229/- and ₹ 1,87,900/- respectively was transferred to the Investor Education and Protection Fund (IEPF) on November 05, 2018 and December 02, 2019. Accordingly, the underlying 514 equity shares for FY 2010-11 and 3953 equity shares for FY 2011-12 were also transferred to the demat account of IEPF, the details of which are available on the weblink: [http://www.itnlindia.com/invrelation.aspx?page\\_ID=24&Sec\\_ID=5](http://www.itnlindia.com/invrelation.aspx?page_ID=24&Sec_ID=5).

Members may lodge their claim for the shares/dividend transferred to IEPF by making an application to IEPF in Form IEPF-5 as per the IEPF Rules. The said form is available on the website of IEPF viz. <http://www.iepf.gov.in/IEPFA/corporates.html>

The dividend for FY 2012-13, which has remained unpaid/unclaimed for a consecutive period of seven years is also due for transfer to IEPF Account on September 14, 2020. The underlying Equity Shares would also be transferred to the demat account of IEPF on the said date. Members who have not yet claimed the dividend are required to send request for claiming the dividend to RTA immediately. The details are available on the weblink: [http://www.itnlindia.com/pdffiles/DV/StatementofUnclaimeddividendamountconsecutivelyfor7years\\_2018.pdf](http://www.itnlindia.com/pdffiles/DV/StatementofUnclaimeddividendamountconsecutivelyfor7years_2018.pdf)

Members having queries on the subject matter and the Rules, they may contact the Company's RTA, Link Intime India Private Limited, Unit – IL&FS Transportation Networks Limited, C-101, 247 Park, L B S Marg, Vikhroli (West), Mumbai 400 083; Tel. No.: +91- 22-49186270; Fax No.: +91-22-49186060; E-Mail: [iepf.shares@linkintime.co.in](mailto:iepf.shares@linkintime.co.in)

16. Pursuant to Circular No. 14/2020 dated April 08, 2020 issued by the Ministry of Corporate Affairs, the Notice of AGM along with the Annual Report FY 2018-19 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories.
17. At the Seventeenth AGM held on August 29, 2017, the Members approved appointment of SRBC & Co. LLP, Chartered Accountants (Firm Registration No. 324982E/E30003) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the 22<sup>nd</sup> AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at this AGM.
18. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
19. Members intending to require information or clarifications on the Financial Statements or any matter to be explained at the Meeting are requested to inform the Company at least a week in advance to enable the Company to compile the information and provide replies at the Meeting
20. Instructions for e-voting and joining the AGM are as follows:

**(A) Voting through electronic means:**

- i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.
- ii. The remote e-voting period commences on Saturday, June 27, 2020 (9:00 a.m. IST) and ends on Monday, June 29, 2020 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on June 23, 2020 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
- iii. The Board of Directors has appointed Mr. Atul Mehta (Membership No. F5782) and failing him, Ms. Ashwini Inamdar (Membership No. F9409) of M/s. Mehta & Mehta,

Practicing Company Secretaries as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner.

- iv. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- v. 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. June 23, 2020.
- vi. Any person, who acquires shares of the Company and becomes a Member of the Company after sending the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
- vii. A Member will be entitled to vote only through remote e-voting.

viii. **How do I vote electronically using NSDL e Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:*

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 is mentioned below:**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user

	ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
- c) How to retrieve your ‘initial password’?
  - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
  - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:

- a) Click on “Forgot User Details/Password?”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b) Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting

- on the check box.
8. Now, you will have to click on “Login” button.
  9. After you click on the “Login” button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [evoting@mehta-mehta.com](mailto:evoting@mehta-mehta.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
4. In case of any grievances connected with facility for e-voting, please contact Ms. Pallavi Mhatre, Manager, NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013. Email: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)/[pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in), Tel: 91 22 2499 4545/ 1800-222-990

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

Physical Holding	<p>Send scanned copy of the following documents by email to Registrar and Share Transfer Agent / Company at <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a> or <a href="mailto:itninvestor@ilfsindia.com">itninvestor@ilfsindia.com</a>;</p> <p>a) Signed request letter mentioning name of Shareholder, Folio No. and complete address;</p> <p>b) Scanned copy of the share certificate (front and back) and c. Self-attested copy of PAN Card and AADHAR Card</p>
Demat Holding	<p>Please contact your Depository Participant (DP) and register your email address in your demat account, as per the process advised by your DP</p>

**THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**(B) INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed.

Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further, Members can also use the OTP based login for logging into the e-Voting system of NSDL.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (company email id). The same will be replied by the company suitably.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND RULE 15(3) OF COMPANIES (MEETINGS OF BOARD AND ITS POWERS) RULES, 2014**

**Item no. 2**

The Board of Directors on the recommendation of the Audit Committee, had approved the appointment of M/s. Chivilkar & Associates, Cost Accountants, to conduct the audit of the cost records of the Company for FY 2019-20.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor for FY 2019-20 is required to be approved by the Members of the Company. Accordingly, the Members are requested to approve the remuneration payable to the Cost Auditor for the financial year ending March 31, 2020, as set out in the said Resolution of the Notice.

The Board of Directors of the Company recommends the Resolution to be passed as an Ordinary Resolution as set out in the accompanying Notice for approval of the Members.

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

A copy of each of the documents referred to in the accompanying Explanatory Statement is available on the website of the Company at [www.itnlindia.com](http://www.itnlindia.com) upto the date of the meeting

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

**Sd/-**  
Krishna Ghag  
Vice President &  
Company Secretary  
Membership No. F4489

Mumbai, June 4, 2020

Registered Office:  
The IL&FS Financial Centre,  
C-22, G-Block, Bandra – Kurla Complex,  
Bandra (East), Mumbai 400051

**CIN: L45203MH2000PLC129790**



## DIRECTORS' REPORT

The Members  
IL&FS Transportation Networks Limited

Your Directors have pleasure in presenting the Nineteenth Annual Report alongwith the Audited Standalone Financial Statements for the year ended March 31, 2019

## FINANCIAL RESULTS

The Financial performance highlights of the Company are as under:

Particulars	For the year ended 31.03.2019 (₹ in Crore)	For the year ended 31.03.2018 (₹ in Crore)
	Standalone	Standalone
Total Income	786.24	4,709.48
Earnings before Interest, Tax, Depreciation and Amortisation and Exceptional items (EBITDA)	(931.66)	1,996.22
Exceptional items	14,340.59	-
Profit / (Loss) Before Tax	(16,568.72)	331.79
Profit / (Loss) After Tax (Attributable to owners of the Company)	(17,000.32)	251.76
Balance Brought Forward	118.92	81.79
Profit available for appropriation	(16,881.40)	333.55
<b>Appropriation:</b>		
Dividend Proposed/Paid – Equity Shares	-	-
Tax on Dividend – Equity Shares	-	-
Defined benefit plan adjustment	2.13	(1.69)
Transition impact due to Ind AS 115	(4.75)	-
Debenture Redemption Reserve	-	(212.94)
Balance carried forward	(16,884.02)	118.92

The Company's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 (as amended from time to time).

As a result of the various events during the financial year 2018-19 which are more fully discussed in the notes to the Financial Statements, there was significant uncertainty around

the recoverable amounts and valuations, and related provisions for impairment, of the various investments made and loans, trade and other receivables of the Company from its group companies.

Your Board in consultation with the operating management has performed an assessment to determine the recoverability of the carrying amounts of the investments, loans, trade and other receivables from its group companies following a detailed approach as specified in Note 1.12 of the attached Financial Statements

Your Board has followed a conservative approach by making prudent provisions to the best of its judgement with a view to ensure that the Financial Statements reflect the asset values close to the recoverable values. Accordingly, the Board has made a provision on account of credit risk and impairment of investments, resulting into loss during the year. The actual realisable values may differ from the estimates assumed.

## **DIVIDEND**

As your Company has been defaulting in servicing its debt obligations since June 30, 2018 and that a resolution process is being implemented for your Company in proceedings pending before the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") and the Hon'ble National Company Law Appellate Tribunal ("NCLAT") under Sections 241-242 of the Companies Act, 2013, your Company is unable to pay dividend to preference and equity shareholders until the satisfaction of all its dues. Considering the magnitude of loss incurred in the financial year, the Board does not recommend any dividend for the year ended March 31, 2019.

## **SHARE CAPITAL**

During the year under review, the Authorized Share Capital was increased from existing ₹ 1500 Crores comprising of Equity Share Capital of ₹ 500 Crores divided into 50,00,00,000 Equity shares of ₹ 10/- each and Preference Share Capital of ₹ 1000 Crores divided into 100,00,00,000 Preference Shares of ₹ 10 each to ₹ 2500 Crores comprising of Equity Share Capital of ₹ 2000 Crores divided into 200,00,00,000 Equity Shares of ₹ 10 each and Preference Share Capital of ₹ 500 Crores divided into 50,00,00,000 Preference Shares of Rs. 10 each by reclassifying the un-issued Authorized Preference Share Capital of the Company to the extent of ₹ 500 Crores divided into 50,00,00,000 Preference Shares of ₹ 10 each as Equity Share Capital by way of cancellation of the said Authorized Preference Share Capital and by further creation of additional capital of 117,10,39,973 Equity Shares of ₹ 10/- each.

The Company has redeemed 2,00,00,000 Cumulative Redeemable Preference Shares of ₹ 10/- each on May 31, 2018

## **GENERAL RESERVE**

During the year under review, the Company has incurred a net loss of ₹ 17,000.32 Crore. As a result, the Company has not transferred any amount to the General Reserve for the Financial Year ended March 31, 2019.

## **ISSUE OF DEBENTURES / BONDS**

During the year under review, the Company had issued Redeemable Non-Convertible Debentures each having a face value of ₹ 10,00,000 aggregating to ₹ 199,00,00,000 on a private placement basis.

As on the date, the Debentures/Bonds issued and outstanding is ₹ 4,475.70 Crore. The Company has not been servicing the same with respect to repayment of the principal amounts and interest due thereon since October 1, 2018.

## **SIGNIFICANT DEVELOPMENTS**

The financial year 2018-19 witnessed some very significant developments in the Company. The operating environment continued to be very challenging from the Company's perspective. During first half of the year, the Company made efforts to progress on construction of its under-implementation projects. However, the liquidity constraints faced by the Company and its inability to achieve financial closure in 3 of these under implementation projects due to reluctance of banks to lend to the Company and its projects and the banks' existing exposure limit, prevented the Company to make any significant progress. The Company therefore, suspended construction activity on all under-implementation projects in second quarter of the year until liquidity situation improved. The Company however continued to carry out Operations and Maintenance services on its Operational Projects.

The Company has witnessed considerable cost overruns and delays in its projects. In some cases, claims and compensation has been sought from the respective Authorities; the realization of which is subject to view points of Authorities as well as significant procedural requirements. Many projects of the Company, have not been able to generate adequate revenue to support and service all their obligations, resulting in their looking up to the Company for providing liquidity support to them. These issues coupled with lack of financial closure in 3 projects, affected the already stressed cash flows of the Company.

Efforts were made by the Company to mobilise financial resources through external as well as group sources. The erstwhile Management Board of the Group also tried to raise resources through third parties including vendors of the Company. The erstwhile management had issued certain letters of awareness to a fellow subsidiary in connection with finances raised by third parties including vendors of the Company from that fellow subsidiary. The Company and its group entities had received loans during the same period from these parties. As part of claim management process, some of the vendors have now represented that they had given financial support to the company by borrowing funds from the fellow subsidiary. The transactions are being investigated by various regulatory authorities. Appropriate disclosures have been made in financial statements in this respect

Due to its deteriorating financial condition, the Company found it very challenging to raise further resources. Consequently, the Company reported default on its bank borrowing obligations on June 30, 2018, followed by defaults in servicing NCDs on October 1, 2018. As a result, the credit rating agencies downgraded the ratings of the Company to 'D' (lowest grade).

The Company had tried to raise resource from its existing shareholders and the Board of Directors passed a resolution on July 27, 2018 to launch a Rights issue. The same however could not be achieved due to lack of investor interest

The Company embarked on divestment of its entire road portfolio in the second quarter of the year and efforts were made by erstwhile management with various institutional investors and market intermediaries to seek their interest for individual asset or on portfolio basis.

### Key Corporate Developments since October 1, 2018

However, by end of first half of the year, the overall financial situation of IL&FS Group had worsened with defaults reported by fellow subsidiaries as well as IL&FS, the parent Company. Therefore, pursuant to a report filed by the Registrar of Companies, Mumbai ("RoC") under Section 208 of the Companies Act, 2013, the Ministry of Corporate Affairs ("MCA") vide its Order dated September 30, 2018, directed that the affairs of the IL&FS and its subsidiaries including the Company be investigated by the Serious Fraud Investigation Office ("SFIO").

On October 1, 2018 Union of India ("UOI") (acting through the MCA) filed a petition with Hon'ble NCLT seeking immediate suspension of the Board of Directors of IL&FS and appointment of a new Board of Directors, amongst others, on the grounds of mismanagement and compromise in corporate governance norms and risk management by the erstwhile Board of the Company and that the affairs of the Company being conducted in a manner prejudicial to the public interest. The Hon'ble NCLT vide its Order dated October 1, 2018 allowed the UOI's petition and vide its Orders dated October 1, 2018, October 3, 2019 and December 21, 2018 appointed new Directors to the Board of IL&FS on the recommendations of UOI. Accordingly, a New Board consisting of 8 Directors was appointed at IL&FS.

Pursuant to the above developments, the New Board also initiated reconstitution of the Board of Directors of the Company as detailed below:

<b>Name</b>	<b>Status</b>
<b><u>Directors as on September 30, 2018</u></b>	
Mr. Hari Sankaran	Resigned effective October 1, 2018
Mr. Arun Saha	Resigned effective October 1, 2018
Mr. K Ramchand	Resigned effective October 29, 2018
Mr. Mukund Sapre	Resigned effective November 2, 2018
Ms. Neeru Singh	Resigned effective November 1, 2018
Ms. Deepak Dasgupta	Ceased to be director on March 31, 2019 upon expiry of their term
Mr. R C Sinha	Ceased to be director on March 31, 2019 upon expiry of their term
Mr. H P Jamdar	Ceased to be director on March 31, 2019 upon expiry of their term
<b><u>Appointment of New Directors post October 1, 2018</u></b>	
Mr. Vineet Nayyar	Appointed as director effective October 25, 2018
Mr. C. S. Rajan	Appointed as director effective October 25, 2018
Mr. Nand Kishore	Appointed as director effective November 15, 2018
Mr. Bijay Kumar	Appointed as director effective May 21, 2019

\*Mr. Ravi Parthasarathy, Director had resigned from the Board effective July 21, 2018.

The current composition of the Board of Directors is thus as follows:

- (i) Mr. Vineet Nayyar
- (ii) Mr. Chandra Shekhar Rajan
- (iii) Mr. Nand Kishore
- (iv) Mr. Bijay Kumar

The changes in constitution of Key Managerial Personnel of the Company are as given below:

Name	Status
<b><u>Key Managerial Personnel prior to September 30, 2018</u></b>	
Mr. K Ramchand	Resigned as Managing Director effective October 29, 2018
Mr. Mukund Sapre	Resigned as Executive Director effective November 2, 2018
Mr. Dilip Bhatia	Stepped down as Chief Financial Officer effective September 22, 2018
Mr. Krishna Ghag	Company Secretary
<b><u>Key Managerial Personnel post October 1, 2018</u></b>	
Mr. Dilip Bhatia	Appointed as CEO-Officiating effective November 15, 2018 and re-designated as CEO effective April 24, 2019
Ms. Shaivali Parekh	Appointed as Chief Financial Officer effective December 13, 2018 till January 31, 2020
Mr. Mohit Bhasin	Appointed as Chief Financial Officer effective February 1, 2020
Mr. Krishna Ghag	Company Secretary

Additionally, the Hon'ble NCLAT passed an Order on October 15, 2018 (the “**Interim Order**”) pursuant to which it stayed various proceedings and actions against the Company and its Group Companies including the Company (until further Orders). The Interim Order enabled value preservation of the IL&FS Group’s assets and provides time to the New Board to evaluate, prepare and implement a resolution plan for IL&FS and its group companies in an orderly manner, keeping in mind the interest of the various stakeholders.

The New Board of IL&FS has been working on the Resolution Plan of the IL&FS Group, which has multiple, complex and diverse entities under varied operating structures. At the time of its appointment, the New Board was directed by the Hon'ble NCLT to submit a roadmap for resolution of the IL&FS Group within a month and accordingly, the New Board submitted the *First Progress Report* to the MCA on October 30, 2018 (the “**First Progress Report**”) setting out the way forward for the IL&FS Group (which in turn was filed by the MCA with the Hon'ble NCLT on October 31, 2018). In the First Progress Report, the New Board, based on its initial assessment, amongst others outlined: (i) key challenges facing the IL&FS Group; and (ii) options which were and could be considered for resolution of the IL&FS Group.

Taking into account the various challenges facing the IL&FS Group, including the complexity posed by its structure, width of operating business, scale, group-wide levels of leverage, public interest, financial stability, legality, various stakeholder interests (including interests of the joint venture partners) and commercial feasibility, the New Board has put in place a resolution framework to have a timely resolution process, which

is fair and transparent and incorporates well established legal principles and seeks to address concerns of all stakeholders of the IL&FS Group. The implementation of the resolution framework is presently under way and the Company has initiated the divestment processes in relation to various group entities.

The assessment of the New Board, based on analysis of the current position of and challenges facing the IL&FS group, is that an Asset Level Resolution Approach serves the best interest of all stakeholders to achieve final resolution. Additionally, NCLAT vide its orders dated February 04, 2019 and February 11, 2019 has directed the appointment of Hon'ble Justice D K Jain (Retd Justice of the Supreme Court of India) to supervise the resolution process for the IL&FS group.

The New Board has submitted five Progress Reports from time to time to the Union of India who in turn has filed them with the NCLT.

The External Resolution Consultant has conducted a cash flow solvency test based on a '12 month look-forward' testing period ("Testing Period") based on which 150 entities (incorporated in India) of the IL&FS Group have been classified into Green, Amber and Red.

The Company has been classified as a "Red" entity indicating that it is not able to meet all obligations (financial and operational) including payment obligations to its senior secured financial creditors. Accordingly, under the resolution mechanism, the Company is permitted to make only those payments necessary to maintain and preserve a going concern status.

An order received from NCLT dated January 01, 2019 has allowed a petition by the Union of India for reopening of the books of accounts and recasting of the financial statements under Section 130 of the Companies Act for the five financial years between 2013-14 to 2017-18 of IL&FS and its Subsidiaries including the Company. Accordingly, the NCLT has appointed firms to carry out the re-opening and recasting of financial statements which is under progress. The company will make the required adjustments once the recasting process is completed.

The Company has not submitted quarterly/yearly financial statements from the quarter ended September 30, 2018 onwards. In view thereof, the stock exchanges have initiated action by transferring the equity shares of the Company to "Z" category ('BZ' series) wherein trades shall take place on 'Trade for Trade' basis and have also levied penalties. However, the Company has from time to time has submitted reasons in detail for such non-compliance to the stock exchanges and requested to not take any coercive/pecuniary actions against the Company on account of the circumstances mentioned therein and also the moratorium granted by the National Company Law Appellate Tribunal to the IL&FS Group including the Company.

## **ACQUISITION & DIVESTMENT**

During the year under review, the Company infused additional capital in following project entities:

<b>Sr. No.</b>	<b>Name of project entities</b>	<b>₹ Crore</b>
1.	Amravati Chikhli Expressway Limited	2.80
2.	Barwa Adda Expressway Limited	13.00
3.	Fagne Songadh Expressway Limited	34.50
4.	GRICL Rail Bridge Development Company Limited	1.50
5.	Jharkhand Infrastructure Implementation Company Limited	35.00
	<b>Total</b>	<b>86.80</b>

During the year under review, the Company divested its equity stakes in N.A.M. Expressway Limited at an aggregate consideration of ₹ 60.00 Crore. The details of the transaction are mentioned in Note No.4 (a) in the standalone Ind AS Financial Statements for the year ended March 31, 2019. In addition, the Company also acquired 50% equity stake in Jorabat Shillong Expressway Limited and 51% equity stake in Srinagar Sonmarg Tunnelway Limited from the JV partners at a consideration of ₹. 16.80 Crore and ₹ 5.91 Crore respectively.

#### Divestments initiated by the New Board

Pursuant to the Report on Progress and Way Forward dated October 30, 2018 (“Report”) submitted by IL&FS to the Ministry of Corporate Affairs, Government of India, which in turn was filed with the Hon’ble NCLT, a publicly solicited bid process for certain assets in the domestic roads vertical was initiated on December 18, 2018 (with public advertisements being published in the Economic Times dated December 18, 2018 and the Maharashtra Times dated December 18, 2018), and expressions of interest (“EOI”) were sought for a potential acquisition of IL&FS Group’s (including of the Company’s) equity stake(s) / interest(s) in the following assets/ businesses.

- (a) 7 operating annuity-based road projects in various parts of India;
- (b) 8 operating toll-based road projects in various parts of India;
- (c) 4 under construction road projects in various parts of India; and
- (d) 3 other assets and businesses, which includes engineering, procurement and construction business, operations and maintenance business in connection with infrastructure projects (Elsamex Maintenance Services Limited) and operation and management of a sports complex (Karyavattom Sports Facilities Limited).

In response to the above advertisement, the IL&FS Group received EOIs from 34 applicants out of which 32 applicants were considered eligible after technical evaluation as per eligibility criteria set forth in the EOIs (“Eligible Applicants”). Subsequently, the eligible applicants were, after receipt of an executed non-disclosure undertaking, provided access to a virtual data room containing required information about these projects/ assets. The request for proposal was also subsequently issued by the IL&FS Group to the Eligible Applicants, seeking binding bids in respect of these assets. The process was on-going as on March 31, 2019.

#### **MATERIAL CHANGES & COMMITMENTS AFFECTING THE FINANCIAL POSITION BETWEEN THE END OF FINANCIAL YEAR AND DATE OF REPORT**

- I. Pursuant to defaults in obligations in terms of servicing its debts, the credit rating of the Company has been downgraded to “D” rating during the year, and consequent to loss incurred during the year, the networth of the Company has been substantially eroded.

- II. The New Board as part of the resolution process, has submitted several progress reports to the NCLT. This includes framework for a resolution plan and process, steps undertaken for monetization of assets, appointment of consultants, and classification of group entities based on their abilities to meet various financial and operational obligations, measures for cost optimization and protocol for making payments beyond certain limits.

The resolution plan seeks a fair and transparent resolution for the Company while keeping in mind larger public interest, financial stability, various stakeholders' interest, compliance with legal framework and commercial feasibility. It is proposed to have a timely resolution process which in turn mitigate the fallout on the financial markets of the country and restore investor confidence in the financial markets thereby serving larger public interest. The Company being a holding company of transportation vertical of IL&FS having projects through various group entities, depends on its group entities to continue operating as a going concern. The resolution plan and processes for various verticals are under way and options of restructuring business, as well as exits are planned. The plan of the management is to sell/exit from assets at the group entity as a going concern.

The assessment of the New Board, based on analysis of the current position of and challenges facing the IL&FS group, is that an Asset Level Resolution Approach serves the best interest of all stakeholders to achieve final resolution.

III. Update on Progress made post March 31, 2019 on the resolution process:

1. Binding bids were received on August 30, 2019 (i.e. the binding bid due date) for 10 special purpose vehicles of the Company, of which for the following 5 SPVs, the sale process is currently ongoing in accordance with the Resolution Framework:
  - (a) Jharkhand Infrastructure Implementation Company Limited;
  - (b) Chenani Nashri Tunnelway Limited;
  - (c) Jorabat Shillong Expressway Limited;
  - (d) Hazaribagh Ranchi Expressway Limited and
  - (e) Pune Sholapur Road Development Company Limited
2. For the following 5 SPVs, the respective bids were significantly lower than the average 'fair market value', obtained by the New Board for the relevant SPV of the Company in the manner as contemplated in the Resolution Framework:
  - (a) Moradabad Bareilly Expressway Limited;
  - (b) Jharkhand Road Projects Implementation Company Limited;
  - (c) Baleshwar Kharagpur Expressway Limited;
  - (d) Road Infrastructure Development Company of Rajasthan Limited; and
  - (e) Sikar Bikaner Highway Limited.
3. No binding bids were received for the following 4 SPVs:
  - (a) West Gujarat Expressway Limited;
  - (b) East Hyderabad Expressway Limited;
  - (c) Thiruvananthapuram Road Development Company Limited; and
  - (d) Barwa Adda Expressway Limited.
4. No bids were also received for engineering, procurement and construction business of the Company and operations and maintenance business carried out by Elsamex



Maintenance Services Ltd.

5. For Karyavattom Sports Facilities Limited (which operates a stadium complex), binding bids have been received and are under evaluation by the New Board.
6. For the 9 SPVs (mentioned in paragraph II and III above), after careful evaluation of alternate resolution options, the New Board has given its in-principle approval to establish an infrastructure investment trust (“**InvIT**”) under the Securities and Exchange Board of India (Infrastructure and Investment Trusts) Regulation 2014. The proposal envisages establishment of an InvIT for holding the equity and other receivables from the relevant SPVs in consideration of units to be issued by the InvIT.
7. In furtherance of the same, the following steps have been undertaken:
  - (i) the Company has incorporated a wholly owned subsidiary to act as the Sponsor to the proposed InvIT; and
  - (ii) the application for registration of the InvIT has been made to the Securities and Exchange Board of India, which is under consideration.

The Company expects to complete the setup of the InvIT and transfer of the projects to the said InvIT in financial year 2021.

8. Hon’ble NCLAT vide its judgement dated March 12, 2020, has approved the revised Resolution Framework submitted by New Board along with its amendments and also directed IL&FS and the Union of India to conclude the resolution process for all IL&FS Group entities preferably within 90 days. Subsequently, *vide* its order dated March 30, 2020, the NCLAT clarified that lock down/shut down period as ordered by the Central Government and State Government will be excluded for the calculation of aforementioned 90 days.

#### 9. International Operations / Subsidiaries

The Company has initiated steps toward divestment and resolution of its direct and indirect international subsidiaries and the progress achieved in respect of key subsidiaries is as under:

- (i) Binding bid has been received in respect of 49% stake held in Chongqing Yuhe Expressway Limited, China by ITNL International Pte Ltd (IIPL), a wholly owned subsidiary of the Company and the divestment process is expected to be completed by Q2 FY 20
- (ii) In case of Dubai operations of IIPL carried out through its subsidiaries namely, ITNL International DMCC (IIDMCC) and ITNL Infrastructure Developers LLC (IIDL), the divestment process for Dubai Supreme Court Project being executed by IIDL through a SPV could not progress due to lack of interest. The Board of the Company has therefore resolved to file application for insolvency of the IIDL and IIDMCC and necessary steps are being taken in this respect
- (iii) IIPL operations in US have been closed and the Company is in the process of filing an application for dissolution

- (iv) The Board of Elsamex S.A.U., Spain, a subsidiary of I IPL, after evaluating all available options for resolution of the Company has resolved to file an application for voluntary insolvency of the Company. The process has been delayed due to declaration of State of alarm by the State in Spain. In the meanwhile, one of the creditors of Elsamex S.A.U has filed an application for mandatory insolvency of the Company. Due to non-functioning of the Courts in Spain, the application has not been considered as yet.

In view of the aforementioned, the Company has prepared its financial statements on a going concern basis based on its plans for resolution discussed above.

## **OPERATIONAL PERFORMANCE**

In view of various developments described hereinabove, construction activities at all the ongoing projects have been suspended/terminated post September 2018. The Company through its various SPVs has also initiated discussions with the respective Concession Authorities for foreclosure/ termination of incomplete / partially incomplete projects.

In order to maintain going concern status of the SPVs for which Operation and Maintenance (“O&M”) activities are carried out by the Company, it has continued to perform its obligations with respect to the said activities post September 2018 and O&M activities are carried out uninterrupted. Due to reluctance of various SPV lenders in releasing O&M payment to the Company and insistence of paying the O&M vendors directly, the Company in consultation with these lenders, with effect from January 1, 2019, novated O&M contracts with 10 SPVs in favor of Elsamex Maintenance Services Limited, a wholly owned subsidiary of the Company.

## **ENVIRONMENTAL, HEALTH & SAFETY**

The Environmental and Social Policy Framework (ESPF) adopted by the Company helps to identify and mitigate Environmental and Social concerns relating to all projects. During the year under review, Quality, Environment, Health & Safety (EHS) Management systems were implemented and monitored at all the implementation and O&M sites. Further, all sites have started maintaining records related to environment, safety and health.

For continual improvement and to ensure implementation and adherence to the Management System and Safety standards, the standardized documents related to Tool Box Talks topics and guidelines & digests related to IS standards were issued to all sites.

## **PERFORMANCE OF THE SUBSIDIARIES, JOINT VENTURES & ASSOCIATE COMPANIES**

The Company has been facing capacity issues due to loss of key employees while meeting the need for servicing information requirements and providing clarifications to multiple investigating agencies, providing information to enable the ongoing asset monetization and restructuring activities and meeting ‘going concern’ requirements. In view of the above, there was a considerable delay in preparation and presentation of Standalone Financial Statements of the Company as well as receipt of Financial Statements of the Subsidiaries and the

Company is in the process of preparing its Consolidated Financial Statement and the same would be presented separately. Accordingly the Company is unable to provide its Consolidated Financial Statement and salient features of the Financial Statements of the Company's Subsidiaries and Joint Ventures in Form AOC-1 as required under Section 129(3) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014. An application has been made to the competent authority seeking an exemption for the Company from presenting its consolidated financial statement.

## STATUTORY AUDITORS

SRBC & Co. LLP, Chartered Accountants, were appointed as the Statutory Auditors of the Company for a term of five consecutive years at the 17<sup>th</sup> Annual General Meeting held on August 29, 2017. In accordance with the Companies Amendment Act, 2017, effective May 7, 2018 by the Ministry of Corporate Affairs (MCA), the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

The Management Representation on the qualifications/ observations/ remarks of Statutory Auditor pertaining to year ended March 31, 2019 are as under:

Sr. No	Qualification	Response to Audit Qualification / observations
1(a)	Note 1.5 to the accompanying standalone Ind AS financial statements, on January 1, 2019, the Company, its Holding Company (Infrastructure Leasing & Financial Services Limited) and its fellow subsidiary (IL&FS Financial Services Limited) received orders from the National Company Law Tribunal for the reopening and recasting of their accounts in respect of financial years 2013-14 to 2017-18, under Section 130 of the Companies Act 2013. Such process of reopening and recasting of prior years' accounts is currently in progress	<p>An order received from NCLT dated January 01, 2019 has allowed a petition by the Union of India for reopening of the books of accounts and recasting of the financial statements under Section 130 of the Companies Act for the five financial years between 2013-14 to 2017-18 of IL&amp;FS and its Subsidiaries IFIN and ITNL.</p> <p>Accordingly, the NCLT has appointed firms to carry out the re-opening and recasting of financial statements which is under progress. The company will make the required adjustments once the recasting process is completed.</p>
1(b)	Note 1.6 to the accompanying standalone Ind AS financial statements, the Board of Directors of the Holding Company have initiated a third-party forensic examination of various matters for the period April 2013 to September 2018, which is currently ongoing.	<p>The New Board of IL&amp;FS (New Board), in January 2019, has initiated a forensic examination for the period from April 2013 to September 2018, in relation to certain companies of the Group, and has appointed an independent third party for performing the forensic audit and to report their findings to the to the New Board</p> <p>The Company has received one Interim report and the same was discussed in the Board meeting of the Company held on November 28, 2019. Copy of the said report has also been shared with regulatory agencies</p> <p>Pending full completion of their examination, no adjustments have been recorded in these standalone Ind AS financial statements for any consequential effects/ matters that may arise in this regard</p>
1(c)	Note 1.7 to the accompanying	The Ministry of Corporate Affairs ("MCA"),

	standalone Ind AS financial statements, there are ongoing investigations by various regulatory authorities on the Company including investigation in respect of borrowings obtained from the third parties having outstanding balance amounting to Rs. 1,183.98 Crores as at March 31, 2019 as fully described in Note 1.19 to the accompanying standalone Ind AS financial statements	Government of India, has vide its letter dated October 1, 2018 initiated investigation by SFIO against IL&FS and its group companies including ITNL under Section 212 (1) of the Companies Act, 2013. As a part of its investigation, SFIO has been seeking information from the Company on an ongoing basis. The investigation is in progress and the Company is fully cooperating with the investigating agencies. The implications if any, arising from the aforesaid developments would be known only after the aforesaid matters are concluded and hence are not determinable at this stage.
1(d)	Note 1.8 to the accompanying standalone Ind AS financial statements, management is in the process of reconciling claims received with its books of account.	Pursuant to the "Third Progress Report – Proposed Resolution Framework for the IL&FS Group" dated December 17, 2018 and the "Addendum to the Third Progress Report – Proposed Resolution Framework for IL&FS Group" dated January 15, 2019 ("Resolution Framework Report") submitted by the Company to the Ministry of Corporate Affairs, Government of India which, in turn, was filed with the Hon'ble National Company Law Appellate Tribunal ("NCLAT"), the creditors of the Company were invited (via advertisement(s) dated May 22, 2019) to submit their claims as at October 15, 2018 with proof, on or before June 05, 2019 (subsequently extended till February 05, 2020) to a Claims Management Advisor ("CMA") appointed by the IL&FS group. The amounts claimed by the financial and operational creditors are assessed for admission by the CMA.
	Consequently, the accompanying standalone Ind AS financial statements do not include any possible adjustments arising from the aforesaid matters, including to the extent these may affect prior period comparatives presented therein.	The CMA have submitted their report on the status of the claims received and its admission status (details provide in note 1.8). Management of the Company is in the process of reviewing the claims made by third parties with the CMA, and reconciliation of such claims with the corresponding amounts as per the Company's books of account in going on. Having regard to the nature, volume and value of claims received, management is of the view that due process will need to be applied to all such claims, in order to finally determine the level of present obligations that would need to be recognised by the Company as liabilities. In respect of claims filed by operational creditors, based on the ongoing review the Company has provided the reconciliation for differences amounting to Rs ₹.440.23 crore to the CMA and the revert is awaited.
2	Note 1.12 and Note 1.13 to the accompanying Ind AS financial statements which explains the uncertainties involved in determining the recoverable value considered for determining provision for impairment and expected credit loss on investments, trade and other receivables respectively (collectively referred to as "Receivable Balances") during the current year:  a) The recoverable amount is subject to finalisation of the claim management process of subsidiaries and joint ventures and their audited	As a result of the various events that have taken place during the financial year 2018-19 and subsequently up to the date of the financial statements, which are more fully described in note 1.2 to attached stand-alone financial statements, there is a significant uncertainty around the recoverability of the carrying amount of the investments, loans, trade and other receivables from the subsidiaries and other entities in the Group. The New Board has also initiated a process for divesting stakes held by the Company and other IL&FS Group entities in various subsidiaries and road projects and related businesses as described above in note 1.3 to the standalone Ind-AS financial statements.  The Board in consultation with management, has performed an assessment to determine the

<p>financial statements. Further, the distribution mechanism applied for determining recoverable amount is not in accordance with distribution mechanism approved by National Company Law Appellate Tribunal ('NCLAT') vide its order dated March 12, 2020;</p> <p>b) Recoverable amount considered in case of certain Receivable Balances is based on binding financial proposals approved by the Board of Directors and are subject to requisite approvals and acceptance of the Letter of Intent by the successful bidder;</p> <p>c) Recoverable amount for certain Receivable Balances is based on Fair Valuation, which is subject to various internal and external factors including significant assumptions, as at September 30, 2018 and does not consider any adjustment to the present value of the cash flows / working capital upto March 31, 2019;</p> <p>d) As further explained in Note 1.12, the recoverable amount for certain Receivable Balances does not consider the requirement of the relevant Ind AS standards due to non-availability of the necessary and/or complete information in respect thereof. Further, recoverable amount in respect of under construction projects is subject to finalisation / acceptance / disbursement of settlement amount by the respective authorities.</p> <p>e) As mentioned in the note 1.12 to the accompanying standalone financial statements, during the previous year, the Company had not considered latest traffic study report for impairment assessment of a project and in the current year the impairment provision has been recognised basis the said latest traffic study report. In the absence of the revised impairment assessment basis the latest traffic study report including its consequential impact on other significant assumptions, we are unable to comment on the impairment provision required in the previous year for the said project and its consequential impact accounted in the current year, if any</p>	<p>recoverability of the carrying amounts of the investments, loans, trade and other receivables from its subsidiaries and other entities. For determining the recoverable amount, the Company has made its assessment on the following basis</p> <table border="1" data-bbox="743 298 1295 1879"> <thead> <tr> <th data-bbox="743 298 868 331">Category</th> <th data-bbox="868 298 1295 331">Basis</th> </tr> </thead> <tbody> <tr> <td data-bbox="743 331 868 472">A</td> <td data-bbox="868 331 1295 472">Entities where Binding Financial bids have been received and approved by the Board, recoverable amount has been determined basis the financial bid received.</td> </tr> <tr> <td data-bbox="743 472 868 674">B</td> <td data-bbox="868 472 1295 674">Entities where Binding Financial bids were received but not accepted by the New Board, the recoverable amount has been determined basis lower of the Fair Market Values assigned by valuers' engaged by the New Board during the divestment process.</td> </tr> <tr> <td data-bbox="743 674 868 814">C</td> <td data-bbox="868 674 1295 814">Entities where no Financial bids were received, recoverable amount has been determined basis Fair market valuation obtained through an independent third-party valuer.</td> </tr> <tr> <td data-bbox="743 814 868 1276">D</td> <td data-bbox="868 814 1295 1276">Entities, where projects are under construction/ incomplete/ partially incomplete and discussions are ongoing with the Concessioning Authorities for foreclosure/ termination of the Concession Agreements, recoverable amounts have been determined basis the net compensation agreed or indicated by the respective Concessioning Authority for the said foreclosure / termination. Based on the expected timing of realisation of these claims, the present value of the claim has been considered. Further, all known counter-claims and penalties have been adjusted to the recoverable amount.</td> </tr> <tr> <td data-bbox="743 1276 868 1879">E</td> <td data-bbox="868 1276 1295 1879">           For other entities, recoverable amount has been determined on the basis of:           <ol style="list-style-type: none"> <li>Market valuation with appropriate illiquidity discount in respect of listed entities.</li> <li>Net Asset Value based on audited/management accounts of the entities.</li> <li>For others entities classified into 'Red', 'Amber' or 'Green' entities, with 100% provisions being made for exposure to Red entities, as per the policy adopted by the Parent Company.</li> <li>Estimated realisable value based on realisable value of underlying assets.</li> <li>For certain entities based on management best estimate.</li> <li>For overseas entities, realisable value considered as ₹ Nil.</li> </ol> </td> </tr> </tbody> </table>	Category	Basis	A	Entities where Binding Financial bids have been received and approved by the Board, recoverable amount has been determined basis the financial bid received.	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	<p>In view of the above uncertainties involved and absence of sufficient appropriate audit evidence to support the estimates / judgements used in determination of recoverable amount for computing the impairment / expected credit loss, we are unable to comment on the possible effects of changes, on account of aforesaid factors, on these standalone Ind AS financial statements</p>	<p>In respect of one project, the latest traffic study report (received by the SPV on April 17, 2018) was inadvertently not considered for computing projected cash flows for carrying out impairment assessment as at March 31, 2018. In view of management, if the said traffic study was used and its consequent impacts on other assumptions was considered at that time, impairment provision could not have been determined as at March 31, 2018 in the said project.</p> <p>In the current year, impairment assessment has been carried out considering the said latest traffic study report and in accordance with the approach detailed hereinabove and necessary provision made in the profit and loss account</p> <p>Based on above assessment, the Company has made an impairment provision in respect of the balance of loans, receivables, Contract assets, Other financial assets and investments from its subsidiaries and group companies aggregating to ₹ 5,682.77 crore, ₹ 2,229.59 crore, ₹ 368.51 crore, ₹ 50.44 crore and ₹ 5,971.71 crore respectively, and recorded net loss on fair value changes of Rs101.67 crore on financial assets measured at fair value through profit and loss, arising from transactions up to September 30, 2018</p> <p>In the view of the Company, the impairment provision made is prudent and represents the economic substance of the amounts recoverable</p>
3	<p>Note 1.11 of the accompanying standalone Ind AS financial statements, the Company is in the process of reconciling the completeness and status of financial guarantees, performance guarantees, letter of awareness, letter of comfort, sponsor guarantees and corporate guarantees extended by it to its group / other companies (including overseas subsidiaries) in the period prior to September 30, 2018, pending which, the Company has not recognised any resultant liabilities, if any, in the accompanying standalone Ind AS financial statements. Consequently, the accompanying standalone Ind AS financial statements do not include any possible adjustments in this regard</p>	<p>The Company has issued financial guarantees to its group companies. Management is in the process of reconciling the completeness and status of financial guarantees issued, devolved, claimed and recorded / to be recorded in the books of account, including those guarantees in respect of which claims have been received as part of the claims management process.</p>
4	<p>With respect to following transactions, we are unable to obtain sufficient and appropriate evidence about the underlying commercial substance and rationale of such transactions and consequential impact on the accompanying standalone Ind AS financial statements:</p> <p>a) Amounts paid during the year to certain related parties which are classified as loans amounting to Rs.</p>	<p>a) Loans to related parties of 7.5 Cr were provided in normal course prior to September 30, 2018. These entities have been categorised as Red entities and accordingly the exposures to these entities have been fully provided in accordance with the policy adopted by the Audit Committee of IL&amp;FS</p> <p>b) In respect of construction costs and Other direct expenses, the contracts to these parties were awarded by the erstwhile senior management of the Company. These expenses have been accounted basis duly approved work orders, invoices and related supporting</p>

	<p>7.50 Crores have been fully impaired during the year as fully described in Note 5 (c) to the accompanying standalone Ind AS financial statements.</p> <p>b) Construction cost and other direct expenses incurred/debited to statements of profit and loss during the year, verified by us on a test check basis, amounting to Rs. 52.26 Crores as fully described in Note 24.1 to the accompanying standalone Ind AS financial statements and in respect of Other expenses amounting to Rs. 3.50 crores.</p>	<p>documentation / reports. As further mentioned in Note 1.6 of the standalone Ind AS financial statements, the forensic audit firm is in the process of carrying out further examination relating to certain aspects described more specifically in note 24.1 of the attached stand-alone financial statements</p> <p>c) Other expenses include ₹3.50 crore towards Sponsorship of an event in May 2018. The expense was incurred basis approval provided by the erstwhile Managing Director of the Company</p>
5	<p>As fully described in the Note 4 (i) to the accompanying standalone Ind AS financial statements, the Company has invested Rs. 172.60 Crores in the units of Real Estate Assets Performance Fund – I, a SEBI registered Fund, measured at fair value amounting to Rs. 63.73 Crores as at March 31, 2019. We have not been provided with the commercial substance and rationale of the said investment including related expenses and the audited financial statements of the said Fund as at March 31, 2019. Hence, we are unable to comment on the fair value of the said investment and other impact on the standalone Ind AS financial statements, if any.</p>	<p>The investment was approved by erstwhile management and ratified by erstwhile Board of the Company. During the current year, in view of the developments at the Company as mentioned in note 1.2 of the attached stand-alone Financial Statements, the Company has performed an assessment of the recoverability of the carrying amounts of its investments as mentioned in note 1.12 to these stand-alone financial statements and following the rationale / basis mentioned therein, has determined fair value for its investment in units of the scheme of the Fund, based on the valuation of its underlying investments (in accordance with note 1.12 to these standalone Ind AS Financial Statements) and recognized fair valuation loss amounting to ₹ 101.67 crore (net of gain ₹ 7.20 crore) which has been disclosed in the note 29 as fair valuation loss on Investments recognised through profit and loss</p>
6	<p>As fully described in the note 1.5 to the accompanying standalone financial statements and further noted in paragraph 1 of our report stated above, the following transactions/matters will be considered by management along with the process of reopening / recasting of accounts in respect of financial years 2013-14 to 2017-18 pending which the comparative information has not been restated</p> <p>(a) Sale of equity shares of Moradabad Barely Expressway Limited (MBEL) and Gujarat Road Infrastructure Company Limited (GRICL) which had resulted in gain amounting to Rs. 126 Crores in the previous year and subsequently during the current year these investments were acquired by Real Estate Assets Performance Fund and the investment was made by the Company in units of the said Fund, as fully described in Note 4(i) to the accompanying standalone Ind AS financial statements.</p> <p>(b) Transfer of equity shares of wholly owned subsidiary Rajasthan</p>	<p>(a) During the previous year in September 2017 , the Company had sold 14.5% of equity investments in Moradabad Barely Expressway Limited (MBEL) and 10% of equity investments in Gujarat Road Infrastructure Company Limited (GRICL) for a total consideration of ₹ 164.00 crore and recognised the resulting gain amounting to ₹ 126.00 crore pursuant to a binding sale agreement between the Company and one of the large infrastructure player (the “Original Purchaser”). The valuation for both the entities was determined by an independent external valuer</p> <p>These shares were lodged irreversibly by the Company in an escrow account under the control of an independent Trustee and Escrow agent pursuant to the sale agreement. The consideration was due to be received within 180 days of the transaction and the Escrow agent was to transfer/release the shares to the Original Purchaser on receipt of the same. The Original Purchaser did not pay the consideration within the stipulated time and despite an extension granted by the Company</p> <p>Subsequently, in accordance with provisions of the said sale agreement and pursuant to a tripartite agreement entered between the Original Purchaser, the Company and a SEBI registered Fund (“New Purchaser”), in the month of May 2018 the shares were transferred in favour of the New Purchaser by the Escrow agent and</p>

<p>Land Holdings Limited (RLHL) to Pario Developers Private Limited ('Pario') (which was treated as an associate) in exchange for Preference Shares issued by Pario which had resulted in gain amounting to Rs. 147.50 Crores in the previous year as fully described in Note 4(j) to the accompanying standalone Ind AS financial statements.</p> <p>Consequently, during the year ended March 31, 2019, the Company has recorded charge on account of impairment/fair valuation of aforementioned investment in units and preference shares amounting to Rs. 223.54 crores</p>	<p>consideration was received by the Company which resulted in additional gain of ₹ 7.20 crore which is after netting of ₹ 0.34 crore paid to the Original Purchaser pursuant to the sale agreement. The Company had also invested ₹172.60 crore in the units of a scheme of the Fund (New Purchaser).</p> <p>As at March 31, 2019, the Company has fair valued its investments in units of the scheme of Fund amounting to ₹ 63.73 crore, based on the valuation of its underlying investments determined in accordance with note 1.12 and note 1.13 to these stand-alone financial statements and recognized fair valuation loss amounting to ₹101.67 crore (net of gain ₹7.20 crore) which has been disclosed in the note 29 as fair value loss on Investments recognised through Profit and Loss</p> <p>(b) The Company had entered into an arrangement with a Pune based leading developer ("Developer") for development of land parcels of Rajasthan Land Holdings Limited (RLHL) ('a subsidiary of the Company) and its subsidiaries for residential and commercial complexes (Project) through Pario Developers Private Limited ('Pario') a company owned by the Developer</p> <p>Consequently, during the previous year in June 2017, the Company transferred its 100% equity investment in Rajasthan Land Holdings Limited (RLHL) to Pario. The Developer was also to transfer shares held by it in an entity holding land parcels to Pario by December 31, 2017 as specified in the Share Purchase Agreement (SPA). The Company received consideration towards the said equity shares of RLHL in the form of Preference Shares in Pario amounting to ₹150.00 crore, which was arrived at basis the fair valuation of equity shares of RLHL as determined by an independent external valuer. The Company subsequently on July 20, 2017, took 34% stake in Pario and the balance stake was held by the Developer</p> <p>The Developer despite regular follow ups and extension to the original time limits granted by the Company till June 30, 2018, did not comply with the applicable conditions precedent as per the SPA with the Company to transfer shares of the entity holding parcels of land to Pario. Further, on March 31, 2018, the Developer transferred its holding in Pario to another party without prior written consent of the Company which was one of the condition of the Shareholders agreement of Pario. On subsequent follow up and in response to the demand by the Company in February 2019, for redemption of the Preference Shares held by it in Pario, a remedy available to it under the SPA, the developer vide letter dated March 19, 2019 cited various reasons including recession in real estate market and group restructuring among others, for non-compliance with the conditions of the SPA and suggested to unwind the agreement and liquidate Pario. Further, During the current year, one of the operational creditor of RLHL, filed CIRP application against the Company and one of its</p>
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		<p>subsidiary. The application has been accepted by Hon'ble NCLAT Jaipur in September 2019 and a Resolution Professional has been appointed to oversee the operations of Company.</p> <p>Pursuant to various developments mentioned in note 1.2 above, issues faced by the Developer and recent developments at RLHL, the proposal for residential and commercial complexes project has not progressed and the current management does not have any visibility about the said project progressing in near future. Accordingly, the Company based on assessment of recoverable amounts of underlying assets of Pario has fully impaired the investments of ₹158.37 crore in the preference shares and ₹0.33 crore in Equity shares of Pario. Also refer note 1.12 and note 5 (e)</p> <p>d) As a result of the various events that have taken place in the Company during the financial year 2018-19 and subsequently up to the date of the financial statements which are more fully described in note 1.2 to these stand-alone financial statements and particularly with respect to these transactions/ matters, the Company in the current year has performed an assessment to determine the recoverability of the carrying amounts of its investment in aforementioned Units and Preference shares following the basis mentioned in note 1.12 to these stand-alone financial statements and recognised necessary provisions for the impairment / fair valuation of these investments / units</p> <p>As mentioned in (1) above, the process of re-opening and re-casting of financial statements is currently in progress. Management is of the view that charge on account of impairment / fair valuation of these investments/ units has arisen due to subsequent actions / breaches by these counter parties as described in para (a) and (b) above and the events described in note 1.2 of these standalone Ind AS financial statements, it will however be evaluating these transactions along with various business transactions in those years for possible re-casting, if any, during the re-opening and re-casting exercise. Pending completion of the said exercise, the Company has not made any adjustments with respect to the consequential effect arising therefrom including their effect on (a) business transactions in those financial years (b) the balance sheet as at March 31, 2018 (comparative period end date) and the current year ended March 31, 2019 and (c) the statement of Profit and Loss for the years ended March 31, 2018 and March 31, 2019</p>
7	<p>Note 5 (d) to the accompanying standalone financial statements, the Company had assigned Loans given to its subsidiaries to a Bank on a Recourse basis and derecognized the said financial asset from the balance sheet amounting to Rs. 1,000 Crores which is not in accordance with IND AS 109. Accordingly, financial assets and financial liabilities included in these financial statements for the current year</p>	<p>The Company since past few years has been assigning loans given to its group companies to a Commercial Bank. During the previous year, loans given to its group companies amounting to ₹1,000.00 crore were assigned. Cash received on assignment of these loans were utilized by the Company to meet its obligations. The assignment agreement signed with the Bank contains clauses that suggest that the assignment was done on a recourse basis, however the same was not mentioned in the other transaction documents (term sheets, Letter of Awareness (LOA) issued by the</p>

	and previous year are understated by the said amount.	<p>Company). The LoA given by the Company to the bank, makes it clear that the Company was not providing any guarantee or taking liability in respect of the said loans. Further as the cash was received, these loans were derecognized in the books of account of the Company.</p> <p>The Company believes that there was never any intention to provide any recourse to itself and the same is also evident from the fact that during the current year, the said Bank has filed its claim against the respective group companies and not against the Company. Accordingly, management has not recognised financial assets and corresponding financial liabilities in these standalone Ind AS financial statements</p>
8	<p>We have not received audit evidence as follows:</p> <p>a) Reconciliation of differences with banks mentioned in Note 1.17 to the accompanying standalone Ind AS financial statements aggregating Rs 426.34 Crores, which management believes represents unauthorised adjustments made by the bank in the Company's bank account and unreconciled differences in bank reconciliation statements including direct debits by banks aggregating Rs 420.13 Crores, for which the management is not aware of its nature and the same are in the process of being reconciled by the Company (included in Note 13 to the accompanying standalone Ind AS financial statements).</p> <p>b) Reconciliation with vendors/ sub-contractors as mentioned in Note 1.8 to the accompanying standalone Ind AS financial statements.</p> <p>Accordingly, we are unable to comment on the consequential effects of the above, on the accompanying standalone Ind AS financial statements</p>	<p>The Company has done extensive follow up and will continue its efforts to get the requisite documents and confirmations from the banks. Also, the Company has written letters protesting any unilateral adjustments pending final outcome of resolution and claim management process</p> <p>The management is in the process of reconciling the said amounts / accounts, pending outcome of the said assessment, consequential impacts if any are not adjusted in the standalone Ind-AS financial statements</p>
9	<p>Note 24.1 of the accompanying standalone Ind AS financial statements, a third-party forensic audit, in respect of construction cost and other operating expenses incurred in respect of various projects is currently ongoing. Hence, we are unable to comment on any possible impact on the construction cost and other operating expenses and other consequential impact on the accompanying standalone Ind AS financial statements if any.</p>	<p>Further to note 1.6 and 24.1, the forensic auditor appointed by the New Board is in the process of carrying out further examination relating to certain aspects described in note 24.1</p> <p>Pending full completion of their examination, no adjustments have been recorded in these standalone Ind AS financial statements for any consequential effects/ matters that may arise in this regard</p>
10	<p>Note 1.18 of the accompanying standalone Ind AS financial statements as at March 31, 2019, the Company has</p>	<p>Subsequent to the balance sheet date, the Company has carried out physical verification of Property, Plant and Equipment at sites through in-house teams and made a</p>

	<p>not carried out analysis for determination of recoverable value as per Ind AS 36 'Impairment of assets' and net realisable value as per Ind AS 2 'Inventories' of its Property and plant and equipment and Inventories respectively. Further, no physical verification for inventories has been carried out. Consequently, the accompanying standalone Ind AS financial statements do not include any possible adjustments in this regard</p>	<p>provision of Rs 14.61 towards assets discarded / significantly damaged / scrapped</p> <p>The Company has also carried out verification of inventory at sites through the respective Site teams</p>
11	<p>Note 3 (c) of the accompanying standalone Ind AS financial statements as at March 31, 2019, the Company has valued its investment property as per ready reckoner rate as notified by the Maharashtra State Government and which is not in accordance with relevant Ind AS.</p>	<p>Investment property consists of 22,692 sq.ft carpet area of commercial property in Mumbai. The investment property is held under freehold interests and offered as a security given to one of the lenders of the Company. The property has been under construction from past couple of years and completion has been substantially delayed. Out of 22,692 sq.ft (carpet area), Occupation Certificate (OC) has been received for 5312 sq. ft (carpet area) only.</p> <p>The Company intends to sale the property on "as is" basis and has invited Expression of Interests for the same. Considering that substantial part of the property is yet to received OC and in view of the current depressed market conditions, the Company on a conservative basis has valued the said investment property at Ready Reckoner Rate (circle rate) setup by Maharashtra State Government. The Company basis the said valuation, has recognised impairment loss of ₹ 37.57 crore in these financial statements.</p>
12	<p>Note 1.10 to the accompanying standalone Ind AS financial statements, pending management's determination of the financial and other consequences of the litigations stated in the said note, no adjustments have been made to the accompanying standalone Ind AS financial statements in this regard.</p>	<p>As a result of events up to September 30, 2018, as more fully described in note 1.2, there have been various litigations, legal cases and suits filed against the company following the default of borrowings made by the company, as described in the note. The Company has also received notices from debenture trustees with respect to default in payment of interest to the debenture holders. Further, the Company is undergoing a resolution process (refer note 1.3) under the order of the NCLT, pending which the management is in the process of making assessments and determinations as to liabilities, provisions and contingent liabilities as per Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets or as per Ind AS 109, Financial Instruments as the case may be. Pending final outcome of such process, no adjustments have been made to the stand-alone financial statements in this regard. Also refer note 37 for contingent liability disclosures.</p>
13	<p>Note 1.9 to the accompanying standalone Ind AS financial statements, the Company is not in compliance with certain requirements / provisions of applicable laws and regulations as more fully stated in that note. Pending final determination by management of the financial and other consequences</p>	<p>As a consequence of the matter described in Note 1.2 above and various other matters discussed in this accompanying stand-alone Ind AS financial statements, the Company is not in compliance with provision of various applicable laws and regulations, including but not limited to the Companies Act 2013, SEBI Regulations as applicable to listed entities, Income Tax Act, 1961, Good and Services Tax Act, 2017, State</p>

	<p>arising from such non-compliances, no adjustments have been made to the accompanying standalone Ind AS financial statements.</p>	<p>VAT Regulations, Regulations of the Reserve Bank of India as applicable to the Company and Foreign Exchange Management Act, 1999.</p> <p>Where the management has identified any non-compliance subsequent to September 30, 2018, these have been reported or are in the process of being reported to the relevant regulator, and the Company intends to comply with the necessary requirements or further directions at the earliest.</p> <p>Management is in the process of evaluating the financial and other consequences arising from such non-compliance and of making a comprehensive assessment of other non-compliances, to determine their impact/ consequences, including financial and operational impact, of such non-compliances on the Company. Pending final determination and assessment thereof, no adjustments have been made to these Financial Statements</p>
14	<p>Note 1.14 to the accompanying standalone Ind AS financial statements, pending completion of audit of financial statements of various subsidiaries, associates and joint ventures as at and for the year ended March 31, 2019 / December 31, 2018, and/or the related completion of the inter-company balances reconciliation process, we are unable to comment on the adjustments that may be required and the consequential effects on the standalone Ind AS financial statements and disclosures of related party transactions and balances in Note 41, to the accompanying standalone Ind AS financial statements.</p>	<p>The Company and its Group entities have been facing capacity issues due to loss of key employees while meeting the need for servicing information requirements and providing clarifications to multiple investigating agencies, providing information to enable the ongoing asset monetization and restructuring activities and meeting 'going concern' requirements. Therefore, audited financial statements of several subsidiaries, associates and joint ventures of the Company for the year ended March 31, 2019, are not available. The Company is in the process of performing and completing the confirmation and reconciliation of intercompany balances with its subsidiaries, associates, joint ventures.</p>
15	<p>We have not received responses to our request for such direct balance confirmations towards borrowings of Rs.3,507 Crores, Bank balances of Rs. 61 Crores, certain Trade receivable balances aggregating to Rs. 105 Crores, certain loans and advances aggregating to Rs. 251 Crores and certain trade payables of Rs. 843 Crores and confirmation from banks / financial institutions in respect of details of securities, lien, collaterals, guarantees etc.</p>	<p>The Company has done extensive follow up and will continue its efforts to get the requisite documents and confirmations.</p> <p>Further, under the claims management process, these parties have already filed their claims and accordingly, there is indirect acknowledgement available with the Company.</p>

## **COST AUDITOR AND COST AUDIT REPORT**

Your Company is required to maintain the cost records under sub-section (1) of section 148 of the Companies Act, 2013 and accordingly all such accounts and records are duly made and maintained by the Company. Pursuant to Section 148 of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014 framed thereunder, the Board of Directors had appointed M/s. Chivilkar Solanki & Associates, Cost Accountants as Cost Auditors for FY 2018-19.

M/s. Chivilkar Solanki & Associates have conveyed their consent and confirmed their eligibility for appointment as Cost Auditors. The Board has recommended to the Members, for seeking approval to the remuneration payable to the Cost Auditors for FY 2019-20.

## SECRETARIAL AUDIT & SECRETARIAL AUDIT REPORT

M/s. Mehta & Mehta, Practicing Company Secretaries were appointed by the Board to carry out the Secretarial Audit of the Company pursuant to the provisions of Section 204 of the Companies Act, 2013 for FY 2018-19. The report of the Secretarial Auditor is set out herewith as **Annexure I** to this report.

The Management Representation on the qualifications/ observations/ remarks of Secretarial Auditor pertaining to year ended March 31, 2019 are as under:

Sl. No.	Qualifications/Observations	Responses to Qualifications/Observations
1.	The Company has paid managerial remuneration exceeding the limits specified under Section 197 of Companies Act 2013.	The Company has initiated actions for recovery of the excess remuneration
2.	Form APR (Annual Performance Report) under Foreign Exchange Management Act, 1999 has not been filed during the reporting period.	Due to non-availability of the financial statements of the overseas subsidiaries the APR could not be filed. However, subsequent thereto steps have been initiated for completion of the audits for filing of the same.
3.	Company has not complied with Regulation 33 and Regulation 47(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to filing of Financial results for the Quarter ended September 30, 2018 and December 31, 2018 as on March 31, 2019 and publication of financial results in newspapers for the Quarter ended September 30, 2018 and December 31, 2018 as on March 31, 2019. BSE & NSE vide its letter dated November 30, 2018 and March 05, 2019 has levied a fine of Rs. 5000 per day for non-compliance till the date of compliance of the said regulation, which has not yet been paid by the Company.	During the financial year 2018-19, the Company has undergone various operational constrains and challenges, like Re-constitution of the Board of the Company, Re-opening of books of accounts and re-casting of the financial statements, Investigation by Serious Fraud Investigating office (SFIO) and special audit conducted by the Grant Thornton  Thus, the Company was not in a position to submit its financial statement/results as the preparation of financial statement/results requires management to make various estimates and representation. However, the Company has from time to time submitted reasons in detail for such non-compliance to the stock exchanges and requested to not take any coercive/pecuniary actions against the Company on account of the circumstances mentioned therein and also the moratorium granted by the National

		Company Law Appellate Tribunal to the IL&FS Group including the Company.
4.	Regulation 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - with respect to filing of Financial results under Chapter V - Obligations of listed entity which has listed its Non-Convertible Debt securities or Non-Convertible Redeemable Preference shares or both. Company has not complied with the said regulation for the Quarter ended September 30, 2018 as on March 31, 2019	Same as 3 above
5.	Regulation 57(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to submission of certificate to the stock exchange within two days of the interest or principal or both becoming due that the Company has made timely payment of interests or principal obligations or both in respect of the non-convertible debt securities There are instances where the said certificates have not been submitted to the Stock Exchanges within two days of the interest becoming due.	There were delays on some instances
6.	Regulation 61 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to ensuring of timely payment of interest. The Company has not paid interest on Non-Convertible Debentures due from October 01, 2018 to March 31, 2019. The amount of Redemption for the following Non-Convertible Debentures was not paid: INE975G08017 – Tranche 1, matured on January 23, 2019 INE975G08033 – Tranche II Series II, matured on March 18, 2019.	In view of the severe liquidity crisis faced by the Company, it has not been able to service the NCD Debenture holders.
7.	Regulation 61 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Regulation 12 of SEBI (Issue of Listing of Non – Convertible and	In view of the severe liquidity crisis faced by the Company, it has not been able to service the Preference Shareholders.

	<p>Redeemable Preference Shares) Regulations, 2013, ensuring timely payment of dividend and timely redemption of non-convertible redeemable preference shares.</p> <p>Dividend on Cumulative Non – Convertible Preference Shares not paid for period April 01, 2017 to December 23, 2018</p> <p>Amount of Redemption of Cumulative Non-Convertible Redeemable Preference Shares due and payable on December 23, 2018 has not been paid</p>	
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## **EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return as on March 31, 2019 in Form MGT - 9 in accordance with Section 92(3) of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, are set out herewith as **Annexure II** to this report.

## **SIGNIFICANT AND MATERIAL ORDERS**

The summary of significant and material orders passed by the Regulators or courts or tribunals impacting the going concern status and the Company's operations in future is enclosed as **Annexure VI** to this report.

## **POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION**

The Board has adopted a Policy on appointment and remuneration of Directors which includes the criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under Sub-section (3) of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, 2015. The Policy is available on the website of the Company: [www.itnlindia.com](http://www.itnlindia.com). The remuneration paid to the Directors and Senior Management personnel is as per Managerial Remuneration Policy of the Company. Brief details of the Managerial Remuneration Policy are provided in the Corporate Governance Report

As a consequence of the losses reported for the year ended March 31, 2019, the same has resulted in the excess payment of remuneration to Mr. K Ramchand (erstwhile Managing Director) and Mr. Mukund Sapre (erstwhile Executive Director) amounting to ₹ 0.70 Crore and ₹ 0.13 Crore respectively aggregating to ₹ 0.83 Crore. The Company has initiated action for recovering the excess remuneration paid to them.

## **DECLARATION BY INDEPENDENT DIRECTORS**

All the erstwhile Independent Directors had provided the declarations that they met the criteria of independence as provided under section 149(6) of the Companies Act, 2013

## **PERFORMANCE EVALUATION OF THE BOARD, COMMITTEES AND DIRECTORS**

In accordance with the provisions of the Companies Act, 2013 and Regulation 4(2)(f) of the SEBI (LODR) Regulations, 2015, the erstwhile Board of Directors had laid down the criteria for performance evaluation of erstwhile Independent, Non-Independent & Executive Directors. The evaluation of the performance of the erstwhile individual Directors, Committees and the erstwhile Board was noted at the Meeting of the erstwhile Board of Directors of the Company held on May 25, 2018.

## **CORPORATE GOVERNANCE**

A Report on Corporate Governance is enclosed and forms part of this Report. A certificate from the Statutory Auditor on compliance with the provisions of Corporate Governance is also annexed to this Report

The details of the meetings of the Board and its Committees including its composition & terms of reference are provided in the Report on Corporate Governance which forms part of this Report

## **POLICY ON DIVIDEND DISTRIBUTION**

In accordance with Regulation 43A of the SEBI (LODR) Regulations, 2015, the Company has formulated a Dividend Distribution Policy setting out the parameters and circumstances for consideration of the Board in determining the distribution of dividend to the Shareholders. The Policy is available on the website of the Company. The same can be viewed through the link:

[http://www.itnlindia.com/application/web\\_directory/Company%20Policies/2017/Dividend%20Distribution%20Policy.pdf](http://www.itnlindia.com/application/web_directory/Company%20Policies/2017/Dividend%20Distribution%20Policy.pdf)

## **TRANSFER OF UNPAID/UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY:**

In terms of Section 125 of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (the Rules), unclaimed/unpaid dividend for FY 2010-11 and FY 2011-12 lying in the Company's bank account for a consecutive period of seven years amounting to ₹ 1,90,229/- and ₹ 1,87,900/- respectively was transferred to the Investor Education and Protection Fund (IEPF) on November 05, 2018 and December 02, 2019. Accordingly, the underlying 514 equity shares for FY 2010-11 and 3953 equity shares for FY 2011-12 were also transferred to the demat account of IEPF, the details of which are available on the weblink: [http://www.itnlindia.com/invrelation.aspx?page\\_ID=24&Sec\\_ID=5](http://www.itnlindia.com/invrelation.aspx?page_ID=24&Sec_ID=5).



The Members may lodge their claim for the shares/dividend transferred to IEPF by making an application to IEPF in Form IEPF-5 as per the IEPF Rules. The said form is available on the website of IEPF viz. <http://www.iepf.gov.in/IEPFA/corporates.html>

The dividend for FY 2012-13, which has remained unpaid/unclaimed for a consecutive period of seven years is also due for transfer to IEPF Account on September 14, 2020. The underlying Equity Shares would also be transferred to the demat account of IEPF on the said date. Members who have not claimed the dividend as yet is requested send request for claiming the dividend to RTA immediately. The details are available on the weblink:[http://www.itnlindia.com/pdf/files/DV/StatementofUnclaimeddividendamountconsecutivelyfor7years\\_2018.pdf](http://www.itnlindia.com/pdf/files/DV/StatementofUnclaimeddividendamountconsecutivelyfor7years_2018.pdf)

## **RELATED PARTY TRANSACTIONS**

The erstwhile Management had developed a Related Party Transactions Policy & Framework which was reviewed and recommended by the then Audit Committee and approved by the erstwhile Board which is uploaded on the Company's website and is available on the link: [http://www.itnlindia.com/application/web\\_directory/Company%20Policies/2019/RPT%20Policy%20\(Amended\).pdf](http://www.itnlindia.com/application/web_directory/Company%20Policies/2019/RPT%20Policy%20(Amended).pdf)

All Related Party Transactions that were entered into during the Financial Year were on an arm's length basis and were in the ordinary course of business. During the year under review, few material transactions were entered into with the Promoter as disclosed in Form AOC-2 annexed as **Annexure VII**.

It should be noted that the nature of related party transactions undertaken during the year, prior to October 1, 2018 under the erstwhile management, are under review as part of various internal and external investigations that have been initiated.

## **POLICY FOR PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE**

The Company has provided a safe and dignified work environment for its employees which are free of discrimination, intimidation and abuse. The Company has adopted a Policy for Prevention of Sexual Harassment of Women and constituted Internal Complaints Committee as per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The objective of this policy is to provide protection against sexual harassment of women at workplace and for redressal of complaints of any such harassment. No complaints with allegations of any sexual harassment were reported during the year under review

## **WHISTLE BLOWER POLICY**

In accordance with the provisions of Section 177 (10) of the Companies Act, 2013 and Regulation 22 of the SEBI (LODR) Regulations, 2015, the Company has established a vigil mechanism by adopting a Whistle Blower Policy to report concerns or grievances. The administration of the vigil mechanism is ensured through the Audit Committee

Two complaints were received via the Whistle Blower Mechanism during the year under review and have been duly addressed by the Company.

The Whistle Blower Policy adopted by the Company is available on the website of the Company. The same can be viewed through the link: [http://www.itnlindia.com/application/web\\_directory/Company%20Policies/Whistle%20Blower%20Policy.pdf](http://www.itnlindia.com/application/web_directory/Company%20Policies/Whistle%20Blower%20Policy.pdf)

## **RISK MANAGEMENT**

Your Company had a risk management framework and compliance systems including the risk management policy adopted by the erstwhile management. Given the circumstances in which the New Board was appointed on October 1, 2018, the New Board has reviewed and put in place a revised and updated risk management framework which takes into account the complexity of IL&FS Group structure and the situation with respect to operations/liquidity management. It has also implemented certain key initiatives to protect interests of the stakeholders in order to mitigate the risks being faced by the Company (and the IL&FS Group), which are as follows:

- Engagement of expert agencies to assist the New Board in the ongoing resolution of the Company and of the IL&FS Group. External Resolution Consultant, Financial and Transaction Advisors, Claims Management Advisor and Legal Advisors have been appointed.
- Constitution of an ‘Operating Committee’ to work on a day to day basis to ensure co-ordination among group companies and maintain uniformity in the decisions taken across the IL&FS Group.
- Constitution of an ‘Asset Sale Committee’ to undertake all necessary actions and take decisions in relation to the asset monetization process (being undertaken in line with the Resolution Framework Report).
- Introduction of new position, Chief Operating Officer (“COO”). The COO is responsible for oversight of day to day operations of the IL&FS Group and providing hands-on leadership for and oversight of the asset monetization efforts. The COO is part of the Operating Committee and the Asset Sale Committee.
- Institution of a group-wide payment protocol. One of the most pressing challenges which the New Board faced immediately upon taking over was the significant liquidity constraints being faced by the IL&FS Group, including the fact that (as highlighted in the First Report) there was no suitably empowered central financial control function that maintained information and accuracy at the group level. With an aim to manage liquidity, ensuring statutory compliance, preserving value and maintaining ‘going concern’ status, the New Board, based on discussions with the External Resolution Consultant instituted a payment protocol for the entire IL&FS Group (“**Payment Protocol**”). The Payment Protocol ensures that no selective payment is made to creditors which could prejudice interests of other stakeholders (i.e. the risk of being classified as a 'preferential payment'). The External Resolution Consultant has been assisting the New Board in periodically monitoring and reviewing the liquidity position of key entities in the IL&FS Group, including conducting the following key oversight functions:
  - (i) **Preparing monthly cash budget:** Preparation of a budget by the respective entity’s management based on forecast of collections from customers, prioritization of payments based on the Payment Protocol and cash available, actual cash flows in the previous period etc.;

- (ii) **Reviewing operational issues:** Discussion and mitigation of key operational issues faced by the entities, such as delay in collections from customers, stoppage of supply by specific vendors / service providers, termination of projects, lenders not permitting 'going concern' payments etc.;
- (iii) **Tracking key liquidity parameters:** Periodic collation and review of cash balances across entities, amount of cash deployed in interest bearing instruments, tracking overdue salaries / statutory liabilities etc.; and
- (iv) **Identifying avenues for cash generation/ preservation:** Identification of entities with significant cash gap and determining focus areas for the respective managements such as following up on claims/ old receivables, releasing funds lien marked by lenders, cost reduction, sale of non-core assets etc.

The External Resolution Consultant also conducted a cash flow solvency test based on a '12 month look-forward' testing period ("Testing Period") based on which 150 entities (incorporated in India) of the IL&FS Group have been classified into one of the following categories:

- (a) **"Green" entities** i.e. those entities where there is no payment default/overdues subsisting currently and cash flows to be generated by that entity in the Testing Period from its operations and available cash balances are sufficient to meet all payment obligations of that entity (both operational and financial, secured as well as unsecured) as and when such payment obligations fall due in the Testing Period. These entities also do not rely upon other IL&FS Group entities for any financial support to service its debt obligations (financial and operational);
- (b) **"Amber" entities** i.e. those entities which are not able to meet all their respective obligations (financial and operational) during the Testing Period but can only meet operational payment obligations and payment obligations to senior secured financial creditors (financial creditors whose financial debt is secured by a first charge over the assets of the relevant IL&FS Group entity) during the Testing Period <sup>[1]</sup>; and
- (c) **"Red" entities** i.e. those entities which cannot meet their respective payment obligations towards even senior secured financial creditors as and when they fall due in the Testing Period<sup>[2]</sup>.

You Company has been classified as Red Entity and is permitted to make only payments necessary to maintain and preserve the 'going concern' status.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Particulars of investments, loans and guarantees form part of Note no. 4, 5 and 38 respectively to the financial statements provided in the Annual Report

## **DEPOSITS**

Your Company has not accepted any Fixed Deposits under the Companies Act, 2013 during the year under review

<sup>1</sup> For the purposes of determining the categorization as "Amber", in addition to ability of making payment to senior secured creditors of such companies as and when they fall due, the cash flow sufficiency to meet current operational payments (post September 30, 2018) has been considered

<sup>2</sup> Where the relevant "Red" IL&FS Group entity does not have senior secured financial debt, the unsecured (operational and financial) debt of that IL&FS Group Entity has been considered, which also cannot be fully paid as and when it falls due

## **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Since the Company does not own any manufacturing facility, there is nothing to report under the Energy Conservation and Technology Absorption particulars in the Companies (Accounts) Rules, 2014

During the year under review, your Company's foreign exchange earnings and expenditure was ₹ Nil & ₹ 0.37 Crore respectively

## **PARTICULARS OF EMPLOYEES**

In terms of the provisions of Section 197(12) of the Companies Act, 2013, ("the Act") read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, particulars of the employees drawing remuneration in excess of the limits specified therein forms part of this Report as **Annexure III**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report as **Annexure IV**

## **CORPORATE SOCIAL RESPONSIBILITY**

The CSR Policy of the Company was approved by the erstwhile Board at its meeting held on May 13, 2014. The CSR Policy was effective from April 1, 2014.

Details of the CSR expenditure during the first six months of the year under review are given in **Annexure V** enclosed to the report.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

- (1) On October 01, 2018, based on a petition by Union of India ("UOI"), the erstwhile Board of Directors of Infrastructure Leasing and Financial Services Limited (IL&FS) was suspended by the Hon'ble NCLT and New Board of Directors was appointed.
- (2) The New Board of IL&FS thereafter, pursuant to the authority granted by the Hon'ble NCLT, nominated the appointment of Directors on the Board of the Company. Accordingly, at the First Board Meeting of the Company held thereafter on October 25, 2018, 2 Directors (Mr Vineet Nayyar and Mr C S Rajan) representing the New Board were appointed on the Board of the Company. Subsequent thereto, 2 more Directors (Mr Nand Kishore and Mr Bijay Kumar) were nominated by the New Board of IL&FS and inducted on the Board of the Company. Accordingly, in respect of the period prior to October 25, 2018, the Directors nominated by the New Board of IL&FS are unable to and do not confirm the compliance with the requirements of the provisions of the Companies Act 2013.
- (3) The Board of the Company has on a best effort basis and after considering the complexity of the operations, including challenges in implementing the resolution

plan, put in place a framework for preparation of financial statements, selection of accounting policies, maintenance of accounting records and prevention and detection of frauds for periods subsequent to their appointment. The Company has also faced several challenges in obtaining financial information and in being able to prepare its financial statements for the year ended March 31, 2019 in view of severe resource and other constraints. Having regard to these matters, the Company has applied judgments and estimates for several matters on applying prudence and conservatism for accounting and has tried to reflect substance over form in respect of transactions and balances in order to derive the business sense from the transactions and events and to present them in a manner that best reflects their true essence based on current estimates. These estimates may change due to subsequent events and are subject to the internal and external investigations that have been initiated.

- (4) The Company's accounts for the 5 financial years ended 2017-18 are undergoing the process of reopening and restatement, pursuant to an order of the Hon'ble NCLT. The SFIO and the IL&FS Board have also initiated their respective, independent investigations on various matters in relation to the Company, for past years and for the current financial year up to September 30, 2018. The possible outcomes of these matters and their effects are currently not determinable.
- (5) Section 134(3)(c) of the Companies Act, 2013, requires the Board of Directors to provide a statement to the Members of the Company in connection with maintenance of books, records, and preparation of Annual Accounts in conformity with accepted accounting standards and past practices followed by the Company.
- (6) Pursuant to the foregoing and to the best of the knowledge and belief of the current Board of Directors of the Company, on the basis of representations received from the operating management and after due enquiry and having regard to the matters discussed previously and subject to the various limitations due to the extenuating circumstances, it is confirmed that.
  - (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures. Such departures, which are stated in the relevant notes to the financial statements, have been done having regard to the prevailing conditions under which the Company is operating currently as more fully explained in paragraphs 1-4 above;
  - (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period, having regard to the prevailing conditions under which the Company is operating currently;
  - (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the applicable Regulations for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, from the period from which the members of the Board have been appointed. The directors have put in place controls and processes in respect of resolution processes / transactions from October 25, 2018 to March 31, 2019;

- (d) the Directors have prepared the annual accounts on a going concern basis;
- (e) the Directors have laid down internal financial controls to be followed by the Company in respect of the period from October 25, 2018 from which date the new members of the Board have been appointed and that such internal financial controls were adequate and were operating effectively as at year end, except that due to the prevailing conditions under which the Company is operating currently, and having regard to the matters stated;
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively, commencing from the period from October 25, 2018, having regard to the various matters discussed earlier that have resulted in the current status of the Company.

### **ACKNOWLEDGMENTS**

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

The Board of Directors expresses their grateful and sincere appreciation for the contribution and commitment of the employees

By the Order of the Board

**Sd/-**  
Chandra Shekhar Rajan  
Director  
(DIN: 00126063)

**Sd/-**  
Vineet Nayyar  
Director  
(DIN: 00018243)

**Sd/-**  
Nand Kishore  
Director  
(DIN: 08267502)

**Sd/-**  
Bijay Kumar  
Director  
(DIN: 07262627)

Mumbai, June 4, 2020

## ANNEXURE I

### **Form MR-3** **SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2019**

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**To,**  
**IL&FS Transportation Networks Limited**  
**The IL&FS Financial Centre, Plot no. C-22,**  
**G Block, Bandra Kurla Complex, Bandra (E)**  
**Mumbai - 400051**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **IL&FS Transportation Networks Limited** (hereinafter called “the Company”). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliance’ and expressing our opinion thereon.

Hon’ble National Company Law Tribunal (“NCLT”), Mumbai Bench, vide its order dated 01.10.2018 suspended the existing Board of Directors of Infrastructure Leasing and Financial Services Limited (“ILFS”), the holding company, with immediate effect on the grounds of mismanagement by the erstwhile Board of the Company and the affairs of Company being conducted in a manner prejudicial to the public interest and the new persons, Mr. Vineet Nayyar and Mr. C S Rajan were appointed as Directors in terms of Section 242(2)(k) of the Act, to manage the affairs of Infrastructure Leasing and Financial Services Limited. As a consequence, the nominee Directors of ILFS on the Board of the Company i.e Mr. Hari Sankaran and Mr. Arun K. Saha ceased to be Directors of the Company with immediate effect and new Directors Mr. Vineet Nayyar Mr. Nand Kishore and Mr. C S Rajan were appointed as Nominee Directors of Infrastructure Leasing and Financial Services Limited (“ILFS”) during the reporting period.

Based on our verification of the Company’s books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made and the qualification / remarks indicated hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (during the period under review not applicable to the Company);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (during the year under review not applicable to the Company);
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (during the period under review not applicable to the Company); and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 and amendment from time to time (during the period under review not applicable to the Company);



(i) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013

(vi) As represented by the management, no law is specifically applicable to the Company.

We have examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by the Institute of Company Secretaries of India. The Company is generally compliant with respect to compliances under Secretarial Standards - 1. There were few instances of non – compliances with respect to Secretarial Standard-1.
- b) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has complied with the provisions of Act, Rules, Regulations, Guidelines etc. mentioned above to the extent *applicable except the qualification/ remarks mentioned as per Annexure B of this report.*

**We further report that:**

The Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors upto 30.09.2018, thereafter pursuant to Order of National Company Law Tribunal (NCLT) dated 01.10.2018, new Directors were appointed in terms of provisions of Section 242(2) (k) of the Act and previous Board of Directors were suspended on the Board of ILFS, the holding Company. As a consequence, the changes in the composition of the Board of Directors of the Company that took place during the period under review were carried out in compliance with the provisions of the Act, except the appointment of Woman Director.

Adequate notice generally given to all Directors to schedule the Board meetings. However, there were few instances of non - compliance with respect to provisions of Secretarial Standard 1.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the Minutes.

We further report as per the representations made by the management and relied upon by us, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines to the best of its efforts in view of the extraordinary situation faced by the Company as mentioned in this report during the period under review.

As per the representations made by the management and relied upon by us. We further report that during the audit period, the specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc.,

having a major bearing on the Company's affairs are detailed in “**Annexure A**”.

**For Mehta & Mehta,  
Company Secretaries  
(ICSI Unique Code P1996MH007500)**

**SD/-**

**Atul Mehta  
Partner  
FCS No : 5782  
CP No. : 2486  
UDIN : F005782B000315344**

Place : Mumbai  
Date : June 4, 2020

**List of Specific Events / Actions having a major bearing on the  
Company's affairs**

1. The Company has redeemed 2,00,00,000 Cumulative Redeemable Preference Shares of Rs. 10 each on May 31, 2018.
2. The Company has increased its authorized share capital from existing Rs. 1500,00,00,000 comprising of Equity share capital of Rs. 500,00,00,000 divided into 50,00,00,000 Equity shares of Rs. 10/- each and Preference share capital of Rs. 1000,00,00,000 divided into 100,00,00,000 Preference shares of Rs. 10 each, to Rs. 2500,00,00,000 comprising of Equity Share Capital of Rs. 2000,00,00,000 divided into 200,00,00,000 Equity Shares of Rs. 10 each and Preference Share Capital of Rs. 500,00,00,000 divided into 50,00,00,000 Preference Shares of Rs. 10 each by reclassifying the un-issued Authorized Preference Share Capital of the Company to the extent of Rs. 500,00,00,000 divided into 50,00,00,000 Preference Shares of Rs. 10 each as Equity Share Capital by way of cancellation of the said Authorized Preference Share Capital and by further creation of additional capital of 117,10,39,973 Equity Shares of Rs. 10/- each.
3. The Company has allotted 1,000 rated, listed, unsecured, Redeemable Non-Convertible Debentures each having a face value of Rs. 10,00,000 aggregating to Rs. 100,00,00,000 on a private placement basis on April 27, 2018.
4. The Company has allotted 990 Rated, Listed, Redeemable, Non-Convertible Debentures of the face value of Rs. 10,00,000 on a private placement basis on May 25, 2018.
5. On October 1, 2018, the Government of India filed a petition with National Company Law Tribunal (NCLT) to take control of the Board of Infrastructure Leasing & Financial Services Limited (IL&FS), the holding company. Consequent to those proceedings on October 1, 2018, the NCLT had passed orders to change the IL&FS Board and appointed new nominees on the Board of IL&FS. As a consequence, the nominee Directors of ILFS on the Board of the Company i.e Mr. Hari Sankaran and Mr. Arun K. Saha ceased to be Directors of the Company with immediate effect.
6. The Ministry of Corporate Affairs (MCA), Government of India, has vide its letter dated October 1, 2018 initiated investigation by the Serious Fraud Investigation Office (SFIO) for IL&FS and its subsidiaries (including the Company) under Section 212(1) of the Companies Act, 2013. As a part of its investigation SFIO has been seeking information from the Company on an ongoing basis.
7. The Company has issued and allotted Debentures under Private Placement. The Company was unable to service its obligations from

September 2018 in respect of the Principal and Interest with respect to Non – Convertible Debentures, Dividend payment and redemption with respect to Preference Shares.

8. Pursuant to order by the National Company Law Appellate Tribunal (NCLAT) on October 15, 2018, all actions and proceedings by creditors against the Company, being a group company of ILFS, have been restricted until further orders.
9. NCLT vide its order dated 01.01.2019, permitted reopening and recasting of the accounts of the Company for the past 5 financial years, under Section 130(i)(ii) of the Companies Act 2013, by a Chartered Accountant.
10. The Serious Fraud Investigation Office, Ministry of Corporate Affairs, New Delhi has initiated investigation into the affairs of the Company under section 212 (1) of the Companies Act, 2013.
11. The Company had made an application to The Registrar of Companies, Maharashtra, Mumbai requesting for an extension of time for the purpose of holding Annual General Meeting (AGM) for the financial year ended 31.03.2019. The said application was subsequently approved by The Registrar of Companies, Maharashtra, Mumbai and the extension to hold AGM was granted for three months from the last date of holding AGM.
12. NCLT vide its order dated February 11, 2019 has classified the Company in the category of “Red Entities” i.e Domestic group entities which cannot meet their payment towards even senior secured financial creditors, as and when such payment obligations become due.

**For Mehta & Mehta,  
Company Secretaries  
(ICSI Unique Code P1996MH007500)**

**SD/-  
Atul Mehta  
Partner  
FCS No : 5782  
CP No. : 2486  
UDIN : F005782B000315344**

Place : Mumbai  
Date : June 4, 2020

Note: This report is to be read with our letter of even date which is annexed as ‘ANNEXURE C’ and forms an integral part of this report.

## Annexure B

Qualifications/remarks upon verification of documents of the company for  
the Financial Year 2018-19

Sr. No	Observations with respect to Companies Act 2013
1.	The Company has paid managerial remuneration exceeding the limits specified under Section 197 of Companies Act 2013.
2.	Form APR (Annual Performance Report) under Foreign Exchange Management Act, 1999 has not been filed during the reporting period.
<b>Company has not complied with the following SEBI Regulations</b>	
3.	Company has not complied with Regulation 33 and Regulation 47(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to filing of Financial results for the Quarter ended September 30, 2018 and December 31, 2018 as on March 31, 2019 and publication of financial results in newspapers for the Quarter ended September 30, 2018 and December 31, 2018 as on March 31, 2019. BSE & NSE vide its letter dated November 30, 2018 and March 05, 2019 has levied a fine of Rs. 5000 per day for non-compliance till the date of compliance of the said regulation, which has not yet been paid by the Company.
4.	Regulation 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - with respect to filing of Financial results under Chapter V - Obligations of listed entity which has listed its Non-Convertible Debt securities or Non-Convertible Redeemable Preference shares or both. Company has not complied with the said regulation for the Quarter ended September 30, 2018 as on March 31, 2019
5.	Regulation 57(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to submission of certificate to the stock exchange within two days of the interest or principal or both becoming due that the Company has made timely payment of interests or principal obligations or both in respect of the non-convertible debt securities There are instances where the said certificates have not been submitted to the Stock Exchanges within two days of the interest becoming due.
6.	Regulation 61 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to ensuring of timely payment of interest. The Company has not paid interest on Non-Convertible Debentures due from October 01, 2018 to March 31, 2019. The amount of Redemption for the following Non-Convertible Debentures was not paid: INE975G08017 – Tranche 1, matured on January 23, 2019 INE975G08033 – Tranche II Series II, matured on March 18, 2019.
7.	Regulation 61 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Regulation 12 of SEBI (Issue of Listing of Non – Convertible and Redeemable Preference Shares) Regulations, 2013, ensuring timely payment of dividend and timely redemption of non-convertible redeemable preference shares. Dividend on Cumulative Non – Convertible Preference Shares not paid for period April 01, 2017 to December 23, 2018

	Amount of Redemption of Cumulative Non-Convertible Redeemable Preference Shares due and payable on December 23, 2018 has not been paid
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**To,  
IL&FS Transportation Networks Limited  
The IL&FS Financial Centre, Plot no. C-22,  
G Block, Bandra Kurla Complex, Bandra (E)  
Mumbai - 400051**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Mehta & Mehta,  
Company Secretaries  
(ICSI Unique Code P1996MH007500)**

**SD/-  
Atul Mehta  
Partner  
FCS No : 5782  
CP No. : 2486  
UDIN : F005782B000315344  
Place : Mumbai  
Date : June 4, 2020**

## ANNEXURE II

### Form No. MGT-9

#### EXTRACT OF ANNUAL RETURN as on the financial year ended on March 31, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. Registration and other details:

Sr. No.	Particulars	
1.	CIN	L45203MH2000PLC129790
2.	Registration Date	November 29, 2000
3.	Name of the Company	IL&FS Transportation Networks Limited
4.	Category / Sub-Category of the Company	Public Company
5.	Address of the Registered office and contact details	The IL&FS Financial Centre, Plot no. C -22, G – Block, Bandra – Kurla Complex, Bandra (East), Mumbai 400 051
6.	Whether listed company Yes / No	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Ltd C 101, 247 Park, L B S Marg, Vikhroli (West), MUMBAI – 400 083 Phone: +91 22 49186000 Fax: +91 22 49186060



## II. Principal business activities of the company:

Business activities contributing 10 % or more of the total turnover of the Company are:-

Sr. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Development, Implementation, Construction Management, Operation & Management of Toll Roads And Advisory Services Relating To Road Sector Projects in India	42101	29.59% (O&M and Overlay Revenue)

## III. Particulars of holding, subsidiary and associate companies including Jointly Controlled Entities:

Sr No.	Name and address of The company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section of the Companies Act, 2013
<b>Holding Company</b>					
1.	Infrastructure Leasing & Financial Services Ltd The IL&FS Financial Centre, Plot No. C-22, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400051	U65990MH1987PLC044571	Holding	71.92	2(46)
<b>Subsidiary / Associate Companies / Joint Venture</b>					
1.	Amravati Chikhli Expressway Limited	U45201MH2015PLC267727	Subsidiary	100.00	2(87)
2.	Baleshwar Kharagpur Expressway Limited	U45400MH2012PLC228590	Subsidiary	100.00	2(87)
3.	Barwa Adda Expressway Limited	U45400MH2013PLC242336	Subsidiary	100.00	2(87)

4.	Chenani Nashri Tunnelway Limited	U45400MH2010PLC203614	Subsidiary	100.00	2(87)
5.	East Hyderabad Expressway Limited	U45203MH2007PLC172133	Subsidiary	74.00	2(87)
6.	Fagne Songadh Expressway Limited	U45201MH2015PLC267730	Subsidiary	100.00	2(87)
7.	Hazaribagh Ranchi Expressway Limited	U45203MH2009PLC191070	Subsidiary	99.99	2(87)
8.	Karyavattom Sports Facilities Limited	U70102MH2011PLC223656	Subsidiary	100.00	2(87)
9.	Kiratpur Ner Chowk Expressway Limited	U45203MH2012PLC226792	Subsidiary	100.00	2(87)
10.	Khed Sinnar Expressway Limited	U45209MH2013PLC242133	Subsidiary	100.00	2(87)
11.	Moradabad Bareilly Expressway Limited	U45208MH2010PLC198737	Subsidiary	85.50	2(87)
12.	MP Border Checkpost Development Company Limited	U45203MH2010PLC209046	Subsidiary	74.00	2(87)
13.	Pune Sholapur Road Development Company Limited	U45203MH2009PLC195154	Subsidiary	90.91	2(87)
14.	Scheme of ITNL Road Investment Trust	NA	Subsidiary	100.00	2(87)
15.	Sikar Bikaner Highway Limited	U45203MH2012PLC229612	Subsidiary	100.00	2(87)
16.	West Gujarat Expressway Limited	U60200MH2005PLC151958	Subsidiary	73.99	2(87)
17.	Grusamar India Limited	U45400MH2012FLC236837	Subsidiary	100.00	2(87)
18.	North Karnataka Expressway Limited	U45203MH2001PLC163992	Subsidiary	87.00	2(87)
19.	Vansh Nimay Infraprojects	U45201MH2006PLC166149	Subsidiary	90.00	2(87)

	Limited				
20.	ITNL Road Infrastructure Development Company Limited	U45400MH2007PLC175415	Subsidiary	100.00	2(87)
21.	Charminar RoboPark Limited	U45400MH2011PLC220224	Subsidiary	74.00	2(87)
22.	Srinagar Sonamarg Tunnelway Limited	U45400MH2013PLC241828	Subsidiary	99.99	2(6)
23.	Jorabat Shillong Expressway Limited	U45203MH2010PLC204456	Subsidiary	100.00	2(6)
24.	Elsamex India Private Limited	U74140MH1999PTC289580	Subsidiary	99.15	2(87)
25.	Elsamex Maintenance Services Limited	U45201MH2013FLC285659	Subsidiary	100.00	2(87)
26.	Yala Construction Co Private Limited	U45201MH2000PTC289581	Subsidiary	96.03	2(87)
27.	ITNL IECCL JV	NA	Subsidiary	51.00	2(87)
28.	Badarpur Tollway Operations Management Limited Toll Plaza, Mayur Vihar Link Road, Delhi – 110092	U45203DL2010PLC210680	Subsidiary	100.00	2(87)
29.	Futureage Infrastructure India Limited 3rd Floor, A-1, Crescent Krishna Metropolis. Rukminipuri, A S Rao Nagar, Hyderabad – 500062 Telangana	U45200TG2006PLC049721	Subsidiary	58.48	2(87)
30.	IL&FS Rail Limited 2 <sup>nd</sup> Floor, Ambience Corporate Towers,	U63040HR2008PLC039089	Subsidiary	83.24	2(87)

	Ambience Island, National Highway # 8 Gurgaon – 122001				
31.	Jharkhand Road Projects Implementation Company Limited 443 A, Road No. 5, Ashok Nagar, Ranchi – 834002	U45200JH2009PLC013693	Subsidiary	93.43	2(87)
32.	Jharkhand Infrastructure Implementation Co Limited 2nd Floor, 443/A, Road No. 5, Ashok Nagar Ranchi JH 834001 IN	U45201JH2015PLC003025	Subsidiary	100.00	2(87)
33.	GRICL Rail Bridge Development Company Limited Unit-1, 25th Floor, GIFT One Tower, Block-56, Road 5C, Zone-5, GIFT City, Gandhinagar-382355	U45203GJ2014PLC078880	Subsidiary	100.00	2(87)
34.	Ranchi Muri Road Development Limited 443/A, Road No. 5, Ashok Nagar, Ranchi Ranchi JH 834002	U45309JH2017PLC010398	Subsidiary	100.00	2(87)
35.	Rapid MetroRail Gurgaon Limited 2nd Floor, Ambience Corporate Towers, Ambience Island, National Highway#8, Gurgaon – 122001	U60200HR2009PLC039116	Subsidiary	52.42	2(87)

36.	ATENEA SEGURIDAD Y MEDIO AMBIENTE, S.A.U. Calle San Severo n°18 Madrid, Spain-28042	NA	Subsidiary	100.00	2(87)
37.	Elsamex, S.A. San Severo n°18 Madrid, Spain-28042	NA	Subsidiary	100.00	2(87)
38.	ITNL International Pte. Ltd. 8 Marina Boulevard 05-2 Marina Bay Financial Centre Tower 1 Singapore-018981	NA	Subsidiary	100.00	2(87)
39.	ITNL Offshore Pte. Ltd. 8 Marina Boulevard 05-2 Marina Bay Financial Centre Tower 1 Singapore-018981	NA	Subsidiary	100.00	2(87)
40.	ITNL Offshore Two Pte. Ltd 8 Marina Boulevard 05-2 Marina Bay Financial Centre Tower 1 Singapore-018981	NA	Subsidiary	100.00	2(87)
41.	ITNL Offshore Three Pte. Ltd 8 Marina Boulevard 05- 2 Marina Bay Financial Centre Tower 1 Singapore- 018981	NA	Subsidiary	100.00	2(87)
42.	I IPL LAOS Pte. Ltd. 8 Marina Boulevard 05-2 Marina Bay Financial Centre Tower 1 Singapore-018981	NA	Subsidiary	100.00	2(87)
43.	Alcantarilla Fotovoltaica, S.L. San Severo n°18 Madrid, Spain-28042	NA	Subsidiary	100.00	2(87)

44.	Area De Servicio Coiros S.L.U. San Severo nº18 Madrid, Spain-28042	NA	Subsidiary	100.00	2(87)
45.	Area De Servicio Punta Umbria, S.L.U San Severo nº18 Madrid, Spain-28042	NA	Subsidiary	100.00	2(87)
46.	Beasolarta S. L., Spain San Severo nº18 Madrid, Spain-28042	NA	Subsidiary	100.00	2(87)
47.	CISEM-INTEVIA, S.A San Severo nº18 Madrid, Spain-28042	NA	Subsidiary	100.00	2(87)
48.	Conservacion De Infraestructuras De Mexico S.A. De C.V Avda. Prolongación Tecnológico nº950B CO. San Pablo, Queretaro, Mexico- 76130	NA	Subsidiary	100.00	2(87)
49.	Control 7, S.A. Poligono Malpica Santa Isabel, calle E parcela 59-61, nave 9. Zaragoza, Spain-50057	NA	Subsidiary	100.00	2(87)
50.	Elsamex Construção E Manutenção LTDA Rua Gonçalves Maia nº207, Soledade Recife PE, CEP 50.070.060, Pernambuco, Brazil	NA	Subsidiary	99.99	2(87)

51.	Elsamex Internacional, S.L, Sociedad Unipersonal San Severo nº18 Madrid, Spain-28042	NA	Subsidiary	100.00	2(87)
52.	Elsamex Portugal S.A. Praça de Alvalade, nº 7 - 8º Dtº1700 - 036 LISBOA	NA	Subsidiary	70.00	2(87)
53.	ELSAMEX COLOMBIA SAS Carrera 7480-49 Centro de Negocios el Nogal Oficina 901 Bogotá	NA	Subsidiary	100.00	2(87)
54.	ESM Mantenimiento Integral de SA de CV Avda. Prolongación Tecnologico nº950B CO. San Pablo, Queretaro, Mexico- 76130	NA	Subsidiary	100.00	2(87)
55.	Grusamar Albania SHPK Rr.Hik Kolli nº26/2 Tirana, Albania	NA	Subsidiary	51.00	2(87)
56.	GRUSAMAR INGENIERIA CONSULTING COLOMBIA SAS Carrera 7#80-49 Centro de Negocios el Nogal Oficina 901 Bogotá	NA	Subsidiary	100.00	2(87)
57.	Grusamar Ingenieria Y Consulting, SL Sociedad Unipersonal San Severo nº18 Madrid, Spain-28042	NA	Subsidiary	100.00	2(87)

58.	Inteval Gestao Integral Rodoviaria, S.A. Avenida do Brasil nº43, 5 direito, Lisboa, Portugal-1700-062	NA	Subsidiary	100.00	2(87)
59.	ITNL International DMCC – Dubai 608-609, Jumeraih Business Centre, Cluster G, Jumeraih Lake Towers, P O Box no. 309018, Dubai, UAE	NA	Subsidiary	100.00	2(87)
60.	ITNL Africa Projects Limited 4th floor, Bank of Industry Bldg, Central Business District, Abuja	NA	Subsidiary	100.00	2(87)
61.	ITNL Elsamex JVCA, BURE San Severo nº18 Madrid, Spain-28042	NA	Subsidiary	100.00	2(87)
62.	ITNL Elsamex JVCA, Botswana San Severo nº18 Madrid, Spain-28042	NA	Subsidiary	100.00	2(87)
63.	ITNL Elsamex JVCA, NEKEMTE San Severo nº18 Madrid, Spain-28042	NA	Subsidiary	100.00	2(87)
64.	ITNL KMB JV No-1, A.E.Koil Street, New Washermanpet, Cross Road (Opp Periyar Park), Chennai-81	NA	Subsidiary	70.00	2(87)



65.	IIPL USA LLC Duke Street, Suite 200, Alexandria, Virginia, 22314, USA	NA	Subsidiary	100.00	2(87)
66.	Mantenimiento y Conservacion de Vialidades S.A. de C.V, Avda. Prolongación Tecnologico n°950B CO. San Pablo, Queretaro, Mexico- 76130	NA	Subsidiary	64.00	2(87)
67.	Senalizacion Viales e Imagen S.U. Poligono Industrial la variante. La Grajera n°2, Ladero, la Rioja-26140	NA	Subsidiary	100.00	2(87)
68.	Grusamar Engenharia & Consultoria Brasil LTDA Rua Gonçalves Maia n° 207, Soledade Recife P.E CEP 50.070.060, Pernambuco, Brazil	NA	Subsidiary	99.99	2(87)
69.	Elsamex Vietnam Joint Stock Company 8001, 8 <sup>th</sup> Floor, No. 2, Ngo Quyen, Ly Thai To word, Hoan Kim, District Hanoi, Vietnam	NA	Subsidiary	65.00	2(87)
70.	ITNL Infrastructure Developer LLC## <i>The Company is subsidiary of ITNL International Pte Ltd</i>	NA	Subsidiary (through Board control)	49.00	2(87)

	<i>through Board Control</i> Unit No. 1001, Boulevard Plaza, Tower No. 2, P O Box 413818, Dubai, UAE				
71.	Park Line LLC Unit No. 1001, Boulevard Plaza, Tower No. 2, P O Box 413818, Dubai, UAE	NA	Associate	24.99	2(87)
72.	*Chhattisgarh Highway Development Company Limited House No. 705, Sector 2, Avanti Vihar, Telibandha Raipur CT 492006	U45203CT2007PLC020220	Subsidiary	-	2(87)
73.	Rapid MetroRail Gurgaon South Limited 2nd Floor, Ambience Corporate Towers, Ambience Island, National Highway#8, Gurgaon – 122001	U35990HR2012PLC046882	Associate	35.00	2(87)
74.	Thiruvananthapuram Road Development Company Limited	U45203MH2004PLC144789	Associate	50.00	2(6)
75.	Chongqing YuHe Expressway Company Limited No. 66, Yinshan Road, Yubei District, Chongqing, China- 401120	NA	Joint Venture	49.00	2(6)
76.	*Road Infrastructure Development Company of	U45203RJ2004PLC019850	Joint Venture	-	-

	Rajasthan Limited (RIDCOR) LIC New Investment Building 1st Floor, Hall No- 2 Near Ambedkar Circle Bhawani Singh Road Jaipur RJ 302005 IN				
77.	*RIDCOR Infra Projects Limited (Subsidiary of RIDCOR) LIC New Investment Building 1st Floor, Hall No- 2 Near Ambedkar Circle Bhawani Singh Road Jaipur RJ 302005 IN	U45201RJ2013PLC042008	Joint Venture	-	-
78.	*Jharkhand Accelerated Road Development Company Limited 443/A, Road No. 5 Ashok Nagar Ranchi Ranchi JH 834002 IN	U45203JH2008PLC013085	Joint Venture	-	-
79.	Noida Toll Bridge Company Limited 2nd Floor, Niryat Bhawan, Rao Tula Ram Marg Opp. Army Hospital Research & Referral, New Delhi Delhi New Delhi DL 110057 IN	L45101DL1996PLC315772	Joint Venture (Associate)	26.37	2(6)

80.	Geotecnia y Control de Qualitat SA c/Berguedá nº 15, bloque B, nave 11, Polígono Industrial Can Bernadés-Subirá, 08130 Santa Perpetua de la Mogoda (Barcelona)	NA	Joint Venture (Associates)	50.00	2(6)
81.	Vias Y Construcciones Viacon S.R.L Avenida 27 de Febrero nº 272 Edificio J.P., la Julia. Santo Domingo, Distrito Nacional Republica Dominicana	NA	Joint Venture (Associates)	50.00	2(6)
82.	Consortio de Obras Civiles, Conciviles SRL Avenida 27 de Febrero nº 272 Edificio J.P., la Julia. Santo Domingo, Distrito Nacional Republica Dominicana	NA	Joint Venture (Associates)	34.00	2(6)
83.	Pario Developers Private Limited Flat 2, Gangadhar Chambers, H No 314, Narayan Peth, Off Laxmi Road Pune Mh 411030	U45200PN2013PTC147449	Associate	33.00	2(6)
84.	ITNL Toll Management Services Limited (subsidiary of NTBCL) The Toll Plaza, DND Flyway, Noida, Gautam	U45203UP2007PLC033529	Associate	49.00	2(6)

	Buddha Nagar, UP – 201301 IN				
85.	Warora Chandrapur Ballarpur Toll Road Limited 116A, 11th Floor, Maker Chamber VI, 220, Nariman Point, Mumbai – 400021	U45203MH2009PLC196776	Associate	35.00	2(6)
86.	CGI 8 SA Polígono de San Cipria de Viñas de Orense Calle número 6, parcela 33 – 32901 Orense, Spain	NA	Associate	49.00	2(6)
87.	Sociedad concesionaria Autovia A-4 Madrid S.A C/ Autovía A4, Kilometro 47, 500, Aranjuez Madrid (28300)	NA	Associate	48.75	2(6)
88.	Ramky Elsamex Hyderabad Ring Road Ltd Ramky Grandiose, 15th Floor, Sy No 136/2 & 4, Gachibowli, Hyderabad TG 500032	U45203TG2007PLC054825	Associate	26.00	2(6)
89.	Elsamex Roads and Infrastructure WLL Doha, Qatar	NA	Associate	44.00	2(6)
90.	Elsamex Road Technology Co. Ltd Block C,1/F Eldex Industrial Building, 21 Ma Tau Wai	NA	Associate	23.44	2(6)

	Road, Hung Hom, Kowloon, Hong Kong				
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\* Entities as per Ind AS

**Note:** (i) Effective holding as given in financial statements

(ii) The Registered Address of the Companies Listed at Sr. No. 1 to 26, and 74 is The IL&FS Financial Center, Plot No. C-22,  
G- Block, Bandra- Kurla Complex, Bandra (East), Mumbai 400051

#### IV. Share holding pattern (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>A. Promoters</b>										
(1) Indian	-	-	-	-	-	-	-	-	-	-
a) Individual/HUF	-	-	-	-	-	-	-	-	-	-
b) Central Govt.or State Govt.	-	-	-	-	-	-	-	-	-	-
c)Bodies Corporates	24,08,49,000	-	24,08,49,000	73.22	24,08,49,000	-	24,08,49,000	73.22	-	-
d) Bank/FI										
e) Any other (PAC)	-	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL:(A) (1)</b>	<b>24,08,49,000</b>	<b>-</b>	<b>24,08,49,000</b>	<b>73.22</b>	<b>24,08,49,000</b>	<b>-</b>	<b>24,08,49,000</b>	<b>73.22</b>	<b>-</b>	<b>-</b>
<b>(2) Foreign</b>										
a) NRI- Individuals	-	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>24,08,49,000</b>	<b>-</b>	<b>24,08,49,000</b>	<b>73.22</b>	<b>24,08,49,000</b>	<b>-</b>	<b>24,08,49,000</b>	<b>73.22</b>	<b>-</b>	<b>-</b>
<b>B. PUBLIC SHAREHOLDING</b>										
<b>(1) Institutions</b>										
a) Mutual Funds	-	-	-	-	-	-	-	-	-	-
b) Banks/FI	22,05,397	-	22,05,397	0.67	18,86,169	-	18,86,169	0.57	(0.1)	Decrease
C) Central govt	-	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-	-
i) Foreign Portfolio Investor (Corporate)	1,57,38,246	-	1,57,38,246	4.78	1,55,93,744	-	1,55,93,744	4.74	(0.04)	Decrease
<b>SUB TOTAL (B)(1):</b>	<b>1,79,43,643</b>	<b>-</b>	<b>1,79,43,643</b>	<b>5.45</b>	<b>1,74,79,913</b>	<b>-</b>	<b>1,74,79,913</b>	<b>5.31</b>	<b>(0.14)</b>	<b>Decrease</b>
<b>(2) Non</b>										



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>Institutions</b>										
a) Bodies corporates	82,47,570	-	82,47,570	2.51	90,50,301	-	90,50,301	2.75	0.24	Increase
i) Indian	-	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakhs	2,05,82,657	6,052	2,05,88,709	6.26	2,76,31,405	5,720	2,76,37,125	8.40	2.14	Increase
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakhs	2,06,19,481	-	2,06,19,481	6.27	2,27,79,754	-	2,27,79,754	6.92	0.65	Increase
c) Others (specify)	-	-	-	-	-	-	-	-	-	-
NBFCs registered with RBI	-	-	-	-	37,325	-	37,325	0.01	0.01	Increase
Clearing Member	13,79,369	-	13,79,369	0.42	23,43,825	-	23,43,825	0.71	0.29	Increase
Foreign Company	1,07,11,561	-	1,07,11,561	3.26	-	-	-	-	(3.26)	Decrease
Non Resident Indians (Repat)	21,89,763	-	21,89,763	0.67	17,05,653	-	17,05,653	0.52	(0.15)	Decrease
Non Resident	8,25,438	-	8,25,438	0.25	9,80,006	-	9,80,006	0.30	0.05	Increase

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
Indians (Non Repat)										
Hindu Undivided Family	21,98,004	-	21,98,004	0.67	26,89,636	-	26,89,636	0.82	0.15	Increase
Trusts	34,06,975	-	34,06,975	1.04	34,06,975	-	34,06,975	1.04	-	-
IEPF	514	-	514	0.00	514	-	514	0.00	-	-
Any Other	-	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL:(B) (2)</b>	<b>7,01,61,332</b>	<b>6,052</b>	<b>7,01,67,384</b>	<b>21.33</b>	<b>7,06,25,394</b>	<b>5,720</b>	<b>7,06,31,114</b>	<b>21.47</b>	<b>0.14</b>	<b>Increase</b>
<b>Total Public Shareholding (B) = (B) (1) + (B) (2)</b>	8,81,04,975	6,052	8,81,11,027	26.78	8,81,05,307	5,720	8,81,11,027	26.78	-	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>										
<b>Grand Total (A+B+C)</b>	32,89,53,975	6,052	32,89,60,027	100.000	32,89,54,307	5,720	32,89,60,027	100.000	-	-

ii) Shareholding of Promoters:

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares held	% of total Shares of the Company	% of Shares Pledged / Encumbered to total shares	No. of Shares held	% of total Shares of the Company	% of Shares Pledged / Encumbered to total shares	
1	Infrastructure Leasing & Financial Services Ltd	23,65,82,632	71.92	100.00	23,65,82,632	71.92	100.00	-
2	IL&FS Financial Services Limited	42,66,368	1.30	0.00	42,66,368	1.30	0.00	-
	<b>Total</b>	<b>24,08,49,000</b>	<b>73.22</b>	<b>98.23</b>	<b>24,08,49,000</b>	<b>73.22</b>	<b>98.23</b>	-

iii) **Change in Promoters' Shareholding ( please specify, if there is no change) - There was no change in Promoters' Shareholding:**

Sl. No.	Name of Shareholders	Shareholding		Date	Increase / (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (01-04-18 to 31-03-19)	
		No. of shares at the beginning of the year/ end of the year (31-03-18)	% of total shares of the company				No. of shares	% of total shares of the company
1	Infrastructure Leasing & Financial Services Ltd	23,65,82,632	71.92				23,65,82,632	71.92
	At the End of the year						23,65,82,632	71.92
2	IL&FS Financial Services Limited	42,66,368	1.30				42,66,368	1.30
	At the End of the year						42,66,368	1.30

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year			Cumulative Shareholding at the end of the year - 2019	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	INCREASE/DECREASE IN SHAREHOLDING	REASON	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	Government Pension Fund Global	88,00,000	2.68				88,00,000	2.68
				05/10/2018	(9,00,000)	Transfer	79,00,000	2.40
				25/01/2019	8,00,000	Transfer	87,00,000	2.64
	At The End Of The Year						87,00,000	2.64
2	Vibhav Ramprakash Kapoor	34,06,784	1.04				34,06,784	1.04
	At The End Of The Year						34,06,784	1.04
3	Suashish Diamonds Limited	0	0.00				0	0.00
				22/03/2019	18,17,511	Transfer	18,17,511	0.55
	At The End Of The Year						18,17,511	0.55
4	Danske Invest Sicav - SIF - Emerging And Frontier Markets Smid II	16,67,600	0.51				16,67,600	0.51
				05/10/2018	(30,000)	Transfer	16,37,600	0.49
	At The End Of The Year						16,37,600	0.51

5	Keval Share Broking P. Ltd.	0	0.00				0	0.00
				08/03/2019	26,000	Transfer	26,000	0.01
				29/03/2019	9,81,473	Transfer	10,07,473	0.31
	At The End Of The Year						10,07,473	0.31
6	Morgan Stanley France S.A.	85,683	0.03				85,683	0.03
				06/04/2018	36,000	Transfer	1,21,683	0.04
				13/04/2018	(35,930)	Transfer	85,753	0.03
				27/04/2018	44,443	Transfer	1,30,196	0.04
				11/05/2018	8,011	Transfer	1,38,207	0.04
				18/05/2018	44,000	Transfer	1,82,207	0.06
				25/05/2018	20,000	Transfer	2,02,207	0.06
				15/06/2018	4,653	Transfer	2,06,860	0.06
				22/06/2018	1,764	Transfer	2,08,624	0.06
				06/07/2018	781	Transfer	2,09,405	0.06
				20/07/2018	43,000	Transfer	2,52,405	0.08
				27/04/2018	20,000	Transfer	2,72,405	0.08
				03/08/2018	79,660	Transfer	3,52,065	0.11
				17/08/2018	50,000	Transfer	4,02,065	0.12
				24/08/2018	30,000	Transfer	4,32,065	0.13
				31/08/2018	36,000	Transfer	4,68,065	0.14
				07/09/2018	23,223	Transfer	4,91,288	0.15
				14/09/2018	(80,987)	Transfer	4,10,301	0.12
				21/09/2018	46,823	Transfer	4,57,124	0.14
				29/09/2018	84,531	Transfer	5,41,655	0.16
				05/10/2018	(2,19,000)	Transfer	3,22,655	0.09
				12/10/2018	2,08,668	Transfer	5,31,323	0.16
				19/10/2018	6,384	Transfer	5,37,707	0.16
				26/10/2018	1,37,497	Transfer	6,75,204	0.21
				09/11/2018	(354)	Transfer	6,74,850	0.21

			16/11/2018	(1,169)	Transfer	6,73,681	0.20
			30/11/2018	1,29,591	Transfer	8,03,272	0.24
			07/12/2018	1,99,830	Transfer	10,03,102	0.30
			21/12/2018	(175)	Transfer	10,02,927	0.30
			28/12/2018	(51)	Transfer	10,02,876	0.30
			15/03/2019	(2,742)	Transfer	10,00,134	0.30
			22/03/2019	(46,112)	Transfer	9,54,022	0.29
	At The End Of The Year					9,54,022	0.29
7	Danske Invest Sicav-SIF- Emerging And Frontier Markets SMID	8,40,298	0.26			8,40,298	0.26
			13/04/2018	55,437	Transfer	8,95,735	0.27
			20/04/2018	19,000	Transfer	9,14,735	0.28
			05/10/2018	(15,454)	Transfer	8,99,281	0.27
	At The End Of The Year					8,99,281	0.27
8	Life Insurance Corporation of India	8,42,884	0.26			8,42,884	0.26
	At The End Of The Year					8,42,884	0.26
9	Angel Broking Limited	3,33,339	0.10			3,33,339	0.10
			06/04/2018	(10,740)	Transfer	3,22,599	0.10
			13/04/2018	3,573	Transfer	3,26,172	0.10
			20/04/2018	9,330	Transfer	3,35,502	0.10
			27/04/2018	(34,740)	Transfer	3,00,762	0.09
			04/05/2018	(21,457)	Transfer	2,79,305	0.08
			11/05/2018	5,336	Transfer	2,84,641	0.09
			18/05/2018	2,503	Transfer	2,87,144	0.09

			25/05/2018	(15,604)	Transfer	2,71,540	0.08
			01/06/2018	(835)	Transfer	2,70,705	0.08
			08/06/2018	9,774	Transfer	2,80,479	0.09
			15/06/2018	2,546	Transfer	2,83,025	0.09
			22/06/2018	(13,018)	Transfer	2,70,007	0.08
			30/06/2018	34,439	Transfer	3,04,446	0.09
			06/07/2018	(29,081)	Transfer	2,75,365	0.08
			13/07/2018	17,674	Transfer	2,93,039	0.09
			20/07/2018	(2,534)	Transfer	2,90,505	0.09
			27/07/2018	19,452	Transfer	3,09,957	0.09
			03/08/2018	12,520	Transfer	3,22,477	0.10
			10/08/2018	(7,285)	Transfer	3,15,192	0.10
			17/08/2018	(3,015)	Transfer	3,12,177	0.09
			24/08/2018	16,320	Transfer	3,28,497	0.10
			31/08/2018	15,693	Transfer	3,44,190	0.10
			07/09/2018	(38,876)	Transfer	3,05,314	0.09
			14/09/2018	46,253	Transfer	3,51,567	0.11
			21/09/2018	60,111	Transfer	4,11,678	0.13
			29/09/2018	47,313	Transfer	4,58,991	0.14
			05/10/2018	(23,746)	Transfer	4,35,245	0.13
			12/10/2018	8,972	Transfer	4,44,217	0.14
			19/10/2018	3,396	Transfer	4,47,613	0.14
			26/10/2018	(13,248)	Transfer	4,34,365	0.13
			02/11/2018	(18,764)	Transfer	4,15,601	0.13
			09/11/2018	37,774	Transfer	4,53,375	0.14
			16/11/2018	(18,217)	Transfer	4,35,158	0.13
			23/11/2018	(51,440)	Transfer	3,83,718	0.12
			30/11/2018	(9,821)	Transfer	3,73,897	0.11
			07/12/2018	50,428	Transfer	4,24,325	0.13
			14/12/2018	86,988	Transfer	5,11,313	0.16
			21/12/2018	46,109	Transfer	5,57,422	0.17
			28/12/2018	85,495	Transfer	6,42,917	0.20



				31/12/2018	59,423	Transfer	7,02,340	0.21
				04/01/2019	43,612	Transfer	7,45,952	0.23
				11/01/2019	31,369	Transfer	7,77,321	0.24
				18/01/2019	86,777	Transfer	8,64,098	0.26
				25/01/2019	1,12,188	Transfer	9,76,286	0.30
				01/02/2019	94,275	Transfer	10,70,561	0.33
				08/02/2019	52,763	Transfer	11,23,324	0.34
				15/02/2019	(1,12,889)	Transfer	10,10,435	0.31
				22/02/2019	9,685	Transfer	10,20,120	0.31
				01/03/2019	1,01,224	Transfer	11,21,344	0.34
				08/03/2019	(80,661)	Transfer	10,40,683	0.32
				15/03/2019	(45,401)	Transfer	9,95,282	0.30
				22/03/2019	(1,83,761)	Transfer	8,11,521	0.25
				29/03/2019	22,063	Transfer	8,33,584	0.25
				30/03/2019	(3)	Transfer	8,33,581	0.25
	At The End Of The Year						8,33,581	0.25
10	Emerging Markets Core Equity Portfolio (The Portfolio) of DFA Investment Dimensions Group Inc. (DFAIDG)	9,00,087	0.27				9,00,087	0.27
				18/05/2018	23,641	Transfer	9,23,728	0.28
				08/03/2019	(1,16,558)	Transfer	8,07,170	0.25
				15/03/2019	(26,400)	Transfer	7,80,770	0.24
	At The End Of The Year						7,80,770	0.24
11	Wular India Fund	2,50,000	0.08				2,50,000	0.08
				06/04/2018	9,838	Transfer	2,59,838	0.08
				13/04/2018	39,311	Transfer	2,99,149	0.09

			20/04/2018	40,000	Transfer	3,39,149	0.10
			04/05/2018	1,08,200	Transfer	4,47,349	0.14
			11/05/2018	18,647	Transfer	4,65,996	0.14
			15/06/2018	39,863	Transfer	5,05,859	0.15
			05/10/2018	(10,000)	Transfer	4,95,859	0.15
			15/03/2019	2,50,000	Transfer	7,45,859	0.23
	At The End Of The Year					7,45,859	0.23
12	The New India Assurance Company Limited	6,12,929	0.19			6,12,929	0.19
	At The End Of The Year					6,12,929	0.19

v) **Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Name of Shareholders & type of Transaction	Shareholding		Date	Increase / (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (01-04-18 to 31-03-19)	
		No. of shares at the beginning the year / end of the year (31-03-18)	% of total shares of the company				No. of shares	% of total shares of the company
1	Hari Sankaran Non-Executive Director (upto October 01, 2018)	6,37,916	0.19	-	-	Nil movement during the year	6,37,916	0.19
	At The End Of The Year						6,37,916	0.19
2	K Ramchand Managing Director (upto October 29, 2018)	5,85,901	0.18	-	-	Nil movement during the year	5,85,901	0.18
	At The End Of The Year						5,85,901	0.18
3	Ravi Parthasarathy Non-Executive Director (upto July 21, 2018)	5,33,061	0.16	-	-	Nil movement during the year	5,33,061	0.16
	At The End Of The Year						5,33,061	0.16

4	Arun K Saha Non-Executive Director <i>(upto October 01, 2018)</i>	5,35,734	0.16	-	-	Nil movement during the year	5,35,734	0.16
	At The End Of The Year						5,35,734	0.16
5	Mukund Sapre Executive Director <i>(upto November 02, 2018)</i>	1,69,420	0.05	-	-	Nil movement during the year	1,69,420	0.05
	At The End Of The Year						1,69,420	0.05
6	Krishna Ghag Company Secretary	59,144	0.02	-	-	Nil movement during the year	59,144	0.02
	At The End Of The Year						59,144	0.02
7	Dilip Bhatia CEO <i>(effective November 15, 2018)</i>	666	Negligible	-	-	Nil movement during the year	666	Negligible
	At The End Of The Year						666	Negligible
8	Vineet Nayyar Nominee Director <i>(effective October 25,</i>	-	-	-	-	-	-	-

	2018)							
	At The End Of The Year						-	-
9	Chandra Shekhar Rajan Nominee Director (effective October 25, 2018)	-	-	-	-	-	-	-
	At The End Of The Year						-	-
10	Neeru Singh Independent Director (upto November 01, 2018)	1,000	Negligible	-	-	Nil movement during the year	1,000	Negligible
	At The End Of The Year						1,000	Negligible
11	Nand Kishore Nominee Director (effective November 15, 2018)	-	-	-	-	-	-	-
	At The End Of The Year						-	-
12	Shaivali Parekh CFO (effective December 13, 2018)	158	Negligible	-	-	Nil movement during the year	158	Negligible

	At The End Of The Year						158	Negligible
13	Deepak Dasgupta Independent Director <i>(upto March 31, 2019)</i>	79	Negligible	-	-	Nil movement during the year	79	Negligible
	At The End Of The Year						79	Negligible
14	R C Sinha Independent Director <i>(upto March 31, 2019)</i>	70	Negligible	-	-	Nil movement during the year	70	Negligible
	At The End Of The Year						70	Negligible
15	H P Jamdar Independent Director <i>(upto March 31, 2019)</i>	-	-	-	-	-	-	-
	At The End Of The Year						-	-

## V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payments:

(Rs in Cr)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	8,211	5,287	-	13,499
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	112	120	-	231
<b>Total (i+ii+iii)</b>	<b>8,323</b>	<b>5,407</b>	<b>-</b>	<b>13,730</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	1,356	4,096		5,452
• Reduction	(989)	(2,764)		(3,752)
<b>Net Change</b>	<b>367</b>	<b>1,332</b>	<b>-</b>	<b>1,700</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	8,690	6,740	-	15,430
ii) Interest due but not paid	208	332	-	540
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>8,898</b>	<b>7,072</b>	<b>-</b>	<b>15,970</b>

## VI. Remuneration of Directors and Key Managerial Personnel

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in Rupees)

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total amount
		K Ramchand Managing Director (upto October 29,2018)	Mukund Sapre Executive Director (upto November 02,2018)	
1.	Gross salary			
	(a) Salary as per provisions contained in the section 17(1) of the Income-tax Act, 1961	79,77,988	89,49,541	1,69,27,529
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	15,06,750	14,75,768	29,82,518
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-
5.	Others, please specify Retirement Benefits Performance Linked Incentive	20,46,663	25,83,091	46,29,754
	<b>Total (A)</b>	<b>1,15,31,401</b>	<b>1,30,08,400</b>	<b>2,45,39,801</b>
	Ceiling as per Schedule V of the Companies Act, 2013#	87,92,685	1,02,58,133	1,90,50,818
	Excess Remuneration paid*	27,38,716	27,50,267	54,88,983

\*The Company has initiated the actions to recover the excess remuneration paid to Directors.



**B. Remuneration to other directors:**

**(Amount in Rupees)**

Sl no.	Particulars of Remuneration	Name of Directors									Total
		Mr. Deepak Dasgupta	Mr. R. C. Sinha	Mr. H P Jamdar	Ms. Neeru Singh	Mr. Ravi Parthasarathy	Mr. Hari Sankaran	Mr. Arun K Saha	Mr. C.S Rajan *	Mr. Nand Kishore **	Amount
1	Independent Directors										
	- Fee for attending board/ committee meetings	6,35,000	7,05,000	4,85,000	4,15,000	-	-	-	-	-	22,40,000
	- Commission	-	-	-	-	-	-	-	-	-	-
	- Others, please specify	-	-	-	-	-	-	-	-	-	-
	<b>Total (1)</b>	<b>6,35,000</b>	<b>7,05,000</b>	<b>4,85,000</b>	<b>4,15,000</b>	-	-	-	-	-	<b>22,40,000</b>
2	Other Non-Executive Directors										
	- Fee for attending board/ committee meetings	-	-	-	-	1,00,000	3,00,000	5,50,000	65,000	80,000	10,95,000
	- Commission	-	-	-	-	-	-	-	-	-	-
	- Others, please specify	-	-	-	-	-	-	-	-	-	-
	<b>Total (2)</b>										<b>10,95,000</b>
	<b>Total (B)=(1+2)</b>										<b>33,35,000</b>
	<b>Total Remuneration(A+B)***</b>										<b>2,78,74,801</b>

\* Mr. C S Rajan appointed on Board effective October 25, 2018

\*\* Mr. Nand Kishore appointed on Board effective November 15, 2018

\*\*\*Total amount includes sitting fees although; sitting fees is not a part of Total Managerial Remuneration.

#NOTE: Due to the possible effects of the matters reported in the Financial Statements, the New Board is unable to comment on whether the Managerial Remuneration paid to its erstwhile Managerial Personnel during the period from April 01, 2018 to September 30, 2018 has been paid/ provided in accordance with the provisions of Section 197 of the Companies Act, 2013 read with Schedule V thereto. Managerial Remuneration in respect of Managerial Personnel appointed subsequent to October 01, 2018 has been paid/ provided by the Company in accordance with the provisions of Section 197 of the Companies Act, 2013 read with Schedule V thereto.

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

**(Amount in Rupees)**

Sl. no.	Particulars of Remuneration	Krishna Ghag Company Secretary	Dilip Bhatia* CEO	Shaivali Parekh** CFO	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	53,27,124	11,199,707	10,11,613	1,75,38,444
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	10,27,160	27,720	-	10,54,880
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-

4.	Commission - as % of profit - others, (Contribution to Provident Fund, Superannuation Fund & Gratuity)	-	800,820	-	800,820
5.	Others, (Performance Related Pay)	-	-	-	-
	<b>Total</b>	<b>63,54,284</b>	<b>1,20,28,247</b>	<b>10,11,613</b>	<b>1,93,94,144</b>

\*Mr. Dilip Bhatia was Chief Financial Officer upto September 22, 2018 and was re-designated as CEO-Officiating effective November 15, 2018.

\*\*Ms. Shaivali Parekh was appointed as Chief Financial Officer effective December 13, 2018.

**VII. Penalties / Punishment/ Compounding of offences:**

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority[RD /NCLT/Court]	Appeal made. If any(give details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

By the Order of the Board

**Sd/-**  
Chandra Shekhar Rajan  
Director  
(DIN: 00126063)

**Sd/-**  
Vineet Nayyar  
Director  
(DIN: 00018243)

**Sd/-**  
Nand Kishore  
Director  
(DIN: 08267502)

**Sd/-**  
Bijay Kumar  
Director  
(DIN: 07262627)

Mumbai, June 4, 2020

### ANNEXURE III

**Statement of particulars of employees pursuant to the provisions of Section 197 of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Director's Report for the year ended March 31, 2019**

**Information as per Rule 5(1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Sr. No.	Name	Designation	Qualification	Experience	Age	DOJ	Remuneration	Previous Employment
1	KARUNAKARAN RAMCHAND*	MANAGING DIRECTOR	B.E.(Civil), PGD Planning, DCM	39	64	19-03-2001	1,84,02,037	Infrastructure Leasing and Financial Services Limited
2	MUKUND SAPRE*	EXECUTIVE DIRECTOR	B.Tech (Civil), DSM (NIIT)	37	59	01-03-2002	1,29,76,904	Infrastructure Leasing and Financial Services Limited
3	SURESH CHAND MITTAL	HEAD-IMPLEMENTATION	Btech (Civil); Mtech (Structural Eng)	39	61	25-01-2008	1,61,33,139	IL&FS Rail Limited
4	DILIP BHATIA	CHIEF FINANCIAL OFFICER TILL September 22, 2018 and CHIEF EXECUTIVE Officer From November 15, 2018 onwards	B Com, CA	25	51	24-08-2015	1,55,66,567	Ace Derivatives and Commodity Exchange Limited
5	HARSH MALHOTRA*	SENIOR VICE PRESIDENT	Bcom, ICWAI, Sloan Fellowship in Leadership & Strategy	30	53	01-10-2016	70,29,347	Infrastructure Leasing and Financial Services Limited
6	SANJAY KUMAR MINGLANI	SENIOR VICE PRESIDENT	B.Sc. (Civil Eng.)	30	53	28-02-2006	78,98,095	Consulting Engineering Services (india) Pvt. Ltd.
7	MANISH AGARWAL	SENIOR VICE PRESIDENT	BE (Civil); M.Tech	31	53	01-09-2005	77,80,157	National Highways Authority of India
8	KAZIM RAZA KHAN	SENIOR VICE PRESIDENT	BE (Civil); MBA (Fin Mgmt & International Trade Mgmt)	28	51	20-12-2005	76,64,242	Road Infrastructure Development Company of Rajasthan Limited
9	AJAY MENON	VICE PRESIDENT	B.Com, MBA (YCMOU)	36	56	02-03-1998	69,20,172	Tata Liebert Limited
10	PARAG PHANSE	VICE PRESIDENT	B.E. Civil. M.E. (Const)	23	47	01-04-2002	63,50,368	Consulting Engineering Services (india) Pvt. Ltd.

**Notes:**

1. None of the employee mentioned above are related to any of the Directors of the Company within the meaning of Companies (Appointment and Remuneration of Managerial personnel) Rule, 2014
  2. None of the employee mentioned above hold more than 2% of the shares of the Company, along with their spouse and dependent children
  3. Remuneration includes salary, various allowances, performance incentives, leave encashment, contribution to provident fund, superannuation fund, gratuity fund and taxable value of perquisites
- \* The earnings are for the part of the year

By the Order of the Board

**Sd/-**  
Chandra Shekhar Rajan  
Director  
(DIN: 00126063)

**Sd/-**  
Vineet Nayyar  
Director  
(DIN: 00018243)

**Sd/-**  
Nand Kishore  
Director  
(DIN: 08267502)

**Sd/-**  
Bijay Kumar  
Director  
(DIN: 07262627)

Mumbai, June 4, 2020

## ANNEXURE IV

Disclosure of Information in terms of Section 197 of the Companies Act, 2013 read with Rule 5 (I) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company is required to disclose the following information as part of the Directors' Report:

Sr. No.	Requirements	Disclosure
1.	The ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year 2018-19	Managing Director - 12X Executive Director - 5X
2.	The percentage increase/(decrease) in remuneration of MD, ED, CFO & CS during the financial year 2018-19	(i) MD: No change in salary (ii) ED: No change in salary (iii) CFO: No change in salary (iv) CS: 7.2% decrease in salary
3.	The percentage increase in the median remuneration of employees in the financial year	There was a decrease by 9% in the median remuneration of employees during FY 2018-19
4.	The number of permanent employees on the rolls of the Company	There were 173 employees on the rolls of the Company as on March 31, 2019
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	(i) Average percentage increase in the salaries of employees in the last financial year was NIL over the previous year (ii) There was no increase in salaries of the managerial personnel in comparison with the employees
6.	Affirmation that the remuneration is as per the managerial remuneration policy of the Company	Yes, it is confirmed

## ANNEXURE V

### CORPORATE SOCIAL RESPONSIBILITY REPORT

**Pursuant to clause (o) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014**

Sr. No	Particulars	Details
1.	A brief outline of the Company's Corporate Social Responsibility (CSR) Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs	The CSR Policy and Framework has been adopted by the Company and is available on the website of the Company. The same can be viewed through the link: <a href="http://www.itnlindia.com">http://www.itnlindia.com</a>
2.	Composition of the CSR Committee	1) Mr. C.S. Rajan 2) Mr. Vineet Nayyar 3) Mr. Nand Kishore
3.	Average net profit of the Company for last three financial years	₹ 155.66 Crores
4.	Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above) + c/f of ₹ 1.03 Crores from previous year	₹ 4.14 Crores
5.	Details of CSR spent during the financial year: a) Total amount to be spent for the financial year; b) Amount unspent, if any; c) Manner in which the amount spent during the financial year is detailed below	a) ₹ 0.02 Crores b) ₹ 4.12 Crores  The details of amount spent on various activities are annexed as <b>Annexure I</b>
6.	Reason for not spending the amount	In view of the ongoing liquidity crises, the Company was unable to spend the entire amount on CSR activities.



**Annexure I**

S. No.	CSR project or activity identified	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Sectors in which the project is covered	Amount outlay (budget) project or programs wise (Amount in Crores) (₹)	Amount spent on the projects or programmes (1) Direct Expenditure on projects or programs (2) Overhead (Amount in Crores) (₹)	Cumulative Expenditure upto the reporting period (Amount in Crores) (₹)	Amount spent: Direct or through implementing agency
	Integrated Rural Development Projects in villages around ten infrastructure projects of the Company	Selected Infrastructure projects of the Company	<b>1. Highway Safety:</b> Creating Emergency Response system through the First Responders amongst the local villagers and conducting awareness / training sessions on various aspects of highway safety to the residents around the project	0.58	-	-	-
1			<b>2. Livelihood Development:</b> marginalized women and small farmers supported to establish farm and off farm income generating initiatives	0.40	-	-	-
2			<b>3. Enhancing Education Outcomes:</b> innovatively improving teaching learning through Computer Buses, life skill education, trainings for teachers etc. in Govt. Schools,	1.81	0.02	-	Directly by ITNL – Rs 0.02 Cr Through Implementation Agency Think

S. No.	CSR project or activity identified	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Sectors in which the project is covered	Amount outlay (budget) project or programs wise (Amount in Crores) (₹)	Amount spent on the projects or programmes (1) Direct Expenditure on projects or programs (2) Overhead (Amount in Crores) (₹)	Cumulative Expenditure upto the reporting period (Amount in Crores) (₹)	Amount spent: Direct or through implementing agency
			Promoting Education				Foundation for promoting education.
3			<b>4. Local Area Projects:</b> a) Supporting Community Healthcare through Medical Mobile Units and other innovative interventions b) Improving Sanitation Along the Highway and in Schools in support of Swacch Bharat Abhiyan c) Preservation & promotion and propagate the rich intangible heritage of the Indian Classical Music	1.35	-		-
			<b>Total</b>	<b>4.14</b>	<b>0.02</b>	<b>0</b>	<b>0</b>

The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company

<p style="text-align: center;"><b>Sd/-</b> Dilip Bhatia Chief Executive Officer</p>	<p style="text-align: center;"><b>Sd/-</b> Vineet Nayyar Chairman, CSR Committee</p>
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**ANNEXURE VI**

**SUMMARY OF SIGNIFICANT ORDERS PASSED BY NCLAT/NCLT**

<b>Sr. No.</b>	<b>Parties / Case No.</b>	<b>Adjudicating Authority</b>	<b>Date of Order</b>	<b>Particulars</b>
1	Union of India, Ministry of Corporate Affairs vs Infrastructure Leasing & Financial Services Limited ('IL&FS') and 10 Ors. (C.P. 3638/2018)	National Company Law Tribunal, Mumbai Bench	October 1, 2018  (read with orders dated October 3, 2018 and December 21, 2018)	<p>The Union of India, through Ministry of Company Affairs filed an application under Section 241(2) read with Section 242(2)(k) of the Companies Act, 2013 ("Act") against IL&amp;FS, before the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT").</p> <p>The Hon'ble NCLT suspended the erstwhile Board of Directors of IL&amp;FS and appointed a new Board of Directors ("New Board") for IL&amp;FS. The order, <i>inter alia</i>, directed to take over the affairs of IL&amp;FS immediately; conduct its business as per the Memorandum and Articles of Association of IL&amp;FS and provisions of the Act; and submit a roadmap to the Hon'ble NCLT before October 31, 2018.</p> <p>It is pertinent that three more directors were appointed to the New Board of IL&amp;FS <i>vide</i> orders dated October 3, 2018 and December 21, 2019.</p>
2	Union of India, Ministry of Corporate Affairs vs Infrastructure Leasing & Financial Services Limited ('IL&FS') and 10 Ors. (M.A. 1110 of 2018 in C.P. No. 3638 of 2018)	National Company Law Tribunal, Mumbai Bench	October 5, 2018	<p>The Hon'ble NCLT <i>inter alia</i></p> <p>(i) directed that no action should be initiated against the New Board for the past actions and past wrongs of the suspended directors and officials of IL&amp;FS without prior approval of the Hon'ble NCLT; and</p> <p>(ii) granted immunity to the directors on the New Board <i>inter alia</i> from disqualification/ disability under Section 164 and 167 of the Companies Act, 2013 that may arise out of the</p>

Sr. No.	Parties / Case No.	Adjudicating Authority	Date of Order	Particulars
				acts of the suspended directors of IL&FS.
3	Union of India, Ministry of Corporate Affairs Vs IL&FS and 10 Ors. (MA 1110 / 2018 in C.P. 3638 (MB) /2018)	National Company Law Tribunal, Mumbai Bench	October 9, 2018	The Hon'ble NCLT passed an order <i>inter alia</i> holding that:  (a) actions of the New Board done in good faith, in the interests of IL&FS, various stakeholders including the public at large are protected;  (b) which empowered the New Board to replace the directors on the subsidiaries, joint-ventures and associate companies of IL&FS as per existing provisions of the Memorandum and Articles of Association of IL&FS Group Company.
4	Union of India Vs IL&FS and Ors. (Company Appeal (AT) no. 346 of 2018)  With  IL&FS Vs Union of India (Company Appeal (AT) no. 347 of 2018)	National Company Law Appellate Tribunal, New Delhi	October 15, 2018	The Hon'ble National Company Law Appellate Tribunal ("NCLAT") granted interim stay on, amongst others, coercive creditor and other action against IL&FS and its group companies.
5	Union of India Vs IL&FS and 2 Ors. (CP 4506/2018)	National Company Law Tribunal, Mumbai Bench	January 1, 2019	The Hon'ble NCLT ordered the reopening and recasting of books of accounts of IL&FS and two other subsidiary companies of IL&FS <i>i.e.</i> , IFIN and ITNL for the past 5 financial years under Section 130(1)(ii) of the Act on the basis that there was mismanagement in the affairs of IL&FS and the two other entities.

Sr. No.	Parties / Case No.	Adjudicating Authority	Date of Order	Particulars
				<p>It is pertinent to note that this order was upheld on appeal before the Hon'ble NCLAT <i>vide</i> its order dated January 31, 2019 as well as the Hon'ble Supreme Court <i>vide</i> its judgment dated June 4, 2019.</p>
6	Union of India Vs IL&FS and Ors. (Company Appeal (AT) no. 346 of 2018)	National Company Law Appellate Tribunal, New Delhi	February 11, 2019	<p>The Hon'ble NCLAT appointed (in accordance with this order and an order dated February 4, 2019) Justice (Retd.) D. K. Jain to supervise and oversee the resolution process of IL&amp;FS and its group companies.</p> <p>The Hon'ble NCLAT recorded the names of 69 Indian IL&amp;FS Group Entities which were classified into "Green", "Amber" and "Red" categories based on the 12 month cash flow based solvency test which was conducted by the Resolution Consultant, details of which were submitted to the NCLAT <i>vide</i> affidavit dated February 11, 2019. ITNL has been classified as a "Red" Entity.</p> <p>The Hon'ble NCLAT also excluded all offshore Entities of the IL&amp;FS Group were excluded from the purview of the interim stay granted on coercive creditor and other action <i>vide</i> the order dated October 15, 2018 passed by the Hon'ble NCLAT. However, it was clarified that the resolution for those Offshore Group Entities may be taken up by the New Board under the supervision of the Hon'ble Justice (Retd.) D.K. Jain.</p> <p>By this order, the Hon'ble NCLAT also permitted all "Green" Entities of the IL&amp;FS Group to service their debt obligations as per scheduled repayment. It was further clarified that the</p>

Sr. No.	Parties / Case No.	Adjudicating Authority	Date of Order	Particulars
				resolution of such “Green” Entities should be within the ‘Resolution Framework’ which was placed before the Hon’ble NCLAT <i>vide</i> an affidavit dated January 25, 2019 filed by the UoI, and subject to the supervision of the Hon’ble Justice (Retd.) D.K. Jain.
7	Union of India, Ministry of Corporate Affairs Vs. IL&FS and Ors. (MA 1576/2019, MA 1577/2019 and MA 1054/2019 in C.P. 3638/2019)	National Company Law Tribunal, Mumbai Bench	April 26, 2019	The Hon’ble NCLT dispensed with the requirement under the Act for the appointment of independent directors and women directors in various IL&FS group companies during the moratorium period.
8	Union of India Vs IL&FS and Ors. (Company Appeal (AT) no. 346 of 2018)	National Company Law Appellate Tribunal, New Delhi	August 8, 2019	<p>The Hon’ble NCLAT <i>inter alia</i> clarified that prior permission of Hon’ble Justice (Retd.) D. K. Jain would be required before selling, transferring, dealing with or creating any third party right, title or interest on any movable or immovable assets of the 82 “Red” entities.</p> <p>It is pertinent to note that by way of an order dated August 14, 2019 the Hon'ble NCLAT further clarified that the order dated August 8, 2019 shall not affect Red Entities to pay salary of its Employees/ Workman, Officers and Operational creditors to keep the Red Entities going concern.</p>
9	Union of India, Ministry of Corporate Affairs Vs. IL&FS and 2 Ors. (M.A No. 2699 of 2019 in C.P. No. 4506 of 2018)	National Company Law Tribunal, Mumbai Bench	August 9, 2019	Further to the order dated January 1, 2019, the Hon’ble NCLT appointed the following chartered accountant for re-opening and recasting the accounts of IL&FS, IFIN and ITNL:

Sr. No.	Parties / Case No.	Adjudicating Authority	Date of Order	Particulars
				(a) For IL&FS and IFIN: Borkar & Mazumdar & Co; (b) For ITNL: M/s. G.M. Kapadia & Co. Further, the NCLT appointed the following chartered accountants for auditing the reopened and re-cast accounts of IL&FS, IFIN and ITNL: (a) For IL&FS and IFIN: M/s. CNK Associates LLP; (b) For ITNL: M/s. M. M. Chitale & Co.
10.	Union of India Vs. IL&FS and Ors. Company Appeal (AT) No. 346 and 347 of 2018)	National Company Law Appellate Tribunal, New Delhi	March 12, 2020	After considering (a) the proposal of the MCA (as set out in the various affidavits filed with the Hon'ble NCLAT, including those relating to the Resolution Framework); and (b) the objections of the creditors passed an order <i>inter alia</i> : a. approving the procedures proposed by MCA for resolution of the IL&FS Group; b. accepting October 15, 2018 as the Cut-Off Date for crystallization of claims/liabilities of creditors; c. directing that the resolution of all entities in the IL&FS Group be concluded preferably within 90 days; and d. holding that the order dated October 15, 2018 passed by the Hon'ble NCLAT requires no modification/recall and continuing the order dated October 15, 2018.  This order dated March 12, 2020 was modified by an order dated March 30, 2020 by the Hon'ble NCLAT in light of the COVID-19 outbreak holding that the period of lockdown will be excluded from the 90 day time period granted by the Hon'ble NCLAT for the resolution of IL&FS.



**ANNEXURE VII**

**FORM NO. AOC-2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto**

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

There were no contracts or arrangements or transactions entered in to by the Company during the financial year ended on March 31, 2019, which were not at arm's length basis. **Not Applicable**

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

<b>Sr. No.</b>	<b>Particulars</b>	<b>RPT – 1</b>	<b>RPT – 2</b>	<b>RPT – 3</b>	<b>RPT – 4</b>	<b>RPT – 5</b>	<b>RPT – 6</b>
1.	Name(s) of the related party and nature of relationship	Infrastructure Leasing And Financial Services Limited – Parent Company	Infrastructure Leasing And Financial Services Limited – Parent Company	Infrastructure Leasing And Financial Services Limited – Parent Company	Infrastructure Leasing And Financial Services Limited – Parent Company	Infrastructure Leasing And Financial Services Limited – Parent Company	Infrastructure Leasing And Financial Services Limited – Parent Company
2.	Nature of contracts / arrangements / transactions	Revolving Line of Credit	Revolving Line of Credit	Revolving Line of Credit	Revolving Line of Credit	Revolving Line of Credit	Revolving Line of Credit
3.	Duration of the contracts / arrangements / transactions	24 Months	24 Months	24 Months	24 Months	24 Months	24 Months
4.	Salient terms of the contracts or arrangements or transactions including the value, if any	-Interest rate - 16% p.a. -Call option by the lender -Interest	-Interest rate - 16% p.a. -Call option by the lender -Interest	-Interest rate - 16% p.a. -Call option by the lender -Interest	-Interest rate - 16% p.a. -Call option by the lender -Interest	-Interest rate - 16% p.a. -Call option by the lender -Interest	-Interest rate - 16% p.a. -Call option by the lender -Interest

		payment quarterly -Security – Unsecured -Facility Start date-November 09, 2017 Sanctioned Amount – ₹ 700 Crore	payment quarterly -Security – Unsecured -Facility Start date – March 26, 2018 -Sanctioned Amount – ₹ 205 Crore	payment - quarterly -Security – Unsecured -Facility Start date – April 27, 2018 -Sanctioned Amount – ₹ 800 Crore	payment - quarterly -Security – Unsecured -Facility Start date – May 18, 2018 -Sanctioned Amount – ₹ 250 Crore	payment - quarterly -Security – Unsecured -Facility Start date – May 31, 2018 -Sanctioned Amount – ₹ 250 Crore	payment- quarterly -Security – Unsecured -Facility Start date – July 31, 2018 -Sanctioned Amount – ₹ 600 Crore
5.	Date(s) of approval by the Committee of Directors	November 03, 2017	March 22, 2018	April 27, 2018	April 27, 2018	April 27, 2018	July 31, 2018
6.	Amount paid as advances, if any (Gross amount disbursed)	₹ 836.43 Crore	₹ 319.00 Crore	₹ 795.00 Crore	₹ 250.00 Crore	₹ 267.00 Crore	₹ 912.00 Crore

**Note - The Company has availed Revolving Line of Credit (RLOC) facility under which the Company is permitted to repay and re-borrow within the sanctioned limits. Due to this, the total drawdown amount mentioned is higher than the sanctioned limits as the Company has repaid and re-borrowed from IL&FS within the sanctioned limits.**

**For and on Behalf of the Board  
IL&FS Transportation Networks Limited**

Sd/-  
Vineet Nayyar  
Nominee Director  
DIN: 00018243

Sd/-  
Chandra Shekhar Rajan  
Nominee Director  
DIN: 00126063

Sd/-  
Nand Kishore  
Nominee Director  
DIN: 08267502

Sd/-  
Bijay Kumar  
Nominee Director  
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Mumbai  
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## MANAGEMENT DISCUSSION AND ANALYSIS

### 1. Global Economy – Overview<sup>1</sup>

Following its weakest performance since the global financial crisis, the world economy is poised for a modest rebound this year.

Global growth is expected to recover to 2.5 per cent in 2020—up slightly from the post-crisis low of 2.4 per cent registered last year amid weakening trade and investment—and edge up further over the forecast horizon. This projected recovery could be stronger if recent policy actions—particularly those that have mitigated trade tensions—lead to a sustained reduction in policy uncertainty. Nevertheless, downside risks predominate, including the possibility of a reescalation of global trade tensions, sharp downturns in major economies, and financial disruptions in emerging market and developing economies (EMDEs). The materialization of these risks would test the ability of policymakers to respond effectively to negative events. Associated policy challenges are compounded by high debt levels and subdued productivity growth. Many EMDEs need to rebuild macroeconomic policy space to enhance resilience to possible adverse developments.

The COVID-19 pandemic is inflicting high and rising human costs worldwide, and the necessary protection measures are severely impacting economic activity. As a result of the pandemic, the global economy is projected to contract sharply by –3 per cent in 2020, much worse than during the 2008–09 financial crisis. In a baseline scenario—which assumes that the pandemic fades in the second half of 2020 and containment efforts can be gradually unwound—the global economy is projected to grow by 5.8 per cent in 2021 as economic activity normalizes, helped by policy support.

### 2. Indian Economy - Overview<sup>2</sup>

The economy of India is characterised as a developing market economy. It is the world's fifth-largest economy by nominal GDP and the third-largest by purchasing power parity.

Global headwinds and challenges in the domestic financial sector moderated the growth of Indian economy in 2019-20. The real GDP growth moderated to 5.0 per cent in 2019-20 as compared to 6.8 per cent in 2018-19. Despite a temporary moderation in the Gross Domestic Product (GDP) growth in 2019-20, the fundamentals of Indian economy remain strong and GDP growth is expected to rebound from the first quarter of 2020-21

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<sup>1</sup> World Economic Outlook 2020

<sup>2</sup> macro-economic framework statement 2020-21 - Union Budget

### 3. India's infrastructure opportunity<sup>3</sup>

Infrastructure sector is a key driver for the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country. Infrastructure sector includes power, bridges, dams, roads and urban infrastructure development. India was ranked 44th out of 167 countries in World Bank's Logistics Performance Index (LPI) 2018. India is ranked second in the 2019 Agility Emerging Markets Logistics Index.

As per figures of the India Brand Equity Foundation infrastructure sector in India has a requirement of investment worth rupees trillion (US\$ 777.73 billion) by 2022 to have sustainable development. Only 24 per cent of the highways in India is four-lane, therefore the scope of improvement and work is immense. In view of the opportunities and to cope up with the target of sustainable development initiatives like 'Housing for All' and 'Smart City Mission' have been introduced. Further 100% FDI has been permitted in the infrastructure sector. The sector has been the one of the largest receivers of the FDI inflows into the country.

Infrastructure Sector has attracted US\$ 14.7 billion across 74 deals accounting for 40 per cent of the total PE/VC investments in the year 2019.

India's national highway network is expected to cover 50,000 kilometres by 2019. National highway construction in India has increased by 20 per cent year-on-year in 2017-18.

The government has suggested the investment of Rs 5,00,000 Crore (US\$ 750 billion) for railways infrastructure between 2018-2030.

#### **Road sector<sup>4</sup>**

India with a total road network of 5.5 mn Km comprises of national & state highways and urban & rural roads. National highways account for 2% of the total road network and carry over 40% of total traffic.

NHAI has accomplished construction of 3,979 km of national highways in the financial Year 2019-20. This is the highest ever highway construction achieved in a financial year.

'The construction pace as noticed in last years has seen a steady growth with 3,380 Km construction in the FY 2018-19. Continuing the same trend with the development of 3,979 km of national highways during FY 2019-20

India has a well-developed framework for Public-Private-Partnerships (PPP) in the highway sector. Asian Development Bank ranked India at first spot in PPP operational maturity and also designated India as a developed market for PPPs.

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<sup>3</sup> <https://www.ibef.org/industry/infrastructure-sector-india.aspx>

<sup>4</sup> <https://www.investindia.gov.in/sector/roads-highwaysp>

#### **4. Threats**

Considering that no further developmental works will be undertaken by the Company, the factors that can threaten the business shall emerge if disruptions are encountered in collection of toll revenues on account of the following:

- (i) Disruptions on account of COVID 19 and the resultant actions of the government that may restrict the movement of goods and services including passenger movement. Post lockdown period, the opening up of the economy has been gradual and it has attendant impact on the traffic and the revenue.
- (ii) Any change in traffic growth rate will significantly impact earning potential. All toll revenues depend on number of vehicles plying on the road and may be affected with changes in traffic volumes. The traffic volume is directly or indirectly affected by factors beyond the Company's control such as toll rates, fuel prices, affordability of automobiles, and the quality, convenience and travel time on alternate routes.
- (iii) Availability of alternate means of transport such as rail networks and air transport may also affect traffic volumes. Moreover, these cash flows are also affected by seasonal factors as the traffic tends to decrease during monsoon but increases during holiday seasons.

#### **5. Operational Performance**

The financial year 2018-19 witnessed some very significant developments in the Company. The operating environment continued to be very challenging from the Company's perspective. During first half of the year, the Company made efforts to progress on construction of its under-implementation projects. However, the liquidity constraints faced by the Company and its inability to achieve financial closure in 3 of these under implementation projects due to reluctance of banks to lend to the Company and its projects and the banks' existing exposure limit, prevented the Company to make any significant progress. The Company therefore, suspended construction activity on all under-implementation projects in second quarter of the year until liquidity situation improved. The Company however continued to carry out Operations and Maintenance services on its Operational Projects.

The Company has witnessed considerable cost overruns and delays in its projects. In some cases, claims and compensation has been sought from the respective Authorities; the realization of which is subject to view points of Authorities as well as significant procedural requirements. Many projects of the Company, have not been able to generate adequate revenue to support and service all their obligations, resulting in their looking up to the Company for providing liquidity support to them. These issues coupled with lack of financial closure in 3 projects, affected the already stressed cash flows of the Company.

Efforts were made by the Company to mobilise financial resources through external as well as group sources. The erstwhile Management Board of the Group also tried to raise resources through third parties including vendors of the Company. The

erstwhile management had issued certain letters of awareness to a fellow subsidiary in connection with finances raised by third parties including vendors of the Company from that fellow subsidiary. The Company and its group entities had received loans during the same period from these parties. As part of claim management process, some of the vendors have now represented that they had given financial support to the company by borrowing funds from the fellow subsidiary. The transactions are being investigated by various regulatory authorities. Appropriate disclosures have been made in financial statements in this respect

Due to its deteriorating financial condition, the Company found it very challenging to raise further resources. Consequently, the Company reported default on its bank borrowing obligations on June 30, 2018, followed by defaults in servicing NCDs on October 1, 2018. As a result, the credit rating agencies downgraded the ratings of the Company to 'D' (lowest grade).

The Company had tried to raise resource from its existing shareholders and the Board of Directors passed a resolution on July 27, 2018 to launch a Rights issue. The same however could not be achieved due to lack of investor interest

The Company embarked on divestment of its entire road portfolio in the second quarter of the year and efforts were made by erstwhile management with various institutional investors and market intermediaries to seek their interest for individual asset or on portfolio basis.

#### Key Corporate Developments since October 1, 2018

However, by end of first half of the year, the overall financial situation of IL&FS Group had worsened with defaults reported by fellow subsidiaries as well as IL&FS, the parent Company. Therefore, pursuant to a report filed by the Registrar of Companies, Mumbai ("RoC") under Section 208 of the Companies Act, 2013, the Ministry of Corporate Affairs ("MCA") vide its Order dated September 30, 2018, directed that the affairs of the IL&FS and its subsidiaries including the Company be investigated by the Serious Fraud Investigation Office ("SFIO").

The Union of India on October 1, 2018 filed a petition with the National Company Law Tribunal ("NCLT") seeking an order under section 242(2) and section 246 read with section 339 of the Companies Act, 2013 on the basis of the interim reports of the ROC and on the following grounds:

- (i) The precarious and critical financial condition of the IL&FS Group and their inability to service their debt obligations had rattled the money market.
- (ii) On a careful consideration of the Union of India, it was of the opinion that affairs of the IL&FS Group were conducted in a manner contrary to the public interest due to its mis-governance; and
- (iii) The intervention of the Union of India is necessary to prevent the downfall of the IL&FS Group and the financial markets.

It was felt that the governance and management change is required to bring back the IL&FS Group from financial collapse, which may require, among other things, a

change in the existing Board and management and appointment of a new management.

Based on the above petition, the NCLT vide its order dated October 1, 2018 suspended the erstwhile board of the holding company and appointed the New Board of Directors (hereinafter, "New Board") proposed by the Union of India. The present constitution of the New Board of IL&FS is Mr. Uday Kotak, Chairman, Mr. Vineet Nayyar, Vice Chairman (Managing Director till March 31, 2019), Mr. C S Rajan, Director (Managing Director from April 2, 2019), Mr. Bijay Kumar, Deputy Managing Director from December 24, 2018, Mr. Nand Kishore, Dr. (Ms.) Malini Shankar, Mr. N Srinivasan and Mr. G C Chaturvedi

Pursuant to developments mentioned above, the Board Directors of the Company and its other Committees were reconstituted. The changes in constitution of the Board of Directors of the Company are as given below:

<b>Name</b>	<b>Status</b>
<b><u>Directors as on September 30, 2018</u></b>	
Mr. Hari Sankaran	Resigned effective October 1, 2018
Mr. Arun Saha	Resigned effective October 1, 2018
Mr. K Ramchand	Resigned effective October 29, 2018
Mr. Mukund Sapre	Resigned effective November 2, 2018
Ms. Neeru Singh	Resigned effective November 1, 2018
Ms. Deepak Dasgupta	Ceased to be director on March 31, 2019 upon expiry of their term
Mr. R C Sinha	Ceased to be director on March 31, 2019 upon expiry of their term
Mr. H P Jamdar	Ceased to be director on March 31, 2019 upon expiry of their term
<b><u>Appointment of New Directors</u></b>	
Mr. Vineet Nayyar	Appointed as director effective October 25, 2018
Mr. C. S. Rajan	Appointed as director effective October 25, 2018
Mr. Nand Kishore	Appointed as director effective November 15, 2018
Mr. Bijay Kumar	Appointed as director effective May 21, 2019

\*Mr. Ravi Parthasarathy, Director had resigned from the Board effective July 21, 2018

The current composition of the Board of Directors is thus as follows:

- (i) Mr. Vineet Nayyar
- (ii) Mr. Chandra Shekhar Rajan
- (iii) Mr. Nand Kishore
- (iv) Mr. Bijay Kumar

The changes in constitution of Key Managerial Personnel of the Company are as given below:

Name	Status
<b><u>Key Managerial Personnel prior to September 30, 2018</u></b>	
Mr. K Ramchand	Resigned as Managing Director effective October 29, 2018
Mr. Mukund Sapre	Resigned as Executive Director effective November 2, 2018
Mr. Dilip Bhatia	Stepped down as Chief Financial Officer effective September 22, 2018
Mr. Krishna Ghag	Company Secretary
<b><u>Key Managerial Personnel post October 1, 2018</u></b>	
Mr. Dilip Bhatia	Appointed as CEO-Officiating effective November 15, 2018 and re-designated as CEO effective April 24, 2019
Ms. Shaivali Parekh	Appointed as Chief Financial Officer effective December 13, 2018 till January 31, 2020
Mr. Mohit Bhasin	Appointed as Chief Financial Officer effective February 1, 2020
Mr. Krishna Ghag	Company Secretary

The Company is part of IL&FS Group and since October 1, 2018 has been operating under overall supervision, direction and framework established by New Board of IL&FS

The NCLAT vide its order dated October 15, 2018 gave a moratorium to IL&FS and its group entities (including the Company) which inter-alia stated that no creditors can proceed against it except under article 226 of the Constitution. Accordingly, the Company has not been servicing the debt obligations since October 15, 2018.

The New Board as part of the resolution process, has submitted several progress reports to the NCLT. This includes framework for a resolution plan and process, steps undertaken for monetization of assets, appointment of consultants, and classification of group entities based on their abilities to meet various financial and operational obligations, measures for cost optimization and protocol for making payments beyond certain limits.

The resolution plan seeks a fair and transparent resolution for the Company while keeping in mind larger public interest, financial stability, various stakeholders' interest, compliance with legal framework and commercial feasibility. It is proposed to have a timely resolution process which in turn mitigates the fallout on the financial markets of the country and restore investor confidence in the financial markets thereby serving larger public interest. The Company being a holding company of transportation vertical of IL&FS having projects through various group entities, depends on its group entities to continue operating as a going concern. The resolution plan and processes for various verticals are under way and options of restructuring business, as well as exits are planned. The plan of the management is to sell/exit from assets at the group entity as a going concern.

The assessment of the New Board, based on analysis of the current position of and challenges facing the IL&FS group, is that an Asset Level Resolution Approach serves the best interest of all stakeholders to achieve final resolution.



The entities in the IL&FS group, have been classified into Indian and offshore entities. Further, the Indian IL&FS entities have been classified by an independent third party, into three categories of entities based on a 12-month cash flow based solvency test viz. "Green", "Amber" and "Red", indicating their ability to repay both financial and operating creditors, only operating creditors, or only going concern respectively.

The Company is classified as a "Red" entity, indicating that it is not able to meet all obligations (financial and operational) including the payment obligations to senior secured financial creditors. Accordingly, the Company is permitted to make only those payments necessary to maintain and preserve the going concern status. Resultantly, construction activities at all ongoing projects have been suspended/ terminated post September 2018. The Company through its various SPVs has also initiated discussions with the respective Concession Authorities for foreclosure/ termination of incomplete / partially incomplete projects.

#### Construction Activities

The Company reported defaults on its borrowing obligations during the financial year 2018-19 and consequently the credit rating of the Company and its holding company was downgraded to 'D' (lowest grade) in September 2018

Considering the precarious financial situation and various defaults in servicing of the debts and liquidity issues, the Board took a decision to stop all the on-going projects under development and to foreclose / terminate the concession agreements for incomplete road projects and hand over the projects to the authority. The construction activities at all the ongoing projects have been suspended/terminated post September 2018 and discussions have been initiated with the respective Concession Authorities for foreclosure/ termination of the following incomplete / partially incomplete projects: The status of such discussions is as under:

(i) Beawar Gomti Road Project

ITNL Road Infrastructure Development Company Limited (IRIDCL), a special purpose vehicle had undertaken the development of the two/four laning works of the Beawar Gomti Road Project for which Concession Agreement was signed on April 01, 2009 with Ministry of Road Transport & Highways (MoRTH/the Authority). However, on account of failure on the part of the Authority to provide encumbrance free land for 4 laning, the work of four laning was stopped in September 2015. However, after discussions with the Authority a settlement was reached wherein IRIDCL was paid a one-time settlement amount of ₹ 144.08 Crore on February 19, 2020 and the project has been transferred back to MoRTH on February 25, 2020.

(ii) Srinagar Sonamarg Tunnel Project

Srinagar Sonamarg Tunnelway Limited, a special purpose vehicle had undertaken the construction of Z-Morh Tunnel in the State of J&K. After completion of approx. 28% of the work, the project works had to be suspended in July 2018 due to inability of the Company to fund the project. A proposal was made to the Authority for supporting completion of the project under One Time Fund Infusion Scheme which did not materialize. Meanwhile, MoRTH notified new policy guidelines on March 9, 2019 for resolution of stuck

National Highway projects. NHIDCL has agreed to foreclose the Concession on payment of full and final settlement amount as per new Policy Guidelines. NHIDCL have determined settlement amount payable but release of payment is held up due to pending court case filed by construction contractor before Delhi High Court. The project will be transferred back to NHIDCL upon receipt of settlement amount less agreed recoveries

(iii) Amravati-Chikhli Road Project

Amravati Chikhli Expressway Limited (ACEL), a special purpose vehicle had undertaken the development works of the Four - laning of Amravati-Chikhli in the State of Maharashtra. After achieving progress of approx. 22%, construction works were suspended in July 2018 due to financial problems faced by the Company. The Company could not achieve Financial Close due to unwillingness of Banks to finance the project. Meanwhile, MoRTH notified new policy guidelines on 9th March 2019 for resolution of stuck National Highway projects. NHAI has agreed to foreclose the Concession on payment of full and final settlement amount as per new Policy Guidelines. NHAI is in the process of determination of settlement amount payable to ACEL. The project will be transferred to NHAI upon receipt of settlement amount.

(iv) Fagne Songadh Road Project

Fagne Songadh Expressway Limited (FSEL), a special purpose vehicle had undertaken the development works of the Four - laning of Fagne Songadh in the State of Maharashtra. After achieving progress of approx. 66%, the work on the project had to be suspended since July 2018 due to inability to fund the project. The Authority was requested to fund the balance construction works under the One Time Fund Infusion Scheme which was not accepted. Thereafter, a proposal was submitted to the Authority under the new policy guidelines issued on March 9, 2019 for resolution of stuck National Highway projects. The Authority has agreed to foreclose the Concession on payment of full and final settlement amount as per new Policy Guidelines. The settlement amount has been agreed with NHAI and is pending release. The project will be transferred back to NHAI upon receipt of settlement amount.

(v) 8 Rail Over Bridges Project

Gujarat Rail Bridge Development Company Limited, the special purpose vehicle was awarded the project for developing 8 Rail Over Bridges (“the Project”) by the Roads and Building Department (R&B), Government of Gujarat (“the Authority”) on BOT Annuity basis. After completion of approximately 12% of the Project, the work at the project had to be suspended in August 2018 due to inability of the Company to raise funds for further development. The Authority was then approached with a proposal to grant permission for selling their equity stake in the Company. Government of Gujarat vide their letter dated December 19, 2019 has given NOC for stake sale. Accordingly, proposal has been invited from the interested bidders for stake sale. The stake sale process is yet to be concluded.

(vi) Kiratpur Ner Chowk Road Project

Kiratpur-Ner Chowk Expressway a special purpose vehicle had undertaken the development of Four laning of Kiratpur-Ner Chowk section in the state of Punjab & Himachal Pradesh. However, on account of failure on the part of the Authority to provide encumbrance free land for the work, the Company had notified the Authority of their defaults with a request to compensate the financial losses. The claims were denied by the Authority and did not agree to pay compensation sought by the Company. However, the Authority has agreed to foreclose the Concession on payment of full and final settlement amount as per new Policy Guidelines. The settlement amounts are under final determination with NHAI and pending release. The project will be transferred to NHAI upon receipt of settlement amount.

(vii) Khed Sinnar Road Project

Khed Sinnar Expressway Limited, a special purpose vehicle had undertaken the development of Four Laning of Khed-Sinnar Section in the State of Maharashtra. While the project achieved provisional completion for 76%, work on remaining length could not be completed because the Authority has not been able to handover the land for construction of 5 bypasses totaling approx. 25 km length even after a considerable period of time. As a result the project remained incomplete and could not achieve commercial operation date. Accordingly, KSEL notified the authority of their default in providing the requisite land for the remaining work. In addition, the project was not able to collect toll at one of the toll plazas for various local factors resulting in substantial loss of revenue. After multiple discussions, NHAI has agreed for termination of the project on Authority event of Default and KSEL is in discussion with NHAI for determining the final settlement amount as per new Policy Guidelines dated March 9, 2019. The project will be transferred to NHAI upon receipt of settlement amount.

(viii) Chennai Metro Rail Project

The work on EPC contract for construction of two underground metro stations with 800 m ramp tunnel awarded by Chennai Metro Rail Limited was suspended as the Company was unable to provide funds for continuing with the development activities. As a consequence, the Authority terminated the contract on January 31, 2020.

(ix) Zojila Tunnel Project

Due to financial problems faced by the Company, the work on EPC contract for construction of 14.5 km Zojila tunnel awarded by National Highways & Infrastructure Development Corporation Limited could not be undertaken. As a consequence the Authority terminated the contract on January 15, 2019.

(x) Projects awarded by MPRDC

Due to financial problem faced by the Company, the construction work of following three contracts awarded by Madhya Pradesh Road Development

Corporation Ltd. to ITNL – IECCL JV has been terminated by the Authority on 25<sup>th</sup> July 2020:

- 1) Package 2- 4 stretches of Major District Roads
- 2) Package 10- 5 stretches of District Roads
- 3) Package 11- 3 stretches of District Roads

(xi) Barwa Adda Road Project

Barwa Adda Expressway Limited had suspended construction works after completion of work on 81% length due to non-handing over of land by NHAI. The completed length of the project is under commercial operation and Company is collecting toll as per provisions of Concession Agreement. Now almost entire balance land has been acquired by NHAI and therefore NHAI wants to complete the balance works. However, due to financial problem faced by the Company, BAEL has requested NHAI to make available funds for completion of balance works under One Time Fund Infusion Scheme (OTFIS) of NHAI. Proposal submitted by BAEL on 3rd March 2020 is under consideration of NHAI.

(xii) Ranchi Ring Road Project

The development work on Ranchi Ring Road Sec-VII Project awarded by Government of Jharkhand to Jharkhand Infrastructure Implementation Co Limited (JIICL) on BOT (Annuity) was completed during the year and the project entered into commercial operation with effect from 21st November 2018. Company is receiving annuity payment from the Government of Jharkhand as per Concession Agreement.

(xiii) North Karnataka Road Project

The Concession period of the project has ended on 19th Dec 2019 and after completion of all works as per provisions of Concession Agreement, project has been transferred back to NHAI with effect from 14th Feb 2020.

(xiv) 24 Border Check post Project

The Company had completed works on 19 check posts and 2 central controls and same are under operation. Due to non-handing over of land for remaining 5 check posts by the Concessioneing Authority, Company suffered financial losses and notified the Authority of their defaults under the Concession Agreement. Company requested the Authority to compensate financial losses. However, Authority denied its default and did not agree to pay compensation sought by the Company. Due to continued defaults of Authority, Company sent the final termination notice for terminating the Concession Agreement on Authority event of default on October 31, 2018 and on November 3, 2018 initiated Arbitration proceeding before the Madhya Pradesh Arbitral Tribunal ("MPAT") under section 7 of The Madhya Pradesh Madhyastham Adhikaran Adhiniyam, 1983. Matter is pending before the Arbitral Tribunal.

### Projects under operation

In order to maintain going concern status of the SPVs for which Operation and Maintenance (“O&M”) activities are carried out by the Company, it has continued to perform its obligations with respect to the said activities post September 2018 and O&M activities are carried out uninterrupted. Due to reluctance of various SPV lenders in releasing O&M payment to the Company and insistence of paying the O&M vendors directly, the Company in consultation with these lenders, with effect from January 1, 2019, novated O&M contracts with 10 SPVs in favor of Elsamex Maintenance Services Limited, a wholly owned subsidiary of the Company

As on date the following 16 road projects of the Company are under operations and maintenance:

1. Noida Toll Bridge, Uttar Pradesh
2. Jetpur-Gondal-Rajkot Project, Gujarat
3. Pedda Amberpet-Bongulur (Outer Ring Road) Project, Telangana
4. Mega Highways Road Project, Rajasthan
5. Thiruvananthapuram City Road Improvement Project, Kerala
6. Hazaribagh-Ranchi Project, Jharkhand
7. Jharkhand Accelerated Road Development Programme, Jharkhand
8. Pune-Solapur Project, Maharashtra
9. Moradabad-Bareilly Project, Uttar Pradesh
10. Warora-Chandrapur Project, Maharashtra
11. Sikar-Bikaner Project, Rajasthan
12. Baleshwar-Kharagpur Project, Odisha/West Bengal
13. Jorabat-Shillong Project, Assam/Meghalaya
14. Chenani-Nashri Tunnel Project, Jammu & Kashmir
15. Khed-Sinnar Project, Maharashtra
16. Border Checkpost Development Project

### Divestment Initiatives

Pursuant to the Report on Progress and Way Forward dated October 30, 2018 (“Report”) submitted by IL&FS to the Ministry of Corporate Affairs, Government of India, which in turn was filed with the Hon’ble NCLT, a publicly solicited bid process for certain assets in the domestic roads vertical was initiated on December 18, 2018 and expressions of interest (“EOI”) were sought for a potential acquisition of IL&FS Group’s (including of the Company’s) equity stake(s) / interest(s) in 15 operations, 4 under construction and 3 business verticals of the Company.

In response to the divestment process binding bids received for 5 road projects were accepted by the New Board. Bids in respect of 5 other assets were considered significantly lower than the average ‘fair market value’, obtained by the New Board for the relevant ITNL SPV in the manner as contemplated in the Resolution Framework and hence not progressed. Further, for another asset, namely a stadium complex, binding bids have been received and under evaluation by the New Board. In respect of other assets / business verticals, no bids were received

For the 9 SPVs after careful evaluation of alternate resolution options, the New Board has given its in-principle approval to establish an infrastructure investment trust (“InvIT”) under the Securities and Exchange Board of India (Infrastructure and Investment Trusts) Regulation 2014. The proposal envisages establishment of an InvIT for holding the equity and other receivables from the relevant SPVs in consideration of units to be issued by the InvIT which will then be distributed to the creditors of relevant IL&FS group entity (including the Company) to resolve the debt extended by them

In furtherance of the same, the following steps have been undertaken:

- (i) the Company has incorporated a wholly owned subsidiary to act as the Sponsor to the proposed InvIT; and
- (ii) The application for registration of the InvIT has been made to the Securities and Exchange Board of India, which is under consideration.

The Company expects to complete the setup of the InvIT and transfer of the projects to the said InvIT in financial year 2021.

An InvIT is being considered due to possibility of a higher value accretion on account of the following key reasons:

- It is an efficient mechanism of transferring ownership and economic benefit of the underlying SPVs to the creditors of the IL&FS Group Holdcos having exposure to these SPVs;
- It provides potential for higher recovery through issuance of units in InvIT at yield closer to lending rates of creditors as compared to higher discounting factor that may be applied by potential acquirer through bid process;
- More tax-friendly for creditors of Holdcos. InvIT may significantly overcome tax in-efficiencies of a multi-layered structure as income is taxable primarily in the hands of the unit holders;
- Marketable / tradable instruments (InvIT units) with liquidity offered through a proposed listing on recognised stock exchange(s) providing exit whenever desired.

The resolution process for the IL&FS Group is being undertaken in accordance with the *Third Progress Report – Proposed Resolution Framework for the IL&FS Group* dated December 17, 2018, the *Addendum to the Third Progress Report* dated January 15, 2019 and the *Second Addendum to the Third Progress Report* dated December 5, 2019 (collectively the “**Resolution Framework**”). The New Board has till date submitted five progress reports to the NCLT on the resolution plans and latest of which were submitted on August 9, 2019. The New Board also submitted a revised Resolution Framework for all Group Companies to Hon’ble NCLAT vide an affidavit dated January 9, 2020, an addendum to the said affidavit was filed with Hon’ble NCLAT on February 7, 2020.

The Hon’ble NCLAT vide its judgement dated March 12, 2020, has approved the revised Resolution Framework submitted by New Board along with its amendments.

### ***International operations***

As stated herein above, the New Board of IL&FS has taken a decision to discontinue activities at all the international locations by closing down the operations/ divestment of stakes. The status is provided as follows:

- (a) Binding bid has been received in respect of 49% stake held in Chongqing Yuhe Expressway Limited, China by ITNL International Pte Ltd (IIPL), a wholly owned subsidiary of the Company and the divestment process is expected to be completed by Q2 FY 20
- (b) the divestment process for Dubai Supreme Court Project being executed by entities in Dubai namely, ITNL International DMCC and ITNL Infrastructure Developers LLC, could not progress due to lack of interest. In view thereof, it was resolved to file application for insolvency for both these entities for which necessary steps have been initiated and
- (c) After evaluating all available options for resolution of Elsamex SAU, Spain, it has been resolved to file an application for voluntary insolvency of the Company. The process has been delayed due to declaration of State of Alarm in Spain on account of the outbreak of COVID - 19. In the meanwhile, one of the creditors of Elsamex S.A.U has filed an application for mandatory insolvency of the Company.
- (d) IIPL Operations in US have been wound up and the Company is in the process of being dissolved

## **6. Risks and Concerns**

Given the developments mentioned above, from the Company's standpoint, the situation remains critical and the key concerns and risk envisaged are as under:

- (a) Completion of Divestment process for assets where binding bids have been accepted, in time bound manner to ensure resolution of these entities;
- (b) Achieving timely settlements of incomplete roads projects and other compensation claims with respective Concessioneing Authorities. Some of these settlements are subject to judicial process;
- (c) Set up of InvIT platform after seeking all requisite approvals for transfer of ownership and economic benefit of the underlying SPVs to the creditors of the IL&FS Group Holdcos having exposure to these SPVs;
- (d) Completion of the Resolution process in accordance with approvals received from Hon'ble NCLAT;
- (e) Monitoring and reviewing the liquidity position of the Company, with assistance from the External Resolution Consultant appointed by the New Board on key oversight functions such as (i) Preparing monthly cash budget (ii) Reviewing operational issues, (iii) Tracking key liquidity parameters, and (iv) Identifying avenues for cash generation/ preservation.

### **(f) Revenues from toll road projects**

The revenue from toll collections will be significantly affected during the current financial year owing to restricted movement of fleet across various modes of

transport because of Covid-19 outbreak that has put most of the country in a lockdown.

In addition, since a significant portion of the Company's operational assets are toll-driven, any change in traffic growth rate will significantly impact earning potential. All toll revenues depend on number of vehicles plying on the road and may be affected with changes in traffic volumes. The traffic volume is directly or indirectly affected by factors beyond the Company's control such as toll rates, fuel prices, affordability of automobiles, and the quality, convenience and travel time on alternate routes. In addition, the availability of alternate means of transport such as rail networks and air transport may also affect traffic volumes. Moreover, these cash flows are also affected by seasonal factors as the traffic tends to decrease during monsoon but increases during holiday seasons. The Company tries to maintain a balance between the annuity and toll projects and also looks to securitise future cash flows from toll receipts to reduce risk impact

In view of the Company not undertaking any project development/construction activities at present there will be no risks related to Project Financing, Cost Overruns, Internal & External Credit Shortfall , Participation of Banks, Land Delays, Environment, Health and Safety issues relating to construction activities.

## **7. Outlook**

Taking into account the various challenges facing the IL&FS Group, including the complexity posed by its structure, width of operating business, scale, group-wide levels of leverage, public interest, financial stability, legality, various stakeholder interests (including interests of the joint venture partners) and commercial feasibility, the New Board has put in place a resolution framework to have a timely resolution process, which is fair and transparent and incorporates well established legal principles and seeks to address concerns of all stakeholders of the IL&FS Group. The implementation of the resolution framework is presently under way and the Company expects to make significant progress on various initiatives describe above in the current year.

## **8. Internal Control Systems and their Adequacy**

The Company had a risk management framework and compliance systems including the risk management policy adopted by the erstwhile management. Given the circumstances in which the New Board was appointed on October 1, 2018, the New Board has reviewed and put in place a revised and updated risk management framework which takes into account the complexity of IL&FS Group structure and the situation with respect to operations/liquidity management. It has also implemented certain key initiatives to protect interests of the stakeholders in order to mitigate the risks being faced by the Company (and the IL&FS Group).

The normal business operations of the Company as they existed until September 30, 2018 have ceased. The New Board has taken certain steps to continue the current operations of the Company and its operational project SPVs and is focused on achieving resolution as mandated by NCLT.



An internal audit is carried out by independent Chartered Accountant firm which report findings and observations directly to the Audit Committee. The Internal Auditor's scope and authority are derived from the Internal Audit Plan which is approved by the Audit Committee at the beginning of each financial year.

Internal audits are conducted at periodic intervals and cover operations, accounting and finance, treasury, secretarial and administration functions. They also review the SOPs and report on the adequacy and effectiveness of internal controls, including internal controls on financial reporting. They also provide special reference to compliances, based on the audit plan. Internal audit reports are placed before the Audit Committee at regular intervals for review, discussion and suitable action.

Every employee plays a key role in fostering a strong internal control environment of responsibility, accountability and ethical behaviour

## **9. Financial and Operational Performance**

### *Standalone*

During 2018-19, the Company's reported gross revenue of ₹ 786.24 Crore compared to ₹ 4,709.48 Crore.

Earnings before interest, tax, depreciation and amortisation (EBITDA) reduced to ₹ (931.65) Crore in 2018-19 compared to ₹1,996.22Crore in 2017-18.

Financing cost for the year was ₹ 1,275.55 Crore compared to ₹ 1,642.12 Crore. The lower finance cost is on account of non-recognition of finance cost for the period October 15, 2018 to March 31, 2019 in view of the NCLT approving the cut-off date of October 15, 2018 in terms of the Resolution Framework submitted by the New Board vide its Judgement dated March 12, 2020.

As a result of the various events during the financial year 2018-19 which are more fully discussed in the notes to the Financial Statements, there was significant uncertainty around the recoverable amounts and valuations, and related provisions for impairment, of the various investments made and loans, trade and other receivables of the Company from its group companies. The Board in consultation with the Management has performed an assessment to determine the recoverability of the carrying amounts of the investments, loans, trade and other receivables from its subsidiaries and other entities. Based on the above assessment, the Company has made an impairment provision in respect of the balance of loans, receivables, Contract assets, Other financial assets and investments from its subsidiaries and group companies aggregating to ₹ 5,682.77 Crore, ₹ 2,229.59 Crore, ₹ 368.51 Crore, ₹ 50.44 Crore and ₹ 5,971.71 Crore respectively, and recorded net loss on fair value changes of ₹ 101.67 Crore on financial assets measured at fair value through profit and loss, arising from transactions upto September 30, 2018.

In the view of the Company, the impairment provision made is prudent and represents the economic substance of the amounts recoverable.

Earnings per share on basic and diluted basis stood at ₹ (516.79) per share for the year ended March 31, 2019, against ₹ 7.65 per share for the year ended March 31, 2018, due to loss after tax for 2018-19.

## **10. Human Resources and Industrial Relations**

Pursuant to defaults in obligations in terms of servicing of debts by the Company and subsequent action by the Union of India suspending the Board of Directors of IL&FS, the holding company, there was a lot of uncertainty amongst the employees. This resulted in increased attrition rate across all level of the employees. Since then, the Company has been facing capacity issues due to loss of key employees while meeting the need for servicing information requirements and providing clarifications to multiple investigating agencies, providing information to enable the ongoing asset monetization and restructuring activities and meeting 'going concern' requirements. The Management is taking all possible efforts to retain employees at all levels and is in the process of recruiting talent from outside to ensure adequate manpower to cope up with the ongoing resolution plan.

Your Company considers its employees the most valuable resource and ensures the strategic alignment of HR practices to business priorities and objectives. The Company strongly believes in fostering a culture of trust and mutual respect amongst its employees and seeks to ensure that values and ethos are understood by everyone and are the reference point in all people matters.

## **11. Cautionary Statement**

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

## REPORT ON CORPORATE GOVERNANCE

### 1. Company's Philosophy on Corporate Governance

The Company believes that adhering to corporate governance norms is essential to enhance shareholder value and achieve long term corporate goals. The Company is committed to operating in a regulated manner and create value for all the stakeholders.

### 2. Board of Directors

The Board is entrusted with the ultimate responsibility of the management, directions and performance of the Company. The Board acts on its own and through its duly constituted Committees

#### (i) Composition

During FY 2018-19, the Company maintained a combination of Executive & Non-Executive Directors until September 30, 2018 comprising Executive and Non-Executive Directors including Independent Directors having expertise in their respective functional areas with wide range of skills and experience.

On October 1, 2018 Union of India ("UOI") (acting through the MCA) filed a petition with Hon'ble NCLT seeking immediate suspension of the Board of Directors of Infrastructure Leasing & Financial Services Limited (IL&FS) and appointment of a new Board of Directors, amongst others, on the grounds of mismanagement and compromise in corporate governance norms and risk management by the erstwhile Board of the Company and that the affairs of the Company being conducted in a manner prejudicial to the public interest. The Hon'ble NCLT vide its Order dated October 1, 2018 allowed the UOI's petition and vide its Orders dated October 1, 2018, October 3, 2019 and December 21, 2018 appointed new Directors to the Board of IL&FS on the recommendations of UOI. Accordingly, a New Board consisting of 8 Directors was appointed at IL&FS.

Pursuant to the above developments, the New Board also initiated reconstitution of the Board of Directors of the Company as detailed below:

Name	Status
<b><u>Directors upto September 30, 2018</u></b>	
Mr. Hari Sankaran	Resigned effective October 1, 2018
Mr. Arun Saha	Resigned effective October 1, 2018
Mr. K Ramchand	Resigned effective October 29, 2018
Mr. Mukund Sapre	Resigned effective November 2, 2018
Ms. Neeru Singh	Resigned effective November 1, 2018
Ms. Deepak Dasgupta	Ceased to be director on March 31, 2019 upon expiry of term of appointment
Mr. R C Sinha	Ceased to be director on March 31, 2019 upon expiry of term of appointment
Mr. H P Jamdar	Ceased to be director on March 31, 2019 upon expiry of

	term of appointment
<b><u>Appointment of New Directors post October 1, 2018</u></b>	
Mr. Vineet Nayyar	Appointed as director effective October 25, 2018
Mr. C. S. Rajan	Appointed as director effective October 25, 2018
Mr. Nand Kishore	Appointed as director effective November 15, 2018
Mr. Bijay Kumar	Appointed as director effective May 21, 2019

\*Mr. Ravi Parthasarathy, Director had resigned from the Board effective July 21, 2018

The changes in constitution of Key Managerial Personnel of the Company are as given below:

<b>Name</b>	<b>Status</b>
<b><u>Key Managerial Personnel prior to September 30, 2018</u></b>	
Mr. K Ramchand	Resigned as Managing Director effective October 29, 2018
Mr. Mukund Sapre	Resigned as Executive Director effective November 2, 2018
Mr. Dilip Bhatia	Stepped down as CFO effective September 22, 2018
Mr. Krishna Ghag	Continued as Company Secretary
<b><u>Key Managerial Personnel post October 1, 2018</u></b>	
Mr. Dilip Bhatia	Appointed as CEO-Officiating effective November 15, 2018 and re-designated as CEO effective April 24, 2019
Ms. Shaivali Parekh	Appointed as Chief Financial Officer effective December 13, 2018 till January 31, 2020
Mr. Mohit Bhasin	Appointed as Chief Financial Officer effective February 1, 2020
Mr. Krishna Ghag	Continues as Company Secretary

In exercise of the powers under Section 242(2)(4) of the Companies Act, 2013, the NCLT vide its Order dated April 26, 2019 has granted dispensation with the requirement for appointment of Independent and Women Directors pursuant to Section 149 of the Companies Act, 2013. In view thereof, the Company has not appointed Independent and Women Directors.

During the year under review 11 meetings were held as follows:

- (a) Upto September 30, 2018, 5 meetings were held on: (i) May 29, 2018, (ii) July 06, 2018, (iii) July 27, 2018, (iv) August 13, 2018 and (v) September 22, 2018
- (b) Post October 1, 2018 till March 31, 2019, 6 meetings were held on: (i) October 25, 2018 (ii) November 15, 2018, (iii) December 13, 2018, (iv) January 02, 2019, (v) January 11, 2019 and (vi) February 25, 2019

The Company provides information as set out in Regulation 17 to 27 of SEBI (LODR) Regulations, 2015 to the Board and its Committees from time to time and to

the extent applicable and relevant along with the Agenda accompanied with explanatory notes thereto to all the Directors. Presentations are made by the Management on required topics at the Meetings of the Board of Directors providing status on operations of the projects along with risk matrix, financials, etc.

(ii) Category & Attendance of Directors

The names and categories of the Directors on the Board as at March 31, 2019, their attendance at the Board Meetings held during FY 2018-19, along with the number of directorships and committee memberships held by them in other companies as on March 31, 2019 are given below. The directorships in other companies exclude those held in private limited companies, associations, companies incorporated outside India and alternate directorships. The Chairmanship / Membership of the Committees include memberships of Audit and Stakeholders' Relationship Committees. The details of attendance of the Directors at the Annual General Meeting (AGM) held on September 4, 2018 are also provided in the table below:

Name	Category	Attendance at the Board Meetings and Annual General Meeting		Number of Directorships in other public companies		Number of Committee positions held in other public companies	
		Board	AGM	Chairman	Director	Chairman	Member
Mr. Deepak Dasgupta (Chairman) (ceased upon expiry of term on March 31, 2019)	Independent	10	Yes	3	3	1	4
Mr. R. C. Sinha (ceased upon expiry of term on March 31, 2019)	Independent	10	Yes	-	5	-	-
Mr. H P Jamdar (ceased upon expiry of term on March 31, 2019)	Independent	8	No	-	-	-	-

Ms. Neeru Singh (resigned effective November 1, 2018)	Independent	6	Yes	-	-	-	-
Mr. Ravi Parthasarathy (resigned effective July 21, 2018)	Non-Executive	1	-	-	-	-	-
Mr. Hari Sankaran (resigned effective October 1, 2018)	Non-Executive	4	Yes	-	-	-	-
Mr. Arun K Saha (resigned effective October 1, 2018)	Non-Executive	3	Yes	-	-	-	-
Mr. K Ramchand (resigned effective October 29, 2018)	Managing Director	6	Yes	-	-	-	-
Mr. Mukund Sapre (resigned effective November 2, 2018)	Executive Director	5	Yes	-	-	-	-
Mr. Vineet Nayyar (appointed effective October 25, 2018)	Non-Executive Director	6	N.A.	1	5	-	1

Mr. Chandra Shekhar Rajan (appointed effective October 25, 2018)	Non-Executive Director	6	N.A.	1	3	-	-
Mr. Nand Kishore (appointed effective November 15, 2018)	Non-Executive Director	4	N.A.	-	9	2	4

N.A. – Not Applicable

Pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, information of Directorship at other listed companies (as available at MCA website as on 31.03.2019) in respect of the Directors of the Company is given below:-

Sr. No.	Name of Director	Name of Listed Company	Category
1.	Mr. Deepak Dasgupta	-	-
2.	Mr. R. C. Sinha	-	-
3.	Mr. H P Jamdar	1. Nila Infrastructures Limited	Independent, Non-Executive
4.	Ms. Neeru Singh	-	-
5.	Mr. Ravi Parthasarathy	-	-
6.	Mr. Hari Sankaran	-	-
7.	Mr. Arun K Saha	-	-
8.	Mr. K Ramchand	-	-
9.	Mr. Mukund Sapre	-	-
10.	Mr. Vineet Nayyar	1. The Great Eastern Shipping Company Limited 2. Infrastructure Leasing and Financial Services Limited	Independent, Non-Executive Non-Executive
11.	Mr. Chandra Shekhar Rajan	1. IL&FS Engineering And Construction Company Limited 2. Infrastructure Leasing and Financial Services Limited	Non-Executive Nominee Director, Non-Executive
12.	Mr. Nand Kishore	1. Infrastructure Leasing and Financial Services Limited 2. IL&FS Investment Managers Limited	Director Nominee Director, Non-Executive

(iii) Disclosure of relationships between Directors inter-se

None of the Directors of the Company are related inter-se.

(iv) Independent Directors

The Company has received disclosures from the erstwhile Independent Directors confirming their independence in terms of the Regulation 16(1)(b) of the SEBI (LODR) Regulation, 2015 and Section 149(6) of the Companies Act, 2013 read along with Rules framed there under. The Letter of Appointment issued to the erstwhile Independent Directors containing the terms and conditions are available on the Company's website: [www.itnlindia.com](http://www.itnlindia.com)

(a) Separate Meeting

As stipulated by the Code of Conduct of erstwhile Independent Directors formulated in accordance with the provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015, a separate meeting of the erstwhile Independent Directors was held on April 22, 2018, to review the performance of the erstwhile Non-Independent Directors including the erstwhile Chairman and the then Board as a whole. The erstwhile Independent Directors also reviewed the quality, content and timeliness of the flow of the information between the erstwhile Management and the then Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

(b) Familiarisation Programme

Familiarisation is an ongoing process and the erstwhile Independent Directors were briefed on the developments in the industry and the Company in detail at all Board Meetings with periodical updates on Domestic / International Projects, Regulatory updates, framework for Related Party Transactions, visit to the project sites, meeting with Senior Executive(s) of the Company at the Audit Committee Meetings etc. and on regulatory and legal developments impacting the Company as and when the need arises. Further details of the Familiarisation Programme for Independent Directors are available on the Company's website: [http://www.itnlindia.com/application/web\\_directory/Company%20Policies/2020/Familiarisation%20Programme\\_2018-19.pdf](http://www.itnlindia.com/application/web_directory/Company%20Policies/2020/Familiarisation%20Programme_2018-19.pdf).

(vi) Performance Evaluation of Directors, Board / Committees

The erstwhile Board of Directors at its meeting held on May 25, 2018 had carried out an annual evaluation of its performance, Committees of the Board and of all the directors pursuant to the provisions of the Act and SEBI (LODR) Regulation, 2015 in terms of criteria adopted by the erstwhile Board in accordance with the Managerial Remuneration Policy in its meeting held on November 11, 2014.

In a separate meeting of the Erstwhile Independent Directors held on April 22, 2018, performance of erstwhile non-independent directors, then Board as a whole and that of the erstwhile Chairman was evaluated taking into account the views of erstwhile executive and erstwhile non-executive directors.



### 3. Committees of the Board

#### (I) Audit Committee

- (i) The Audit Committee has been constituted in accordance with the provisions of Section 177 of the Companies Act, 2013 read along with Rules framed thereunder and Regulation 18 of SEBI (LODR) Regulation, 2015. During the year under review 5 meetings were held as follows:

(a) Upto September 30, 2018 3 meetings were held on (a) May 29, 2018, (b) July 06, 2018 and (c) August 12, 2018

(b) Post October 1, 2018 2 meetings were held on (a) December 13, 2018 and (b) February 25, 2019.

The Audit Committee comprised of the following Members upto September 30, 2018:

Sr. No.	Name of Director	Designation
1.	Mr. R. C. Sinha	Chairman
2.	Mr. Deepak Dasgupta	Member
3.	Mr. H. P. Jamdar	Member
4.	Mr. Arun Saha	Member

The Audit Committee was reconstituted on November 15, 2018, comprising of the following Members:

Sr. No.	Name of Director	Designation
1.	Mr. R. C. Sinha	Chairman
2.	Mr. Deepak Dasgupta	Member
3.	Mr. H. P. Jamdar	Member
4.	Mr. Nand Kishore	Member

- (ii) The composition of the Audit Committee as at March 31, 2019, category of Members and attendance at the meetings held during the year are given below:

Name of Director	Designation	Category	No. of Meetings	
			Held	Attended
Mr. R C Sinha (ceased upon expiry of term on March 31, 2019)	Chairman	Independent	5	5
Mr. Deepak Dasgupta (ceased upon expiry of term on March 31, 2019)	Member	Independent	5	4
Mr. H P Jamdar (ceased upon expiry of term on March 31,	Member	Independent	5	4

2019				
Mr. Arun K Saha (resigned effective October 1, 2018)	Member	Non- Executive	5	3
Mr. Nand Kishore (appointed effective November 15, 2018)	Member	Non- Executive	5	2

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

Subsequent to Mr. R. C. Sinha, Mr. Deepak Dasgupta and Mr. H. P. Jamdar ceasing to be the Independent Directors upon completion of their term on March 31, 2019, the Committee was reconstituted on April 23, 2019 comprising of the following:

S. No.	Name of Director	Designation
1.	Mr. Nand Kishore	Chairman
2.	Mr. Vineet Nayyar	Member
3.	Mr. C. S. Rajan	Member

(iii) The role of the Committee, inter alia includes, the following:

- (1) oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) recommendation for appointment, remuneration and terms of appointment of auditors;
- (3) approval of payment to statutory auditors for any other services rendered by them;
- (4) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (b) changes, if any, in accounting policies and practices and reasons for the same;
  - (c) major accounting entries involving estimates based on the exercise of judgment by management;

- (d) significant adjustments made in the financial statements arising out of audit findings;
  - (e) compliance with listing and other legal requirements relating to financial statements;
  - (f) disclosure of any related party transactions;
  - (g) modified opinion(s) in the draft audit report
- (5) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- (7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (8) approval or any subsequent modification of transactions of the listed entity with related parties;
- (9) scrutiny of inter-corporate loans and investments;
- (10) valuation of undertakings or assets of the listed entity, wherever it is necessary;
- (11) evaluation of internal financial controls and risk management systems;
- (12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (13) discussion with internal auditors of any significant findings and follow up there on;
- (14) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (15) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern; to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of

declared dividends) and creditors; to review the functioning of the whistle blower mechanism;

- (16) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (17) carrying out any other function as is mentioned in the terms of reference of the audit committee by SEBI from time to time
- (18) The audit committee shall mandatorily review the following information:
  - (i) management discussion and analysis of financial condition and results of operations;
  - (ii) statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - (iii) management letters / letters of internal control weaknesses issued by the statutory auditors;
  - (iv) internal audit reports relating to internal control weaknesses; and the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee
- (19) Statement of deviations:
  - (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1)
  - (ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7)

## **(II) Stakeholders' Relationship Committee**

The Board has constituted 'Stakeholders' Relationship Committee' to comply with the provisions of Section 178 of the Companies Act, 2013 and the rules framed thereunder. The Committee has been constituted to resolve the grievances of the security holders including those related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends. The Committee also reviews the overall working of the secretarial department and functioning of the registrar and share transfer agents

During the year under review, 2 meetings were held upto September 30, 2018 on (i) April 19, 2018 and (ii) July 12, 2018.

- (a). The Composition of the Committee as at march 31, 2019, category of its Members and their attendance at the meetings held during the year upto September 30, 2018 is given below:

Name of Director	Designation	Category	No. of Meetings	
			Held	Attended
Mr. Arun K Saha (resigned effective October 1, 2018)	Chairman	Non- Executive, Non-Independent	2	2
Mr. K Ramchand, (resigned effective October 29, 2018) Managing Director	Member	Executive	2	2

The Stakeholders' Relationship Committee was reconstituted on November 15, 2018, comprising of the following Members:

Sr. No.	Name of Director	Designation
1.	Mr. H. P. Jamdar	Chairman
2.	Mr. Nand Kishore	Member

Subsequent to Mr. Jamdar ceasing to be the Independent Director upon completion of his term of appointment on March 31, 2019, the Committee was reconstituted on April 23, 2019 comprising of the following:

S. No.	Name of Director	Designation
1.	Mr. Vineet Nayyar	Chairman
2.	Mr. Nand Kishore	Member
3.	Mr. C. S. Rajan	Member

- (b). During the year under review, the Company received only one complaint from an Equity Shareholder which was resolved and nothing was pending. However, the Company has received complaints from 72 Debenture Holders regarding nonpayment of interest and Principal which are yet to be resolved in view of moratorium on debt servicing applicable to the Company
- (c). Krishna Ghag, Vice President and Company Secretary is designated as Compliance Officer.

### **(III) Committee of Directors**

- (i) The Board had constituted a Committee of Directors of erstwhile Directors to consider and approve the proposals pertaining to routine operations for the smooth conduct of the business. The Committee comprised of erstwhile Directors i.e. Mr. Hari Sankaran as Chairman, Mr. Arun K Saha, Director, Mr. K. Ramchand, Managing Director and Mr. Mukund Sapre, Executive Director and Mr. Pradeep Puri as Members. Mr. Puri ceased to be its Members consequent to his resignation as a Director effective November 20, 2017.

The Committee met 4 times during the year under review on (a) April 27, 2018, (b) June 28, 2018, (c) July 31, 2018 and (d) August 16, 2018.

- (ii) The composition of the Committee, category of its Members and their attendance at the meetings held during the year upto September 30, 2018 is given below:

Name of the Director	Designation	Category	No. of Meetings	
			Held	Attended
Mr. Hari Sankaran	Chairman	Non-Executive, Non-Independent	4	3
Mr. Arun K Saha	Member	Non-Executive, Non-Independent	4	4
Mr. K. Ramchand	Member	Executive	4	4
Mr. Mukund Sapre	Member	Executive	4	4

The Board of Directors of the Company decided to dissolve the Committee at its meeting held on October 25, 2018.

#### **(IV) Nomination and Remuneration Committee**

The composition of the Nomination and Remuneration Committee comprised of Mr. H P Jamdar, as the Chairman, Mr. Hari Sankaran and Mr. R.C. Sinha as Members upto September 30, 2018 and had met on May 29, 2018 during this period.

The Nomination and Remuneration Committee was reconstituted on October 25, 2018 comprising of the following Members:

Sr. No.	Name of Director	Designation
1.	Mr. H. P. Jamdar	Chairman
2.	Mr. R C Sinha	Member
3.	Mr. CS Rajan	Member

Subsequent to reconstitution, the Committee met 2 times i.e. on, November 15, 2018 and December 13, 2018.

- (i) The composition of the Committee as at March 31, 2019, category of Members and attendance at the meetings held during the year are given below:

Name of the Director	Designation	Category	No. of Meetings	
			Held	Attended
Mr. H P Jamdar	Chairman	Independent	3	1
Mr. R. C. Sinha	Member	Independent	3	3
Mr. Ravi Parthasarathy (resigned effective July 21, 2018)	Member	Non- Executive	3	1
Mr. Hari Sankaran (resigned effective October 1, 2018)	Member	Non-Executive	3	1
Mr. Chandra Shekhar Rajan	Member	Non-Executive	3	2

(appointed effective October 25, 2018)				
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The erstwhile Managing Director, erstwhile Executive Director, Head - HR and Company Secretary also attended the meetings.

Subsequent to Mr. R. C. Sinha and Mr. H. P. Jamdar ceasing to be the Independent Directors upon completion of their term of appointment on March 31, 2019, the Committee was again reconstituted on April 23, 2019 comprising of the following:

S. No.	Name of Director	Designation
1.	Mr. C. S. Rajan	Chairman
2.	Mr. Vineet Nayyar	Member
3.	Mr. Nand Kishore	Member

(ii) The terms of reference of the Committee *inter alia* include:

- (1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (2) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (3) devising a policy on diversity of board of directors;
- (4) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal
- (5) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors

(iii) Managerial Remuneration Policy

The erstwhile Board of the Company had adopted “Managerial Remuneration Policy” on November 11, 2014 which had defined a Selection Criteria for appointment of Directors, qualification, positive attributes, independence of the Directors including remuneration payable and other matters as prescribed under the Companies Act, 2013 and LODR Regulations. The Managerial Remuneration Policy and Selection Criteria for Directors is available on the website of the Company.

As per the applicable provisions of the Companies Act, 2013 and Rules framed thereunder and the LODR Regulations, the erstwhile Management of your Company had laid down a Performance Assessment Process and Parameters for the Members of the Board. The evaluation of the performance of the individual

Directors, Committees and the Board was noted at the Meeting of the erstwhile Board of Directors of the Company held on May 25, 2018.

(a) Erstwhile executive Directors

The Company paid remuneration to its erstwhile Managing Director and Executive Director by way of salary, perquisites and allowances (fixed component) & performance related pay (variable component). The performance related pay was determined based on individual employee performance and the Company's overall performance determined by the Nomination & Remuneration Committee at the end of each financial year, subject to the overall ceiling stipulated in Section 197 of the Companies Act, 2013 and Rules framed thereunder

The details of remuneration and perquisites paid to managerial personnel for the Financial Year 2018-19 are given below:

<b>Terms of Agreement</b>	<b>Mr. K Ramchand Managing Director Upto October 29, 2018</b>	<b>Mr. Mukund Sapre Executive Director Upto November 02, 2018</b>
Period of appointment	5 years	5 years
Date of appointment	April 1, 2018	April 1, 2018
Salary (₹)	12,417,240	9,317,500
Perquisites (₹)	1,904,011	752,038
Retirement Benefits (₹)	4,080,786	2,907,366
Performance Linked Incentive (₹)	Nil	Nil
Notice Period	Three months	
Severance Fees	There is no separate provision for payment of severance fees	
Stock Option	The Company does not have any Stock Option Plan for its employees	

As a consequence of the losses reported for the year ended March 31, 2019, the same has resulted in the excess payment of remuneration to Mr. K Ramchand (erstwhile Managing Director) and Mr. Mukund Sapre (erstwhile Executive Director) amounting to ₹ 0.70 Crore and ₹ 0.13 Crore respectively aggregating to ₹ 0.83 Crore. The Company has initiated action for recovering the excess remuneration paid to them.

(b) Erstwhile Non-Executive Directors:

- (i) The erstwhile Non-Executive Directors were paid remuneration by way of commission and Sitting fees. The Commission was paid to the Non-Executive Directors on an uniform basis to reinforce the principle of collective responsibility of Directors within the ceiling approved by the Shareholders at the Annual General Meeting held on August 26, 2015. However, in view of liquidity issues/defaults in servicing of lenders, the commission for FY 2017-18 approved for payment during the year under review was withdrawn by the New Board and not paid.



- (ii) A sitting fee of ₹ 50,000 per meeting is paid (subject to deduction of tax at source) to Non-Executive Directors for attending meetings of the Board and Committees thereof. However, the Sitting Fees was revised by the New Board effective October 25, 2018 which is ₹ 15,000 for Board Meetings and ₹ 10,000 for Audit Committee Meeting and ₹ 5,000 for other Committee Meetings.
- (iii) The details of sitting fees paid / payable to the Directors for FY 2018-19 is given below:

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Amount in Rupees</b>
(a)	Mr. Deepak Dasgupta	6,35,000
(b)	Mr. R. C. Sinha	7,05,000
(c)	Mr. H P Jamdar	4,85,000
(d)	Mr. Ravi Parthasarathy	1,00,000
(e)	Mr. Hari Sankaran	3,00,000
(f)	Mr. Arun K Saha	5,50,000
(g)	Ms. Neeru Singh	4,15,000
(h)	Mr. Nand Kishore	80,000
(i)	Mr. Chandra Shekhar Rajan	65,000
<b>Total</b>		<b>33,35,000</b>

- (iv) Details of shares held by the Non-Executive Directors as on March 31, 2019 are given below:

<b>Sr. No.</b>	<b>Name of Director</b>	<b>No of shares held</b>
(a)	Mr. Deepak Dasgupta	79
(e)	Mr. R C Sinha	70
(g)	Ms. Neeru Singh	1,000

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

**(V) Environment, Health and Safety Committee**

- (i) The Environment, Health and Safety Committee” (EHS) had been constituted by the Board comprising of Independent Directors with the following objective:
- Review and recommend measures for improving the safety aspects at the Projects to reduce accidents
  - Advise on mitigation measures related to EHS;
  - Aid in furtherance of the EHS initiatives

- (ii) A Meeting of the Committee was held on April 23, 2018 during the year under review. The Board of Directors of the Company decided to dissolve the Committee at its meeting held on October 25, 2018
- (iii) The composition of the Committee, category of Members and attendance at the meetings held during the year are given below:

Name of Director	Designation	Category	No. of Meetings	
			Held	Attended
Mr. H P Jamdar	Chairman	Independent	1	1
Mr. Deepak Dasgupta	Member	Independent	1	1
Mr. R C Sinha	Member	Independent	1	1
Ms. Neeru Singh	Member	Independent	1	1

The erstwhile Managing Director and Director also attended the Meetings along with the Technical Team of the Company

#### **(VI) Corporate Social Responsibility Committee**

- (i) The Board has constituted a Corporate Social Responsibility (CSR) Committee in compliance with the provisions of Section 135 of the Companies Act, 2013 and Rules framed thereunder, to oversee and advise on the activities to be carried out under the CSR Policy adopted by the Company
- (ii) A Meeting of the Committee was held on April 23, 2018 during the year under review
- (iii) The composition of the Committee September 2018, category of Members and attendance at the meetings held during the year are given below:

Name of Director	Designation	Category	No. of Meetings	
			Held	Attended
Ms. Neeru Singh	Chairman	Independent	1	1
Mr. H P Jamdar	Member	Independent	1	1
Mr. K. Ramchand	Member	Executive	1	1
Mr. Mukund Sapre	Member	Executive	1	1

- (iv) Post October 1, 2018 and subsequent to the resignation of Mr. K. Ramchand, Mr. Mukund Sapre and Ms. Neeru Singh as Directors, the Committee was reconstituted on November 15, 2018, comprising of the following members:

Sr. No.	Name of Director	Designation
1.	Mr. H. P. Jamdar	Chairman
2.	Mr. Deepak Dasgupta	Member
3.	Mr. C. S. Rajan	Member

- (v) Further, subsequent to Mr. H. P. Jamdar and Mr. Deepak Dasgupta also ceasing to be the Independent Directors upon completion of their term of appointment on March 31, 2019, the Committee was again reconstituted on April 23, 2019 comprising of the following:

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Designation</b>
1.	Mr. Vineet Nayyar	Chairman
2.	Mr. Nand Kishore	Member
3.	Mr. C. S. Rajan	Member

#### 4. General Meetings

Details of the immediately preceding three Annual General Meetings (AGM) held at the Y. B. Chavan Auditorium, Gen. J. Bhosale, Marg, Mumbai 400 021 are given below:

<b>Financial Year</b>	<b>Date / time</b>	<b>Special Resolutions</b>
2015-16	August 09, 2016, 03:00 p.m.	None
2016-17	August 29, 2017, 11:00 a.m.	Issue of Non-Convertible Debentures
2017-18	September 4, 2018,	1) Issue of Non-Convertible Debentures for an amount of upto ₹ 3,500 Crore 2) Amendments to Articles of Association

No approval was sought by way of postal ballot during the year under review.

#### 5. Disclosures

##### (i) Accounting Policies

The standalone financial statements are prepared in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The significant accounting policies under Ind AS applied consistently are set out in the notes to the standalone and consolidated financial statements

##### (ii) Related Party Disclosures

The erstwhile Management had developed a Related Party Transactions Policy & Framework which was reviewed and recommended by the then Audit Committee and approved by the erstwhile Board which is uploaded on the Company's website and is available on the link: [http://www.itnlindia.com/application/web\\_directory/Company%20Policies/2019/RPT%20Policy%20\(Amended\).pdf](http://www.itnlindia.com/application/web_directory/Company%20Policies/2019/RPT%20Policy%20(Amended).pdf)

All Related Party Transactions that were entered into during the Financial Year were on an arm's length basis and were in the ordinary course of business. During the year under review, few material transactions were entered into with the Promoter as disclosed in Form AOC-2 annexed as Annexure VII to the Directors Report.

It should be noted that the nature of related party transactions undertaken during the year, prior to October 1, 2018 under the erstwhile management, are under review as part of various internal and external investigations that have been initiated.

(iii) Code of Business Conduct

The erstwhile Board of Directors had adopted a Code of Conduct at its meeting held on May 13, 2014 which lays down various principles of ethics and compliance. The Code has been circulated to all the erstwhile Directors and employees of the Company and has also been uploaded on the Company's website. All the members of the erstwhile Board and Senior Management personnel have affirmed compliance with the Company's Code of Conduct. A declaration to this effect by the Chief Executive Officer forms part of this report

Further, the Company had also adopted the following Policies and can be viewed on the link provided below

<b>Name of the Policy</b>	<b>Weblink</b>
Code of Conduct for Board of Directors & Senior Management	<a href="http://www.itnlindia.com/application/web_directory/Company%20Policies/code_conduct.pdf">http://www.itnlindia.com/application/web_directory/Company%20Policies/code_conduct.pdf</a>
Code of Conduct to Regulate, Monitor and Report Trading by Insiders	<a href="http://www.itnlindia.com/application/web_directory/Company%20Policies/insider_trading_code_compl.pdf">http://www.itnlindia.com/application/web_directory/Company%20Policies/insider_trading_code_compl.pdf</a>
Code of Conduct for Independent Directors	<a href="http://www.itnlindia.com/application/web_directory/Company%20Policies/Code_of_Independent_Directors.pdf">http://www.itnlindia.com/application/web_directory/Company%20Policies/Code_of_Independent_Directors.pdf</a>
Corporate Social Responsibility Policy	<a href="http://www.itnlindia.com/application/web_directory/Company%20Policies/Corporate%20Social%20Responsibility%20Policy.pdf">http://www.itnlindia.com/application/web_directory/Company%20Policies/Corporate%20Social%20Responsibility%20Policy.pdf</a>
Management Remuneration Policy	<a href="http://www.itnlindia.com/application/web_directory/Company%20Policies/Managerial%20Remuneration%20Policy.pdf">http://www.itnlindia.com/application/web_directory/Company%20Policies/Managerial%20Remuneration%20Policy.pdf</a>
Policy for Related Party Transactions	<a href="http://www.itnlindia.com/application/web_directory/Company%20Policies/ITNL%20RPT%20Policy.pdf">http://www.itnlindia.com/application/web_directory/Company%20Policies/ITNL%20RPT%20Policy.pdf</a>
Policy for determining Material Subsidiaries	<a href="http://www.itnlindia.com/application/web_directory/Company%20Policies/Material%20Subsidiaries%20Policy.pdf">http://www.itnlindia.com/application/web_directory/Company%20Policies/Material%20Subsidiaries%20Policy.pdf</a>
Policy on Preservation and Archival of documents	<a href="http://www.itnlindia.com/application/web_directory/Company%20Policies/2015/Policy%20for%20Preservation%20and%20Archival%20of%20Documents.pdf">http://www.itnlindia.com/application/web_directory/Company%20Policies/2015/Policy%20for%20Preservation%20and%20Archival%20of%20Documents.pdf</a>
Policy for Determination of Materiality and Dissemination of Information	<a href="http://www.itnlindia.com/application/web_directory/Company%20Policies/2015/Dec2015/Policy%20for%20Determination%20of%20Materiality%20and%20Dissemination%20of%20Information.pdf">http://www.itnlindia.com/application/web_directory/Company%20Policies/2015/Dec2015/Policy%20for%20Determination%20of%20Materiality%20and%20Dissemination%20of%20Information.pdf</a>
Whistle Blower Policy	<a href="http://www.itnlindia.com/application/web_directory/Company%20Policies/Whistle%20Blower%20Policy.pdf">http://www.itnlindia.com/application/web_directory/Company%20Policies/Whistle%20Blower%20Policy.pdf</a>
Dividend Distribution	<a href="http://www.itnlindia.com/application/web_directory/Company">http://www.itnlindia.com/application/web_directory/Company</a>

Policy	<a href="#">%20Policies/2017/Dividend%20Distribution%20Policy.pdf</a>
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(iv) Risk Management Framework

The erstwhile management of the Company had adopted a Risk Management Framework, for timely identification of risks, analysis of the reasons for such risk, assessment of its materiality and impact for risk mitigation processes. The Risk Management Framework was reviewed by the erstwhile Board of Directors at its meeting held on May 29, 2018.

However, given the circumstances in which the New Board of IL&FS, the promoter was appointed on October 1, 2018, the New Board has reviewed and put in place a revised and updated risk management framework which takes into account the complexity of IL&FS Group structure and the situation with respect to operations/liquidity management. It has also implemented certain key initiatives to protect interests of the stakeholders in order to mitigate the risks being faced by the Company (and the IL&FS Group)

- (v) During the year under review, the Company had not raised any capital
- (vi) The Company does not have a material non-listed Indian subsidiary as at March 31, 2019 in terms of the provisions of Regulation 24 of SEBI (LODR) Regulations, 2015
- (vii) Presentations made to the Institutional Investors and Analysts if any are sent to the Stock Exchanges and posted on the Company's website from time to time
- (viii) The Company has not submitted quarterly/yearly financial statements from the quarter ended September 30, 2018 onwards. In view thereof, the stock exchanges have initiated action by transferring the equity shares of the Company to "Z" category ('BZ' series) wherein trades shall take place on 'Trade for Trade' basis and have also levied penalties. However, the Company has from time to time has submitted reasons in detail for such non-compliance to the stock exchanges and requested to not take any coercive/pecuniary actions against the Company on account of the circumstances mentioned therein and also the moratorium granted by the National Company Law Appellate Tribunal to the IL&FS Group including the Company.
- (ix) The Company has complied with all the mandatory requirements under the provisions of Regulation 17 to Regulation 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (LODR) Regulations, 2015 relating to Corporate Governance for the period April 1, 2018 to March 31, 2019 except to the extent waivers have been granted by the Hon'ble NCLT with respect to the non-appointment of Independent Woman Director for part of the year
- (x) An audit of the Share Capital is conducted every quarter by a qualified Practising Company Secretary to reconcile the total admitted capital with both the depositories namely, National Securities Depository Limited and Central Depository Services (India) Limited and the total issued and listed capital. The reports confirmed that the total issued/paid up capital were in agreement with the total number of shares held by the members both in physical form and dematerialised form
- (xi) Compliance with Non-Mandatory requirements:

- (a).The financials for the year ended March 31, 2019 has certain qualifications which are included in the Directors' Report.
- (b)The Internal Auditor directly reports to the Audit Committee
- (xii) During the year under review, there were no instances reported pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- (xiii) The Compliance certificate from M/s Mehta & Mehta, Company Secretaries in Practice regarding compliance of conditions of corporate governance shall be annexed with the Directors' report.
- (xiv) A certificate from M/s Kaushal Dalal & Associates, Practicing Company Secretaries, stating that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority forms part of this report.

## 6. Means of Communication

The Quarterly and Annual Standalone & Consolidated Financial Results as and when approved by the Board were published in Economic Times and Maharashtra Times and also filed with the Stock exchanges and displayed on the Company's website: [www.itnlindia.com](http://www.itnlindia.com). The official news releases are intimated to the Stock Exchanges and displayed on the Company's website.

The Company's website: [www.itnlindia.com](http://www.itnlindia.com) provides comprehensive information about its business. In the "Investors Relations" Section, important events and information relating to the Company is uploaded. Presentations made to Institutional Investors, if any are also displayed on the website

A Management Discussion & Analysis Statement forms a part of this Annual Report

## 7. General Shareholder Information:

- |             |                                    |                   |   |
|-------------|------------------------------------|-------------------|---|
| <b>I.</b>   | Annual Meeting(AGM)<br>Time, Venue | General Day/Date, | : Tuesday, June 30, 2020 at 3:00 p.m. (IST) through Video Conference ("VC") / Other Audio Visual Means ("OAVM") |
| <b>II.</b>  | Financial year                     | :                 | 1 <sup>st</sup> April 2018 to 31 <sup>st</sup> March 2019   |
| <b>III.</b> | Date of Book Closure               | :                 | Wednesday, June 24, 2020 to Tuesday, June 30, 2020 (both days inclusive)  |
| <b>IV.</b>  | Dividend Payment Date              | :                 | No dividend has been recommended by the Board.  |

- V. Listing on Stock Exchanges : (i) National Stock Exchange of India Limited (NSE)  
(ii) BSE Limited (BSE)

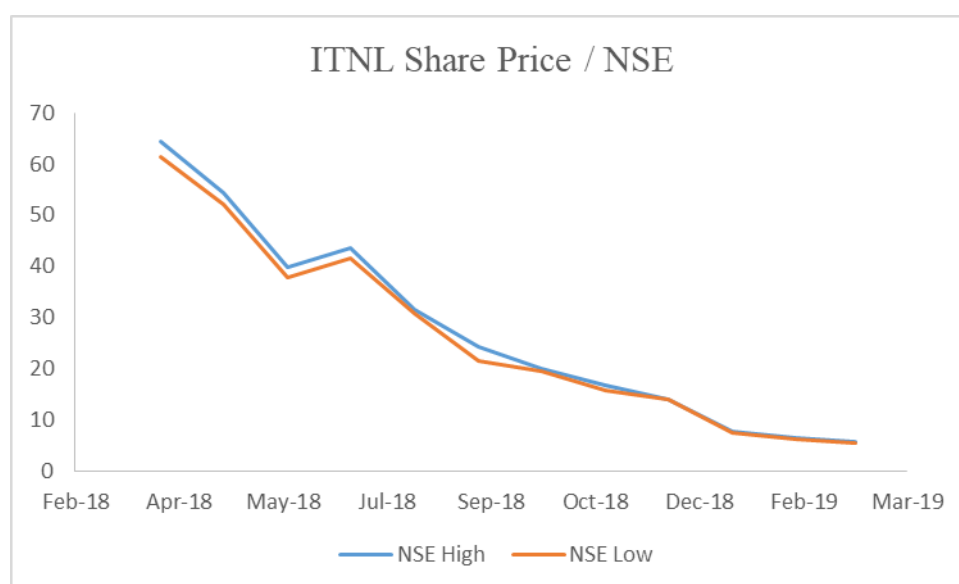
Listing fees for the financial year 2018-19 have been paid to both the Stock Exchanges

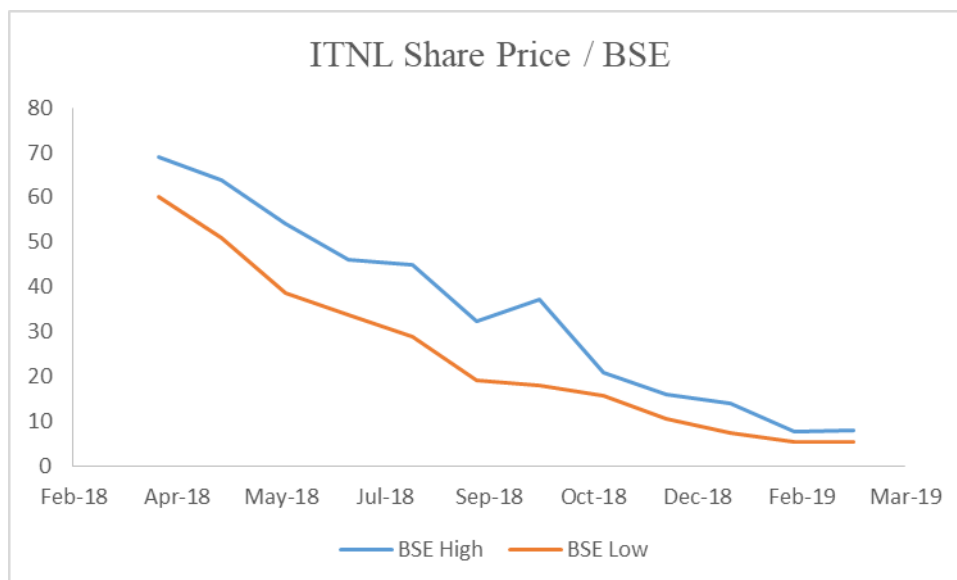
- VI. Scrip Code : NSE - IL&FSTRANS EQ  
: BSE - 533177

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

Month	NSE		BSE	
	High	Low	High	Low
Apr-18	64.4	61.5	69.00	60.10
May-18	54.45	52.1	63.90	51.00
Jun-18	39.9	37.85	54.00	38.50
Jul-18	43.45	41.5	46.00	33.60
Aug-18	31.6	30.65	44.95	28.90
Sep-18	24.15	21.55	32.20	19.10
Oct-18	20.05	19.4	37.20	17.80
Nov-18	16.75	15.65	20.90	15.65
Dec-18	13.95	13.95	16.05	10.50
Jan-19	7.55	7.45	13.80	7.41
Feb-19	6.5	6.15	7.74	5.20
Mar-19	5.6	5.35	7.80	5.30

VIII. Performance of the Company's share price in comparison with NSE NIFTY and BSE SENSEX during the FY 2018-19





#### **IX. Registrar and Share Transfer Agents:**

Name & Address : **Link Intime India Private Limited**  
C-101, 247 Park, LBS Marg,  
Vikhroli (West), Mumbai 400 083

Telephone No : +91 22 4918 6200/ 1800 1020 878

Fax : +91 22 4918 6060

Email : [mumbai@linkintime.co.in](mailto:mumbai@linkintime.co.in)

#### **X. Share Transfer System**

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

According to the SEBI directive securities of listed companies can be transferred only in the dematerialised form, with effect from April 1, 2019. Accordingly, the shareholders holding shares in physical form are requested to dematerialise their shareholding and thereafter update their bank account with their respective Depository Participants

Shares held in the dematerialised form are electronically transferred on the Depositories. The RTA of the Company periodically receives the beneficiary holdings from the Depositories which enables the RTA to update their records for sending all corporate communications, dividend warrants, etc.



**XI. Distribution of shareholding as on March 31, 2019**

Number of Equity Share holdings	Number of Shareholders	Percentage of total Shareholders	No. of Shares	Percentage of total Shares
1-500	50042	79.6378	67,40,159	2.05
501-1000	5517	8.7799	45,56,056	1.38
1001-2000	3167	5.0400	49,11,917	1.49
2001-3000	1259	2.0036	32,62,572	0.99
3001-4000	609	0.9692	21,99,955	0.67
4001-5000	553	0.8801	26,30,665	0.80
5001-10000	895	1.4243	67,63,266	2.06
10001 & above	795	1.2652	29,78,95,437	90.56
<b>Total</b>	<b>62837</b>	<b>100.00</b>	<b>32,89,60,027</b>	<b>100.00</b>

**XII. Shareholding Pattern as on March 31, 2019**

Sr. No.	Category	No. of Shares	Percentage
1	Promoter Holding	23,65,82,632	71.92
2	Promoter Group Holding	42,66,368	1.30
3	Financial Institutions / Banks	19,23,494	0.58
4	Foreign Portfolio Investors	1,55,93,744	4.74
5	Bodies Corporate	90,50,301	2.75
6	Foreign Bodies Corporate	0	0.00
7	NRI	26,85,659	0.82
8	Individuals	5,04,17,393	15.33
9	Clearing Members	23,43,825	0.71
10	HUF	26,89,636	0.82
11	Trusts	34,06,975	1.04
	<b>TOTAL</b>	<b>32,89,60,027</b>	<b>100</b>

**XIII. Dematerialisation of Shares as on March 31, 2019**

The shares of the Company are compulsorily traded in electronic mode and are available for trading with both the depositories in India namely, National Securities Depository Limited and Central Depository Services (India) Limited. As on March 31, 2019, 32,89,60,027 shares representing 99.99% of the Company's total paid-up share capital (including 73.22% held by the Promoter & Promoter Group) were held in dematerialised mode and only 5,720 shares held by public were being held in physical form.

**XIV. Equity Shares in the suspense account:**

There are no shares remaining unclaimed and lying in the Suspense Account of the Company.

**XV. Transfer of unclaimed / unpaid amounts to the Investor Education and Protection Fund:**

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“IEPF Rules”), dividend, if not claimed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (“IEPF”).

Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account are liable for transfer to IEPF. The Company sends periodical reminders to the shareholders to enable them to claim dividends to avoid transfer of the same to IEPF Authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company’s website: [http://www.itnlindia.com/invrelation.aspx?page\\_ID=24&Sec\\_ID=5](http://www.itnlindia.com/invrelation.aspx?page_ID=24&Sec_ID=5)

In light of the aforesaid provisions, the Company has during the year under review, transferred to IEPF, the unclaimed dividends outstanding for 7 years. Further, shares in respect of which dividend has not been claimed for 7 consecutive years or more as stated above have also been transferred to the demat account of IEPF Authority.

The details of unclaimed dividends and shares transferred to IEPF during FY 2020 are as follows:

<b>Financial Year</b>	<b>Amount of unclaimed dividend transferred (Amount in ₹)</b>	<b>Number of Shares transferred</b>
2010-11	1,90,229	514
2011-12	1,87,900	3,953

Members may claim the shares/dividend transferred to IEPF by making an application to IEPF Authority in Form IEPF-5 as per the IEPF Rules. The said form is available on the website of IEPF viz. <http://www.iepf.gov.in/IEPFA/corporates.html>

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

**XVII.** The Company does not have any manufacturing plant

**XVIII.** **Address for correspondence:**

<b>IL&amp;FS Transportation Networks Limited</b> The IL&FS Financial Centre, C-22, G-Block, Bandra – Kurla Complex, Bandra (East), Mumbai 400 051 Telephone: + 91 22 26533333 Fax: + 91 22 2653 3295 Email: <a href="mailto:itninvestor@ilfsindia.com">itninvestor@ilfsindia.com</a>	<b>Debenture Trustees:</b> <b>IDBI Trusteeship Services Limited</b> Mr. Subrat Udgata, Vice President Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai – 400 001 Tel: +91 22 4080 7001
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	Fax: +91 22 6631 1776
<p><b>Link Intime India Private Limited</b>  <i>Registrar &amp; Share Transfer Agent</i>  C-101, 247 Park, LBS Marg,  Vikhroli (West) - Mumbai 400 083  Telephone No: +91 22 4918 6200/  1800 1020 878  Fax: +91 22 4918 6060  Email: <a href="mailto:mumbai@linkintime.co.in">mumbai@linkintime.co.in</a></p>	<p><b>Vistra ITCL (India) Limited</b>  Senior Vice President  The IL&amp;FS Financial Centre, 3rd Floor,  Plot C- 22, G- Block, Bandra-Kurla  Complex,  Bandra (East), Mumbai – 400 051  Tel: +91 (22) 2659 3535,  Fax: +91 (22) 2653 3297</p>

## **CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members,  
**IL&FS Transportation Networks Limited,**  
The IL&FS Financial Centre, Plot no. 22,  
G Block, Bandra Kurla Complex,  
Bandra (E)  
Mumbai - 400051

We have examined the compliance of conditions of Corporate Governance by **IL&FS Transportation Limited** (hereinafter referred as “Company”) for the Financial year ended March 31, 2019 as prescribed under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paras C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as “Listing Regulations”).

Further, we wish to inform that the Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors upto 30.09.2018, thereafter pursuant to Order of National Company Law Tribunal (NCLT) dated 01.10.2018, new persons were appointed as Directors in terms of provisions of Section 242(2) (k) of the Act and previous Board of Directors were suspended on the Board of ILFS, the holding Company. As a consequence, the changes in the composition of the Board of Directors of the Company that took place during the period under review were carried out in compliance with the provisions of the Act, except the appointment of Woman Director.

We state that compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to our examination of the relevant records and the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as prescribed under Listing Regulations.

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

This certificate is issued solely for the purposes of complying with Listing Regulations and may not be suitable for any other purpose.

For **Mehta & Mehta,**  
**Company Secretaries**  
**(ICSI Unique Code P1996MH007500)**

Sd/-  
**Atul Mehta**  
**Partner**  
**FCS No : 5782**  
**CP No. : 2486**

Place: Mumbai  
Date: June 4, 2020

UDIN: **F005782B000315399**

**Declaration regarding Compliance by Board Members and Senior Management  
Personnel with the Company's Code of Conduct**  
(Pursuant to Regulation 34(3) and Schedule V Para D of the SEBI (Listing Obligations and  
Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
**IL&FS Transportation Networks Limited**  
The IL&FS Financial Centre,  
Plot No C22 G Block,  
Bandra Kurla Complex,  
Bandra (E), Mumbai – 400051.

This is to confirm that the Company has adopted a Code of Conduct for the Board of Directors and the employees of the Company. The Code has been circulated to all the members of the Board of Directors and the employees of the Company, which is also uploaded on the Company's website, [www.itnlindia.com](http://www.itnlindia.com)

I hereby confirm that the Company has in respect of the financial year ended March 31, 2019 received from all the members of the Board of Directors and the Senior Management Personnel a declaration of compliance with the Code of Conduct of the Company as applicable to them.

**For IL&FS Transportation Networks Limited**

**Sd/-  
Dilip Bhatia  
Chief Executive Officer**

**Place:** Mumbai  
**Date:** June 4, 2020

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
*(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To,  
The Members of  
**IL&FS Transportation Networks Ltd**  
Plot No. C 22, G Block, The IL&FS Financial Centre,  
Bandra-Kurla Complex, Bandra (East),  
Mumbai, Maharashtra, 400051

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of IL&FS Transportation Networks Limited (hereinafter called “the Company”) having CIN: L45203MH2000PLC129790a nd registered office at Plot No. C 22, G Block, The IL&FS Financial Centre, Bandra-Kurla Complex, Bandra (East), Mumbai-400051, produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authorities.

<b>Sr. No.</b>	<b>Name of Director</b>	<b>DIN</b>	<b>Date of appointment in Company</b>
1	Mr. Vineet Nayyar	00018243	25-10-2018
2	Mr. Chandra Shekhar Rajan	00126063	25-10-2018
4	Mr. Nand Kishore	08267502	15-11-2018

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Kaushal Dalal & Associates**  
*Company Secretaries*  
**Kaushal Dalal**  
Proprietor

**Date: 31<sup>st</sup> May, 2020**  
**Place: Mumbai**

**M. No: 7141 CP No: 7512**  
**UDIN: F007141B000305769**

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of IL&FS Transportation Networks Limited

### **Report on audit of standalone Ind AS financial statements**

#### **Disclaimer of Opinion**

We were engaged to audit the accompanying standalone Ind AS financial statements of IL&FS Transportation Networks Limited (the "Company"), which comprise the standalone Balance Sheet as at March 31, 2019, the standalone Statement of Profit and Loss including the Other Comprehensive Income, the standalone Cash Flow Statement and the standalone Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

We do not express an opinion on the accompanying standalone Ind AS financial statements of the Company. Because of the significance of the matters described in the Basis for Disclaimer of Opinion and Material Uncertainty Related to Going Concern sections of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the accompanying standalone Ind AS financial statements.

#### **Basis for Disclaimer of Opinion**

The matters in Paragraphs 1 to 15 below should be read with Note 1.2 to the accompanying standalone Ind AS financial statements which discusses certain key events of the year including reconstitution of the board of directors of the Company and Note 1.3 to the accompanying standalone Ind AS financial statements regarding the resolution process followed by the board of directors in relation to the Company's operations, as well as the relevant notes referred to hereinbelow.

1. (a) As mentioned in Note 1.5 to the accompanying standalone Ind AS financial statements, on January 1, 2019, the Company, its Holding Company (Infrastructure Leasing & Financial Services Limited) and its fellow subsidiary (IL&FS Financial Services Limited) received orders from the National Company Law Tribunal for the reopening and recasting of their accounts in respect of financial years 2013-14 to 2017-18, under Section 130 of the Companies Act 2013. Such process of reopening and recasting of prior years' accounts is currently in progress.
- (b) As mentioned in Note 1.6 to the accompanying standalone Ind AS financial statements, the Board of Directors of the Holding Company have initiated a third-party forensic examination of various matters for the period April 2013 to September 2018, which is currently ongoing.
- (c) As mentioned in Note 1.7 to the accompanying standalone Ind AS financial statements, there are ongoing investigations by various regulatory authorities on the Company including investigation in respect of borrowings obtained from the third parties having outstanding balance amounting to Rs. 1,181.33 Crores as at March 31, 2019 as fully described in Note 1.19 to the accompanying standalone Ind AS financial statements.
- (d) As mentioned in Note 1.8 to the accompanying standalone Ind AS financial statements, management is in the process of reconciling claims received with its books of account.

Consequently, the accompanying standalone Ind AS financial statements do not include any possible adjustments arising from the aforesaid matters, including to the extent these may affect prior period comparatives presented therein.

2. We draw attention to Note 1.12 and Note 1.13 to the accompanying standalone Ind AS financial statements which explains the uncertainties involved in determining the recoverable value considered for determining provision for impairment and expected credit loss on investments, loans, trade and other receivables respectively (collectively referred to as "Receivable Balances") during the current year:
- a) The recoverable amount is subject to finalisation of the claim management process of subsidiaries and joint ventures and their audited financial statements. Further, the distribution mechanism applied for determining recoverable amount is not in accordance with distribution mechanism approved by National Company Law Appellate Tribunal ('NCLAT') vide its order dated March 12, 2020;
  - b) Recoverable amount considered in case of certain Receivable Balances is based on binding financial proposals approved by the Board of Directors and are subject to requisite approvals and acceptance of the Letter of Intent by the successful bidder;
  - c) Recoverable amount for certain Receivable Balances is based on Fair Valuation, which is subject to various internal and external factors including significant assumptions / estimates / judgments, as at September 30, 2018 and does not consider any adjustment to the present value of the cash flows / working capital upto March 31, 2019;
  - d) As further explained in Note 1.12 to the accompanying standalone Ind AS financial statements, the recoverable amount for certain Receivable Balances does not consider the requirement of the relevant Ind AS standards due to non-availability of the necessary and/or complete information in respect thereof. Further, recoverable amount in respect of under construction projects is subject to finalisation / acceptance / disbursement of settlement amount by the respective authorities.
  - e) As mentioned in the note 1.12 to the accompanying standalone Ind AS financial statements, during the previous year, the Company had not considered latest traffic study report for impairment assessment of a project and in the current year the impairment provision has been recognised basis the said latest traffic study report. In the absence of the revised impairment assessment basis the latest traffic study report including its consequential impact on other significant assumptions, we are unable to comment on the impairment provision required in the previous year for the said project and its consequential impact accounted in the current year, if any.

In view of the above uncertainties involved and absence of sufficient appropriate audit evidence to support the assumptions / estimates / judgements used in determination of recoverable amount for computing the impairment / expected credit loss, we are unable to comment on the possible effects of changes, on account of aforesaid factors, on these standalone Ind AS financial statements.

3. As mentioned in Note 1.11 of the accompanying standalone Ind AS financial statements, the Company is in the process of reconciling the completeness and status of financial guarantees, performance guarantees, letter of awareness, letter of comfort, letter of assurance, sponsor guarantees, other arrangements and corporate guarantees extended by it to / on behalf of its group (including overseas subsidiaries) / third parties in the period prior to September 30, 2018, pending which, the Company has not recognised any resultant liabilities, if any, in the accompanying standalone Ind AS financial statements. Consequently, the accompanying standalone Ind AS financial statements do not include any possible adjustments in this regard.
4. With respect to following transactions, we are unable to obtain sufficient and appropriate evidence about the underlying commercial substance and rationale of such transactions and consequential impact on the accompanying standalone Ind AS financial statements:
- a) Amounts paid during the year to certain related parties which are classified as loans amounting to Rs. 7.50 Crores have been fully impaired during the year as fully described in Note 5 (c) to the accompanying standalone Ind AS financial statements.



- b) Construction cost and other direct expenses incurred/debited to statements of profit and loss during the year, verified by us on a test check basis, amounting to Rs. 52.26 Crores as fully described in Note 24.1 to the accompanying standalone Ind AS financial statements and in respect Miscellaneous expenses amounting to Rs. 3.50 Crores as fully described in Note 29 (c).
5. As fully described in the Note 4 (i) to the accompanying standalone Ind AS financial statements, the Company has invested Rs. 172.60 Crores in the units of Real Estate Assets Performance Fund – I, a SEBI registered Fund, measured at fair value amounting to Rs. 63.73 Crores as at March 31, 2019. We have not been provided with the commercial substance and rationale of the said investment including related expenses and the audited financial statements of the said Fund as at March 31, 2019. Hence, we are unable to comment on the fair value of the said investment and other impact on the standalone Ind AS financial statements, if any.
6. As fully described in the note 1.5 to the accompanying standalone Ind AS financial statements and further noted in paragraph 1 of our report stated above, the following transactions/matters will be considered by management along with the process of reopening / recasting of accounts in respect of financial years 2013-14 to 2017-18 pending which the comparative information has not been restated:
- a) Sale of equity shares of Moradabad Bareilly Expressway Limited (MBEL) and Gujarat Road Infrastructure Company Limited (GRICL) which had resulted in gain amounting to Rs. 126 Crores in the previous year and subsequently during the current year these investments were acquired by Real Estate Assets Performance Fund and the investment was made by the Company in units of the said Fund, as fully described in Note 4(i) to the accompanying standalone Ind AS financial statements.
- b) Transfer of equity shares of wholly owned subsidiary Rajasthan Land Holdings Limited (RLHL) to Pario Developers Private Limited ('Pario') (which was treated as an associate) in exchange for preference shares issued by Pario which had resulted in gain amounting to Rs. 147.50 Crores in the previous year as fully described in Note 4(j) to the accompanying standalone Ind AS financial statements.
- Consequently, during the year ended March 31, 2019, the Company has recorded charge on account of impairment/fair valuation of aforementioned investment in units and preference shares amounting to Rs. 223.54 Crores.
7. As mentioned in Note 5 (d) to the accompanying standalone Ind AS financial statements, the Company had assigned Loans given to its subsidiaries and joint venture to a Bank on a Recourse basis and derecognized the said financial asset from the balance sheet amounting to Rs. 1,000 Crores which is not in accordance with Ind AS 109. Accordingly, financial assets and financial liabilities included in these financial statements for the current year and previous year are understated by the said amount.
8. We have not received audit evidence as follows:
- a) Reconciliation of differences with banks mentioned in Note 1.17 to the accompanying standalone Ind AS financial statements aggregating Rs 426.34 Crores, which management believes represents unauthorised adjustments made by the bank in the Company's bank account and unreconciled differences in bank reconciliation statements including direct debits by banks aggregating Rs 420.13 Crores, for which the management is not aware of its nature and the same are in the process of being reconciled by the Company (included in Note 13 to the accompanying standalone Ind AS financial statements).

- b) Reconciliation with vendors/ sub-contractors as mentioned in Note 24.3 to the accompanying standalone Ind AS financial statements.

Accordingly, we are unable to comment on the consequential effects of the above, on the accompanying standalone Ind AS financial statements.

9. As mentioned in Note 24.1 of the accompanying standalone Ind AS financial statements, a third-party forensic audit, in respect of construction cost and other operating expenses incurred in respect of various projects is currently ongoing. Hence, we are unable to comment on any possible impact on the construction cost and other operating expenses and other consequential impact on the accompanying standalone Ind AS financial statements if any.
10. As mentioned in Note 1.18 of the accompanying standalone Ind AS financial statements as at March 31, 2019, the Company has not carried out analysis for determination of recoverable value as per Ind AS 36 'Impairment of assets' and net realisable value as per Ind AS 2 'Inventories' of its Property, plant and equipment and Inventories respectively. Further, no physical verification for inventories has been carried out. Consequently, the accompanying standalone Ind AS financial statements do not include any possible adjustments in this regard.
11. As mentioned in Note 3 (c) of the accompanying standalone Ind AS financial statements as at March 31, 2019, the Company has valued its investment property as per Ready Reckoner rate as notified by the Maharashtra State Government and which is not in accordance with relevant Ind AS.
12. As mentioned in Note 1.10 to the accompanying standalone Ind AS financial statements, pending management's determination of the financial and other consequences of the litigations stated in the said note, no adjustments have been made to the accompanying standalone Ind AS financial statements in this regard.
13. As mentioned in Note 1.9 to the accompanying standalone Ind AS financial statements, the Company is not in compliance with certain requirements / provisions of applicable laws and regulations as more fully stated in that note. Pending final determination by management of the financial and other consequences arising from such non-compliances, no adjustments have been made to the accompanying standalone Ind AS financial statements.
14. As mentioned in Note 1.14 to the accompanying standalone Ind AS financial statements, pending completion of audit of financial statements of various subsidiaries, associates and joint ventures as at and for the year ended March 31, 2019 / December 31, 2018, and/or the related completion of the inter-company balances reconciliation process, we are unable to comment on the adjustments that may be required and the consequential effects on the standalone Ind AS financial statements and disclosures of related party transactions and balances in Note 41, to the accompanying standalone Ind AS financial statements.
15. We have not received responses to our request for direct balance confirmations towards borrowings of Rs.4,489 Crores, Bank balances of Rs. 62 Crores, certain Trade receivable balances aggregating to Rs. 180 Crores, certain loans and advances aggregating to Rs. 306 Crores and certain trade payables of Rs. 980 Crores and confirmation from banks / financial institutions in respect of details of securities, lien, collaterals, guarantees etc.

Page 5 of 13

**IL&FS Transportation Networks Limited****Independent Auditor's report on the standalone Ind AS Financial Statement for the year ended March 31, 2019****Material Uncertainty Related to Going Concern**

We refer to Note 1.15 to the accompanying standalone Ind AS financial statements. The Company has incurred a loss (including other comprehensive income) of Rs 16,956.12 Crores for the year ended March 31, 2019 and has net liabilities of Rs 13,884.41 Crores as at March 31, 2019. The Company has also suffered consistent downgrades in its credit ratings since September 2018, as a result of which the Company's ability to raise funds has been substantially impaired, with normal business operations being substantially curtailed. These conditions, along with other matters, set forth in that note, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

**Emphasis of matter**

As stated in Note 1.16 to the accompanying Ind AS financial statements, the Company has not accounted for contractual interest income from its subsidiaries, associates, joint ventures and third parties of Rs. 322 Crores on a gross basis and contractually payable finance costs on borrowings of Rs.745 Crores, (excluding penal / other interest and charges), for the period from October 16, 2018 to March 31, 2019 pursuant to an order passed by NCLAT specifying October 15, 2018 as cut-off date for initiation of resolution process. This treatment is different from the applicable accounting standards specified under section 133 of the Act.

Our opinion is not modified in respect of this matter.

**Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements**

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

In preparing the accompanying standalone Ind AS financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements**

Our responsibility is to conduct an audit of the Company's standalone Ind AS financial statements in accordance with Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion and Material Uncertainty Related to Going Concern sections of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the accompanying standalone Ind AS financial statements.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 (the "Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - (a) We have sought all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of audit, but to the extent described in the Basis of Disclaimer of Opinion section above, were unable to obtain such information;
  - (b) Proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books, except to the extent stated in the Basis of Disclaimer of Opinion section above;
  - (c) Read with the matters stated in the Basis for Disclaimer of Opinion section of our report, the standalone Balance Sheet, the standalone Statement of Profit and Loss (including the Other Comprehensive Income), the standalone Cash Flow Statement and standalone Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
  - (d) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion section above, we are unable to state whether the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) The matters described in the Basis for Disclaimer of Opinion and Material Uncertainty Related to Going Concern sections above, in our opinion, may have an adverse effect on the functioning of the Company;
  - (f) In pursuance of the National Company Law Appellate Tribunal (NCLT) order dated October 5, 2018 read with Note 1.3 to the accompanying standalone Ind AS financial statements, directors proposed by the Union of India and appointed by NCLT shall not attract disqualification under section 164 of the Act. Accordingly, reporting requirement as per section 143 (3) (g) of the Act is not applicable to the Company.
  - (g) The reservations relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Disclaimer of Opinion section above;
  - (h) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to the accompanying standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate report in "Annexure 2" to this report. That report expresses a disclaimer of opinion on the Company's internal controls over financial reporting for the reasons stated therein;
  - (i) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion section of our auditor's report on the standalone Ind AS financial statements, we are unable to comment on whether the managerial remuneration paid to its erstwhile managerial personnel for the year ended March 31, 2019 has been paid / provided in accordance with the provisions of section 197 of the Act, read with Schedule V thereto.

Page 7 of 13

**IL&FS Transportation Networks Limited**

**Independent Auditor's report on the standalone Ind AS Financial Statement for the year ended March 31, 2019**

- (j) Except for the possible effects of the matters described in the Basis for Disclaimer of Opinion section above, with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 37 and Note 1.10 to the accompanying standalone Ind AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

**Sd/-**

per Suresh Yadav

Partner

Membership No.: 119878

UDIN: 20119878AAAACI5955

Place of Signature: Mumbai

Date: June 4, 2020

Page 8 of 13

**IL&FS Transportation Networks Limited****Independent Auditor's report on the standalone Ind AS Financial Statement for the year ended March 31, 2019****Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date**Re: IL&FS Transportation Networks Limited (the "Company")

- (i)
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b) All the fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As mentioned in Note 2 to the accompanying standalone Ind AS financial statements, material discrepancies noted on such physical verification has been dealt appropriately in the books of account to the extent reconciled with books of account, however management is in the process of reconciling the balance items. Accordingly, we are unable to comment whether all discrepancies have been properly dealt with in the books of account.
- (c) According to the information and explanations given by the management the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company except one immovable property having carrying amount of Rs. 7.83 Crores as at March 31, 2019 for which title deed were not available with the Company and hence, we are unable to comment on the same.

Nature of Immovable Property	As at March 31, 2019 (Rs. In Crores)	
	Gross Block	Net Block
Building Located at Ahmedabad, Gujarat	8.08	7.83

- (ii) The management has not conducted physical verification of its inventories during the year. Hence, we are unable to comment on discrepancies between physical and book records.
- (iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured to companies covered in the register maintained under section 189 of the Companies Act, 2013. Pending the outcome of the investigations stated in paragraphs 1(b) and 1(c) of the Basis of Disclaimer of Opinion section of our auditor's report on the financial statements and having regard to the matters mentioned in Note 1.6 and Note 1.7 to the accompanying standalone Ind AS financial statements, we are unable to comment whether the terms and conditions of the loans are not prejudicial to the interest of the Company as required by clause 3 (iii) (a) of the Order. Further we are unable to comment on payment of principal and payment of interest and overdue balance as required by the provisions of clause 3 (iii) (b) and (c) of the Order.
- (iv) In our opinion and according to the information and explanations given by the management the Company has not granted any loans covered under section 185 of the Companies Act, 2013. Further based on the information and explanation given to us, the Company is in the business of providing infrastructural facilities and hence provisions of section 186 of the Companies Act, 2013 do not apply to the Company, however, the Company is in compliance of section 186(1) of Companies Act, 2013.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, Goods and Service tax, cess, tax deducted at source, service tax, value added tax, duty of customs and other statutory dues applicable to the Company have not been deposited regularly with the appropriate authorities, there have been serious delays in large number of cases. The provisions relating to sales tax and duty of excise are not applicable to the Company.
- (b) According to the information and explanations given to us, and except for the possible effects of the matter stated in paragraph 13 of the Basis for Disclaimer of Opinion section of our auditor's report on the financial statements, undisputed dues in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues which were outstanding as per the Company's books of account, at the year end, for a period of more than six months from the date they became payable, are as follows:

Name of the Statute	Nature of the Dues	Amount (Rs. In Crores)	Period to which the amount relates	Due Date
Goods and service tax	Goods and service tax liability	98.91	April 2018 to Sep 2018	Various dates
Income Tax (TDS)	Tax Deducted at Source	18.42	Aug 2018 to Sep 2018	Various dates
Labour Welfare Fund Act	LWF payment	11.16	Sep 2017 to Sep 2018	Various dates

\* excluding interest liability on non-payment of dues.

Note: With respect to Goods and Service tax, in the absence of sufficient information made available to us, we are unable to determine the amount outstanding for a period of more than 6 months.

- (c) According to the records of the Company, and except for the possible effects of the matter stated in paragraph 13 of the Basis for Disclaimer of Opinion section of our auditor's report on the financial statements, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute as per the Company's books of account, are as follows:

Name of the statute	Nature of the dues	Unpaid Amount (Rs.in Crore)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	6.65	2013-14	Commissioner of Income Tax (Appeals)- Mumbai
Finance Act, 1994	Service Tax	0.60	2012-13	CESTAT
Madhya Pradesh VAT Act, 2002	Value Added Tax	0.09	2012-13	MP Commercial Tax Appellate Board
Madhya Pradesh VAT Act, 2002	Value Added Tax and Entry Tax	0.08	2013-14	MP Commercial Tax Appellate Board / 1 <sup>st</sup> Appellate authority
Madhya Pradesh VAT Act, 2002	Value Added Tax, Entry tax and CST	0.07	2014-15	Additional Commissioner
Madhya Pradesh VAT Act, 2002	Value Added Tax and Entry tax	0.03	2015-16	Deputy Commissioner of commercial Tax
Punjab VAT Act, 2005	Value Added Tax	0.20	2013-14	Deputy Excise and Taxation Commissioner(A)
Maharashtra VAT Act, 2002	Value Added Tax	10.36	2010-11	Deputy Commissioner



- (viii) According to the information and explanations given by the management, the Company has delayed in repayment of loans or borrowings to the financial institutions, banks or government and dues to the debenture holders during the year. Further, pending the outcome of the investigations and other matters stated in paragraphs 1 (b), 1 (c) and 1 (d) of the Basis of Disclaimer of Opinion section of our auditor's report on the financial statements, we are unable to comment on the amount and period of default.
- (ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of debt instruments in the nature of Debentures and term loans for the purposes for which they were raised.
- (x) As a consequence of the various matters resulting in the change in operational status of the Company, as more fully described in Note 1.2 and Note 1.3 to the accompanying standalone Ind-AS financial statements, and having regard to and pending final outcome of the various matters described in the Basis for Disclaimer of Opinion section above, based upon the audit procedures performed by us and according to the information and explanations given by the management, we are unable to report on fraud by the Company or on the Company by the officers and employees of the Company during the year.
- (xi) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion section of our auditor's report on the financial statements, we are unable to comment on whether the managerial remuneration paid to its erstwhile managerial personnel has been paid / provided in accordance with the provisions of section 197 of the Act, read with Schedule V thereto.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) As discussed in paragraph 14 of the Basis for Disclaimer of Opinion section of our auditor's report on the accompanying standalone Ind-AS financial statements, pending completion of audit of financial statements of various subsidiaries, associates and joint ventures as at and for the year ended March 31, 2019, and/or the related completion of the inter-company balances reconciliation processes, the Company has not recorded any adjustments that may be required in this regard. Accordingly, (a) we are unable to comment if the transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 in respect of the period from April 1, 2018 to September 30, 2018; and (b) with respect of the period from October 1, 2018 to March 31, 2019, except for the possible effects of the matter stated in paragraph 15 of the Basis for Disclaimer of Opinion section of our auditors' report on the financial statements, we report that the transactions with the related parties are in compliance with Section 177 and Section 188 of the Companies Act 2013; (c) we are unable to comment as to whether details disclosed in the notes to the accompanying standalone Ind-AS financial statements, as required by the applicable accounting standards are adequate in respect of the transactions from April 1, 2018 to September 30, 2018 and as a consequence on the balance as of March 31, 2019.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.
- (xv) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion section of our auditor's report on the accompanying standalone Ind-AS financial statements. we are unable to comment on whether the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.



**Page 11 of 13**

**IL&FS Transportation Networks Limited**

**Independent Auditor's report on the standalone Ind AS Financial Statement for the year ended March 31, 2019**

- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 became applicable to the Company as the Company satisfies the 'principal business test' as at March 31, 2019. The Company is in the process of taking necessary action as required under section 45-IA of the Reserve Bank of India Act, 1934.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

**Sd/-**

per Suresh Yadav

Partner

Membership No.: 119878

UDIN: 20119878AAAACI5955

Place of Signature: Mumbai

Date: June 4, 2020

Page 12 of 13

**IL&FS Transportation Networks Limited**

**Independent Auditor's report on the standalone Ind AS Financial Statement for the year ended March 31, 2019**

**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF IL&FS TRANSPORTATION NETWORKS LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We were engaged to audit the internal financial controls over financial reporting of IL&FS Transportation Networks Limited (the "Company") as of March 31, 2019, in conjunction with our audit of the accompanying standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to the standalone Ind AS financial statements based on our audit. We were engaged to audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the ICAI.

Because of the matter described in Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls over financial reporting with reference to these standalone Ind AS financial statements of the Company.

**Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Standalone Ind AS Financial Statements**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Disclaimer of Opinion**

Consequent to the various matters mentioned in Note 1.2 to the accompanying standalone Ind AS financial statements, which have inter alia, resulted in the matters stated in the Basis for Disclaimer of Opinion section of our auditor's report on the accompanying standalone Ind AS financial statements, the normal business operations of the Company as they existed until September 30, 2018 have ceased since, and the New Board has undertaken certain steps as mentioned in that note, to continue the current operations of the Company.

Page 13 of 13

**IL&FS Transportation Networks Limited**

**Independent Auditor's report on the standalone Ind AS Financial Statement for the year ended March 31, 2019**

However, in view of the material and pervasive nature of the matters described in our Basis for Disclaimer of Opinion section of our auditor's report on the accompanying standalone Ind AS financial statements of the Company, we are unable to determine if the Company has established adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2019. Accordingly, we do not express an opinion on Internal Financial Controls Over Financial Reporting with reference to the accompanying standalone Ind AS financial statements.

### **Explanatory paragraph**

We were engaged to audit, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the accompanying standalone Ind AS financial statements of IL&FS Transportation Networks Limited, which comprise the standalone Balance Sheet as at March 31, 2019, the standalone Statement of Profit and Loss including the statement of Other Comprehensive Income, the standalone Cash Flow Statement and the standalone Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information. We have considered the disclaimer of opinion reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2019 standalone Ind AS financial statements of IL&FS Transportation Networks Limited and this report affects our report dated June 4, 2020 which expresses a disclaimer of opinion on those standalone Ind AS financial statements.

### **For S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

Sd/-

per Suresh Yadav

Partner

Membership No.: 119878

UDIN: 20119878AAAACI5955

Place of Signature: Mumbai

Date: June 4, 2020

## Standalone Balance Sheet

₹ in crore

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, Plant and Equipment	2	128.43	137.49
(b) Capital Work-In-Progress	2	-	22.73
(c) Investment Property Under Development	3	81.36	118.93
(d) Intangible Assets	2	0.16	0.69
(e) Financial Assets			
(i) Investments	4	163.59	5,376.90
(ii) Trade receivables	12	73.17	64.09
(iii) Loans	5	2,094.85	3,871.09
(iv) Other Financial Assets	6	20.47	53.57
(f) Deferred Tax Assets (net)	7	-	430.01
(g) Non-Current Tax Assets (net)	8	514.21	539.29
(h) Other Non-Current Assets	9	60.77	318.37
<b>Total Non-Current Assets</b>		<b>3,137.01</b>	<b>10,933.16</b>
<b>(2) Current Assets</b>			
(a) Inventories	10	18.49	19.90
(b) Contract Assets	11	4.35	-
(c) Financial Assets			
(i) Investments	4	6.60	-
(ii) Trade Receivables	12	53.98	3,081.19
(iii) Cash and Cash Equivalents	13	24.43	175.26
(iv) Bank Balances other than (iii) above (refer note 1.17)	13	128.15	287.67
(v) Loans	5	16.23	1,810.82
(vi) Other Financial Assets	6	20.19	1,672.38
(d) Other Current Assets	9	6.20	712.26
(e) Assets classified as Held for sale	14	-	701.93
<b>Total Current Assets</b>		<b>278.62</b>	<b>8,461.41</b>
<b>Total Assets</b>		<b>3,415.63</b>	<b>19,394.57</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	15	328.96	328.96
(b) Other Equity	16	(14,213.37)	2,747.50
<b>Total Equity</b>		<b>(13,884.41)</b>	<b>3,076.46</b>
<b>LIABILITIES</b>			
<b>(1) Non-Current Liabilities</b>			
(a) Contract Liabilities	21A	9.17	-
(b) Financial Liabilities			
(i) Borrowings	17	-	8,792.04
(ii) Other Financial Liabilities	18	-	275.98
(c) Provisions	19	-	3.10
(d) Other Non-Current Liabilities	20	-	134.92
<b>Total Non-Current Liabilities</b>		<b>9.17</b>	<b>9,206.04</b>
<b>(2) Current Liabilities</b>			
(a) Contract Liabilities	21A	9.76	-
(b) Financial Liabilities			
(i) Borrowings	17	1,062.51	1,611.56
(ii) Trade Payables	21		
(a) Dues of Micro Enterprises and Small enterprises		36.74	-
(b) Dues of Other than Micro Enterprises and Small enterprises		1,011.01	1,286.52
(iii) Other Financial Liabilities	18	14,828.54	3,801.96
(c) Other Current Liabilities	20	164.47	382.45
(d) Provisions	19	177.84	29.58
<b>Total Current Liabilities</b>		<b>17,290.87</b>	<b>7,112.07</b>
<b>Total Equity and Liabilities</b>		<b>3,415.63</b>	<b>19,394.57</b>

Summary of Significant Accounting Policy

Notes 1 to 47 form part of the standalone financial statements

For and on behalf of the Board

As per our Report of even date

For S R B C &amp; CO LLP

Chartered Accountants

(Firm's Registration No. 324982E/E300003)

Sd/-  
C S Rajan  
Chairman  
(DIN: 00126063)

Sd/-  
Vineet Nayyar  
Director  
(DIN: 00018243)

Sd/-  
Bijay Kumar  
Director  
(DIN: 07262627)

Sd/-  
per Suresh Yadav  
Partner  
Membership No. 119878

Sd/-  
Nand Kishore  
Director  
(DIN: 08267502)

Sd/-  
Mohit Bhasin  
Chief Financial Officer

Sd/-  
Dilip Bhatia  
Chief Executive Officer

Sd/-  
Krishna Ghag  
Company Secretary

Date : June 04, 2020  
Place : Mumbai

Date : June 04, 2020  
Place : Mumbai

**IL&FS TRANSPORTATION NETWORKS LIMITED**  
**Standalone Statement of Profit and Loss**

₹ in crore

Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
I Revenue from Operations	22	179.54	3,536.83
II Other Income	23	606.70	1,172.65
III <b>Total Income (I+II)</b>		<b>786.24</b>	<b>4,709.48</b>
IV <b>Expenses</b>			
Cost of Material Consumed	24	3.86	12.17
Construction Costs	24	749.58	2,120.76
Operating Expenses	25	218.66	213.16
Employee Benefit Expense	26	59.96	80.19
Finance Costs (refer note 1.16)	27	1,275.55	1,642.10
Depreciation and Amortisation Expense	28	20.93	22.33
Other Expenses	29	685.83	286.98
<b>Total Expenses (IV)</b>		<b>3,014.37</b>	<b>4,377.69</b>
V <b>(Loss)/ Profit before exceptional items and tax (III-IV)</b>		<b>(2,228.13)</b>	<b>331.79</b>
VI <b>Exceptional items</b>	30	<b>14,340.59</b>	-
VII <b>(Loss)/ Profit Before Tax (V-VI)</b>		<b>(16,568.72)</b>	<b>331.79</b>
VIII <b>Tax Expense</b>			
(1) Current Tax	31	-	24.85
(2) Adjustment of Tax relating to earlier period	31	-	7.59
(3) Deferred Tax	31	431.60	47.59
<b>Total Tax Expense</b>		<b>431.60</b>	<b>80.03</b>
IX <b>(Loss)/ Profit for the Year (VII-VIII)</b>		<b>(17,000.32)</b>	<b>251.76</b>
X <b>Other Comprehensive Income/ (Loss)</b>			
<u>Items that may be reclassified to profit or (loss)</u>			
Effective portion of gains and losses on designated portion of hedging instruments in a cash flow hedge (net of tax)	32	42.07	(2.74)
<u>Items that may not be reclassified to profit or (loss)</u>			
Actuarial profit/ (loss) on defined benefit plan (net of tax)	33	2.13	(1.69)
<b>Total Other Comprehensive profit/ (loss)</b>		<b>44.20</b>	<b>(4.43)</b>
XI <b>Total Comprehensive (Loss)/ Profit for the year (IX+X)</b>		<b>(16,956.12)</b>	<b>247.33</b>
XII <b>Earnings per share (of ₹ 10/- each)</b>	40		
(a) Basic (In ₹)		(516.79)	7.65
(b) Diluted (In ₹)		(516.79)	7.65
XIII <b>Paid-up equity share capital (face value - ₹ 10 per share)</b>		328.96	328.96

Summary of Significant Accounting Policy  
Notes 1 to 47 form part of the standalone financial statements

For and on behalf of the Board

As per our Report of even date

**For S R B C & CO LLP**  
Chartered Accountants  
(Firm's Registration No. 324982E/E300003)

**Sd/-**  
**per Suresh Yadav**  
Partner  
Membership No. 119878

**Sd/-**  
**C S Rajan**  
Chairman  
(DIN: 00126063)

**Sd/-**  
**Nand Kishore**  
Director  
(DIN: 08267502)

**Sd/-**  
**Krishna Ghag**  
Company Secretary

**Sd/-**  
**Vineet Nayyar**  
Director  
(DIN: 00018243)

**Sd/-**  
**Mohit Bhasin**  
Chief Financial Officer

Date : June 04, 2020  
Place : Mumbai

**Sd/-**  
**Bijay Kumar**  
Director  
(DIN: 07262627)

**Sd/-**  
**Dilip Bhatia**  
Chief Executive Officer

Date : June 04, 2020  
Place : Mumbai

**IL&FS TRANSPORTATION NETWORKS LIMITED**  
**Notes forming part of the standalone financial statements**

**Standalone Statement of Changes in Equity for the year ended March 31, 2019**

₹ in crore

<b>a. Equity share capital</b>	<b>Year Ended March 31, 2019</b>	<b>Year Ended March 31, 2018</b>
Balance as at the beginning of the year	328.96	328.96
Changes in equity share capital during the year - Share capital issued	-	-
<b>Balance as at end of the year</b>	<b>328.96</b>	<b>328.96</b>

₹ in crore

<b>b. Other equity</b>	<b>Reserves and surplus</b>						<b>Items of other comprehensive income</b>	<b>Total</b>
	<b>Debenture Redemption Reserve (note no 16)</b>	<b>Securities Premium Account (note no 16)</b>	<b>Capital Redemption Reserve (note no 16)</b>	<b>General Reserve (note no 16)</b>	<b>Retained Earnings (note no 16)</b>	<b>Total</b>	<b>Cash Flow Hedge Reserve (note no 16)</b>	
<b>Balance as at April 1, 2018</b>	343.31	2,144.97	127.25	55.12	118.92	<b>2,789.57</b>	(42.07)	<b>2,747.50</b>
Loss for the year	-	-	-	-	(17,000.32)	<b>(17,000.32)</b>	-	<b>(17,000.32)</b>
Other comprehensive gain (refer note 34.6.2)	-	-	-	-	2.13	<b>2.13</b>	42.07	<b>44.20</b>
Transition impact due to Ind AS 115 (refer note 22)	-	-	-	-	(4.75)	<b>(4.75)</b>	-	<b>(4.75)</b>
Transfer from General reserve to Capital Redemption Reserve	-	-	20.00	(20.00)	-	-	-	-
<b>Balance as at March 31, 2019</b>	<b>343.31</b>	<b>2,144.97</b>	<b>147.25</b>	<b>35.12</b>	<b>(16,884.02)</b>	<b>(14,213.37)</b>	-	<b>(14,213.37)</b>

**IL&FS TRANSPORTATION NETWORKS LIMITED**  
**Notes forming part of the standalone financial statements**

₹ in Crore

b. Other equity	Reserves and surplus						Items of other comprehensive income	Total
	Debtur Redemption Reserve (Note no 16)	Securities Premium Account (Note no 16)	Capital Redemption Reserve (Note no 16)	General Reserve (Note no 16)	Retained Earnings (Note no 16)	Total	Cash Flow Hedge Reserve (Note no 16)	
<b>Balance as at April 1, 2017</b>	130.37	2,144.97	-	182.37	81.79	<b>2,539.50</b>	(39.33)	<b>2,500.17</b>
Profit for the year	-	-	-	-	251.76	<b>251.76</b>	-	<b>251.76</b>
Other comprehensive loss	-	-	-	-	(1.69)	<b>(1.69)</b>	(2.74)	<b>(4.43)</b>
Transfer to balance in Retained earnings	212.94	-	-	-	(212.94)	-	-	-
Transfer from General reserve to Capital Redemption Reserve	-	-	127.25	(127.25)	-	-	-	-
<b>Balance as at March 31, 2018</b>	<b>343.31</b>	<b>2,144.97</b>	<b>127.25</b>	<b>55.12</b>	<b>118.92</b>	<b>2,789.57</b>	<b>(42.07)</b>	<b>2,747.50</b>

Summary of Significant Accounting Policy  
Notes 1 to 47 form part of the standalone financial statements

For and on behalf of the Board

As per our Report of even date

**For S R B C & CO LLP**  
Chartered Accountants  
(Firm's Registration No. 324982E/E300003)

Sd/-  
**C S Rajan**  
Chairman  
(DIN: 00126063)

Sd/-  
**Vineet Nayyar**  
Director  
(DIN: 00018243)

Sd/-  
**Bijay Kumar**  
Director  
(DIN: 07262627)

Sd/-  
**per Suresh Yadav**  
Partner  
Membership No. 119878

Sd/-  
**Nand Kishore**  
Director  
(DIN: 08267502)

Sd/-  
**Mohit Bhasin**  
Chief Financial Officer

Sd/-  
**Dilip Bhatia**  
Chief Executive Officer

Sd/-  
**Krishna Ghag**  
Company Secretary

Date : June 04, 2020  
Place : Mumbai

Date : June 04, 2020  
Place : Mumbai

## Standalone Cash Flow Statement

₹ in crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Cash Flow from Operating Activities</b>		
<b>(Loss)/ Profit before tax for the year</b>	<b>(16,568.72)</b>	<b>331.79</b>
<b>Adjustments for:</b>		
Interest income	(456.98)	(764.65)
Loss on sale/ discard/ damaged/ scrapped of fixed assets	14.60	0.05
Foreign exchange fluctuation gain (net)	(111.69)	5.72
Loss on cancellation of swap contracts	19.20	-
Loss/(Profit) on sale of investments	56.75	(444.22)
Profit on sale of mutual funds	(0.25)	-
Depreciation and amortisation expenses	20.93	22.33
Provision for doubtful receivables	-	41.15
Exceptional items	14,340.59	-
Expected Credit Losses/ Impairment losses on financial assets/ (Reversal of Expected Credit Losses) (net)	-	(252.86)
Loss on Investments recognised through fair value through profit and loss	101.67	-
Finance costs	1,275.55	1,642.10
Dividend income on non-current investments	(0.02)	(34.40)
Rate and taxes written off	61.53	4.03
Provision for indirect tax balances and matters	130.96	-
Excess provisions written back	(12.20)	-
<b>Operating profit before working capital changes</b>	<b>(1,128.08)</b>	<b>551.05</b>
Decrease/ (Increase) in trade receivables/ contract assets (refer note (iii) and note (vi) below)	1,361.57	(372.50)
Decrease in inventories	1.41	2.68
Decrease/ (Increase) in other financial assets & other assets (current and non-current) (refer note (viii) below)	51.99	(919.06)
Increase in financial liabilities & other liabilities (current and non-current) (refer note (iv) below)	886.72	542.68
<b>Cash generated from/ (used in) Operations</b>	<b>1,173.61</b>	<b>(195.15)</b>
Direct taxes (paid) (net of refund received)	(9.49)	(113.91)
<b>Net Cash generated from/ (used in) Operating Activities (A)</b>	<b>1,164.12</b>	<b>(309.06)</b>
<b>Cash Flow from Investing Activities</b>		
Payments for acquiring property, plant and equipment	(46.80)	(64.01)
Payments for acquiring intangible assets	(0.11)	(0.28)
Proceeds from disposal of property, plant and equipment	0.15	0.43
Proceeds against investment held for sale	-	270.00
Proceeds from disposal of investments in subsidiary and Joint venture (refer note (viii) below)	210.75	411.37
Investment in/ purchase of equity shares of subsidiaries/ units of funds (refer note (i) and (ii) below)	(243.43)	(796.90)
Investment in units of mutual funds	(37.85)	-
Proceeds from redemption of mutual funds	31.50	-
Long-term loans given (refer note (i), (ii), (iii) and (v) below)	(577.89)	(947.86)
Long-term loans recovered	-	79.94
Short-term loans given and recovered (net)	(1,264.43)	3,974.00
Interest received	207.64	137.17
Dividend received	0.02	32.94
Fixed deposits matured/ (placed) as security against borrowings	192.52	(116.42)
<b>Net Cash (used in)/ generated from Investing Activities (B)</b>	<b>(1,527.93)</b>	<b>2,980.38</b>
<b>Cash Flow from Financing Activities</b>		
Redemption of preference shares with premium	(42.07)	(256.37)
Proceeds from long-term borrowings	4,172.76	8,418.15
Repayment of long term-borrowings (refer note (iii), (iv) and (v) below)	(2,206.97)	(8,794.12)
Proceeds from short term-borrowings (refer note (vi) below)	376.28	5,321.24
Repayment of short-term borrowings	(1,126.10)	(5,771.95)
Finance costs paid	(958.38)	(1,450.70)
Preference dividend paid	(49.99)	(84.72)
Tax on preference dividend paid	(5.77)	(10.12)
<b>Net Cash generated from/ (used in) Financing Activities (C)</b>	<b>159.76</b>	<b>(2,628.59)</b>
<b>Net (decrease)/ increase in Cash and Cash Equivalents (A+B+C)</b>	<b>(204.05)</b>	<b>42.73</b>
Cash and cash equivalents at the beginning of the year	57.95	15.22
Cash and cash equivalents at the end of the year	(146.10)	57.95
<b>Net increase / (decrease) in Cash and Cash Equivalents</b>	<b>(204.05)</b>	<b>42.73</b>



**IL&FS TRANSPORTATION NETWORKS LIMITED**  
**Standalone Cash Flow Statement contd....**

₹ in crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Components of Cash and Cash Equivalents</b>		
<b>Balances with Banks</b>		
On current accounts	24.24	175.11
On deposit accounts	0.18	0.09
Cash on hand	0.01	0.06
	<b>24.43</b>	<b>175.26</b>
Less – Secured demand loans from banks (Cash credit) (shown under current borrowings in note 17)	(170.18)	(117.31)
Less – Unsecured demand loans from banks (Bank overdraft) (shown under current borrowings in note 17)	(0.35)	-
<b>Cash and cash equivalents for statement of Cash Flows (refer note 13 (b))</b>	<b>(146.10)</b>	<b>57.95</b>

Note: The impact of non-cash transactions has not been given in the above cash flow statement details of which are given in (i) to (vi) below:

- During the current year, the Company has invested in the equity share capital of Fagne Songarh Expressway Limited amounting to ₹ 32.75 crore (previous year ₹ Nil) by converting its loan given to the said subsidiary.
- During the current year, the Company acquired shares of Srinagar Sonmarg Tollway Limited for a consideration of ₹ 5.87 crore (previous year ₹ Nil) from Soma Enterprises Limited (Soma). The said consideration was adjusted against the loan granted by the Company to Soma in earlier years.
- During the current year, borrowings of ₹ 390.00 crore availed by various group companies from third parties in respect of which letter of awareness were given by the Company to IL&FS Financial Services Limited (IFIN) were assigned to the Company by adjusting loan given to the said group companies. The Company has also assigned borrowings of ₹ 420.00 crore availed from third parties to a subsidiary by adjusting loans given of ₹ 297.53 crore and trade receivable of ₹ 122.47 crore of the said subsidiary.
- During the current year, trade payables to various vendors amounting to ₹ 496.05 crore (previous year ₹ Nil) were converted into borrowings.
- During the current year, one of the subsidiary has made the payments of ₹ 30.76 crore on behalf of the Company and other subsidiaries which has been adjusted against the loans given to said subsidiary. The payments made on behalf of other subsidiaries aggregating to ₹ 7.97 crore (included in above amount) have been treated as loans given by the Company to these subsidiaries.
- Bank guarantees of ₹ 16.28 crore given on behalf of subsidiaries were invoked by the banks against the Company and have been shown as borrowings from the said Banks and receivables from the respective subsidiaries.
- The Company, being the Sponsor of SPVs has given various commitments to authority and lenders under the financing documents and is required to infuse equity and sub-debt/ loans into its SPVs. During the year the Company has infused such funds into the SPVs and the same have been utilised to discharge their various obligations including payment of EPC dues of the Company in respect of construction activities on the projects. Accordingly, such inflow and outflow has been disclosed as cash inflows from operating activities and cash outflow from investing activities respectively.
- Corresponding figures of March 31, 2018 have been adjusted for sale of investment in Moradbad Bareilly Expressway Limited (MBEL) and Gujarat Road and Infrastructure Company Limited (GRICL) in operating and investing activities (which was not done in previous year). Consequently there has been decrease in cash used in Operating activities and decrease in cash generated from Investing activities by ₹ 163.55 crore.

Summary of Significant Accounting Policy

Notes 1 to 47 form part of the standalone financial statements

For and on behalf of the Board

As per our Report of even date

**For S R B C & CO LLP**

*Chartered Accountants*

(Firm's Registration No. 324982E/E300003)

Sd/-

**C S Rajan**

*Chairman*

(DIN: 00126063)

Sd/-

**Vineet Nayyar**

*Director*

(DIN: 00018243)

Sd/-

**Bijay Kumar**

*Director*

(DIN: 07262627)

Sd/-

**per Suresh Yadav**

*Partner*

Membership No. 119878

Sd/-

**Nand Kishore**

*Director*

(DIN: 08267502)

Sd/-

**Mohit Bhasin**

*Chief Financial Officer*

Sd/-

**Dilip Bhatia**

*Chief Executive Officer*

Sd/-

**Krishna Ghag**

*Company Secretary*

Date : June 04, 2020

Place : Mumbai

Date : June 04, 2020

Place : Mumbai

## **Note 1: General Information & Significant Accounting Policies**

### **1.1. General information**

IL&FS Transportation Networks Limited ("ITNL" or the Company) is a public limited company incorporated in India. Its parent and ultimate holding company is Infrastructure Leasing & Financial Services Limited ("IL&FS" or the holding Company). The addresses of its registered office and principal place of business are 'The IL&FS Financial Center, Plot C-22, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051. ITNL is a developer, operator and facilitator of surface transportation infrastructure projects, taking projects from conceptualization through commissioning to operations and maintenance under public to private partnership on build-operate transfer ("BOT") basis in India.

### **1.2. Significant developments at the Company, IL&FS and various group companies ('the IL&FS Group') during the year ended March 31, 2019 and subsequent to the year end.**

The Company reported defaults on its borrowing obligations during the financial year 2018-19. Further, the credit rating of the Company and its holding company was downgraded to 'D' (lowest grade) in September 2018.

Pursuant to a report filed by the Registrar of Companies, Mumbai ("ROC") under Section 208 of the Companies Act, 2013, the Government of India vide their Order dated September 30, 2018, directed that the affairs of the holding company and its specified subsidiaries including the Company be investigated by the Serious Fraud Investigation Office ("SFIO"). SFIO accordingly commenced investigation of affairs of the said companies.

The Union of India on October 1, 2018 filed a petition with the National Company Law Tribunal ("NCLT") seeking an order under section 242(2) and section 246 read with section 339 of the Companies Act, 2013 on the basis of the interim reports of the ROC and on the following grounds:

- I. The precarious and critical financial condition of the IL&FS Group and their inability to service their debt obligations had rattled the money market.
- II. On a careful consideration of the Union of India, it was of the opinion that affairs of the IL&FS Group were conducted in a manner contrary to the public interest due to its mis-governance; and
- III. The intervention of the Union of India is necessary to prevent the downfall of the IL&FS Group and the financial markets.

It was felt that the governance and management change is required to bring back the IL&FS Group from financial collapse, which may require, among other things, a change in the existing Board and management and appointment of a new management.

Based on the above petition, the NCLT vide its order dated October 1, 2018 suspended the erstwhile board of the holding company and appointed the New Board of Directors (hereinafter, "New Board") proposed by the Union of India with seven persons namely:

1. Mr Uday Kotak
2. Mr Vineet Nayyar
3. Mr G N Bajpai
4. Mr G C Chaturvedi
5. Dr Ms Malini Shankar
6. Mr Nand Kishore
7. Mr C S Rajan

The present constitution of the New Board of IL&FS is as follows:

1. Mr Uday Kotak, Chairman
2. Mr Vineet Nayyar, Vice Chairman (Managing Director till March 31, 2019)
3. Mr C S Rajan, Director (Managing Director from April 2, 2019)
4. Mr Bijay Kumar, Deputy Managing Director
5. Mr Nand Kishore
6. Dr Ms Malini Shankar
7. Mr N Srinivasan
8. Mr G C Chaturvedi

Pursuant to developments mentioned above the Board of Directors of the Company and its other Committees were reconstituted as detailed below:

#### Board of Directors

Name	Status
Mr Hari Sankaran	Resigned effective October 1, 2018
Mr Arun Saha	Resigned effective October 1, 2018
Mr. K Ramchand, Managing Director	Resigned effective October 29, 2018
Mr Mukund Sapre	Resigned effective November 2, 2018
Ms Neeru Singh	Resigned effective November 1, 2018
Ms Deepak Dasgupta	Ceased to be Director on March 31, 2019 upon expiry of term
Mr R C Sinha	Ceased to be Director on March 31, 2019 upon expiry of term
Mr H P Jamdar	Ceased to be Director on March 31, 2019 upon expiry of term
Mr Vineet Nayyar	Appointed as additional director effective October 25, 2018
Mr C. S. Rajan	Appointed as additional director effective October 25, 2018
Mr Nand Kishore	Appointed as additional director effective November 15, 2018
Mr Bijay Kumar	Appointed as additional director effective May 21, 2019

\* Mr Ravi Parthasarathy resigned from the Board effective July 21, 2018

#### Audit Committee

Name	Status
Mr Arun Saha	Resigned as Director effective October 1, 2018
Mr R C Sinha	Ceased to be Director on March 31, 2019 upon expiry of term
Mr Deepak Dasgupta	Ceased to be Director on March 31, 2019 upon expiry of term
Mr H P Jamdar	Ceased to be Director on March 31, 2019 upon expiry of term
Mr Vineet Nayyar	Appointed effective April 23, 2019
Mr C. S. Rajan	Appointed effective April 23, 2019
Mr Nand Kishore	Appointed effective November 15, 2018

#### Corporate Social Responsibility Committee

Name	Status
Ms. Neeru Singh	Resigned effective November 1, 2018
Mr. H P Jamdar	Ceased to be Directors on March 31, 2019 upon expiry of term
Mr. K. Ramchand	Resigned effective October 29, 2018
Mr. Mukund Sapre	Resigned effective November 2, 2018
Mr Vineet Nayyar	Appointed effective April 23, 2019
Mr C. S. Rajan	Appointed effective November 15, 2018
Mr Nand Kishore	Appointed effective April 23, 2019

### **Nomination & Remuneration Committee**

<b>Name</b>	<b>Status</b>
Mr. Ravi Parthasarathy	Resigned effective July 21, 2018
Mr R C Sinha	Ceased to be Director on March 31, 2019 upon expiry of term
Mr Hari Sankaran	Ceased to be directors on October 1, 2018
Mr H P Jamdar	Ceased to be Director on March 31, 2019 upon expiry of term
Mr Vineet Nayyar	Appointed effective April 23, 2019
Mr C. S. Rajan	Appointed effective October 25, 2018
Mr Nand Kishore	Appointed effective April 23, 2019

### **Stakeholders Relationship Committee**

<b>Name</b>	<b>Status</b>
Mr Arun Saha	Resigned effective October 1, 2018
Mr K Ramchand	Resigned effective October 29, 2018
Mr Vineet Nayyar	Appointed effective April 23, 2019
Mr C. S. Rajan	Appointed effective April 23, 2019
Mr Nand Kishore	Appointed effective November 15, 2018

Further applications were made by the Union of India and others, to the NCLT and the National Company Law Appellate Tribunal ("NCLAT") on various matters. The NCLAT, on October 15, 2018, ordered a stay until further orders on the following matters:

- I. The institution or continuation of suits or any other proceedings by any party or person or bank or Company against IL&FS and its group companies in any court of law/tribunal/arbitration panel or arbitration authority.
- II. Any action by any party or person or bank or company etc. to foreclose, recover, enforce any security interest created over the assets of IL&FS and its group companies including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002.
- III. The acceleration, premature, withdrawal, or other withdrawal, invocation of any term loan, corporate loan, bridge loan, commercial paper, debentures, fixed deposits, guarantees, letter of support, commitment or comfort and other financial obligations availed by IL&FS and its group companies.
- IV. Suspension of temporarily any term loan, corporate loan, bridge loan, commercial paper, debentures, fixed deposits, and any financial liability taken by IL&FS and its group companies.
- V. Any and all banks, financial institutions from exercising the right to set off or lien against any amount lying with any creditor against any dues whether principal or interest or otherwise against the balance lying in any the bank account and deposits whether current, savings or otherwise of IL&FS and its group companies.

### **1.3 Resolution process proposed by New Board for the Company**

The New Board as part of the resolution process, has submitted several progress reports to the NCLT. This includes framework for a resolution plan and process, steps undertaken for monetization of assets, appointment of consultants, and classification of group entities based on their abilities to meet various financial and operational obligations, measures for cost optimization and protocol for making payments beyond certain limits.

As discussed earlier, the NCLAT had given a moratorium to IL&FS and its group entities and that no creditors can proceed against it except under article 226 of the Constitution.

The resolution plan seeks a fair and transparent resolution for the Company while keeping in mind larger public interest, financial stability, various stakeholders' interest, compliance with legal framework and commercial feasibility. It is proposed to have a timely resolution process which in turn mitigates the fallout on the financial markets of the country and restore investor confidence in the financial markets thereby serving larger public interest. The Company being a holding company of transportation vertical of IL&FS having projects through various group entities, depends on its group entities to continue operating as a going concern. The resolution plan and processes for various verticals are under way and options of restructuring business, as well as exits are planned. The plan of the management is to sell/exit from assets at the group entity as a going concern.

The New Board is pursuing vertical level, SPV level and asset level resolution plan. The assessment of the New Board, based on analysis of the current position of and challenges facing the IL&FS group, is that an Asset Level Resolution Approach serves the best interest of all stakeholders to achieve final resolution. Further, the stakeholders' interests will be protected adequately since the framework and asset sale will be subject to NCLAT approval. The agreed resolution plan would be made public for the knowledge of all concerned stakeholders through an affidavit filed by the Union of India before Hon'ble NCLAT.

Strategic actions taken include:

- a. Appointing Legal, Transaction and Resolution Advisors.
- b. Securing a moratorium order from third party actions.
- c. Setting up 'Operating Committee' of senior executives for managing daily operations.
- d. Developing solution framework for managing unprecedented group insolvency using an umbrella resolution approach.
- e. Active recovery actions on external lending portfolio of the IL&FS Group.
- f. Working with central and state government authorities to resolve outstanding claims.

The entities in the IL&FS group, have been classified into Indian and offshore entities. Further, the Indian IL&FS entities have been classified by an independent third party, into three categories of entities based on a 12-month cash flow based solvency test viz. "Green", "Amber" and "Red", indicating their ability to repay both financial and operating creditors, only operating creditors, or only going concern respectively.

Based on this classification of "Green", "Amber" and "Red", the New Board has put in place a payment protocol for the IL&FS group during the resolution process. The classification of the entities, the payment protocol and the resolution framework has been filed with the NCLAT and the NCLAT has directed the appointment of Justice D K Jain (Retired) to supervise the resolution process for the IL&FS group.

The Company is classified as a "Red" entity, indicating that it is not able to meet all obligations (financial and operational) including the payment obligations to senior secured financial creditors. Accordingly, the Company is permitted to make only those payments necessary to maintain and preserve the going concern status. Resultantly, construction activities at all ongoing projects have been suspended/ terminated post September 2018. The Company through its various SPVs has also initiated discussions with the respective Concession Authorities for foreclosure/ termination of incomplete / partially incomplete projects.

In order to maintain going concern status of the SPVs for which Operation and Maintenance ("O&M") activities are carried out by the Company, it has continued to perform its obligations with respect to the said activities post September 2018 and O&M activities are carried out uninterrupted. However, with effect from January 01, 2019, out of total contracts for O&M activities with 15 SPVs, the Company has novated 10 O&M contracts to Elsames Maintenance Services Limited, a wholly owned subsidiary of the Company

### Divestments initiated by New Board

Pursuant to the Report on Progress and Way Forward dated October 30, 2018 (“Report”) submitted by IL&FS to the Ministry of Corporate Affairs, Government of India, which in turn was filed with the Hon’ble NCLT, a publicly solicited bid process for certain assets in the domestic roads vertical was initiated on December 18, 2018 (with public advertisements being published in the Economic Times dated December 18, 2018 and the Maharashtra Times dated December 18, 2018), and expressions of interest (“EOI”) were sought for a potential acquisition of IL&FS Group’s (including of the Company’s) equity stake(s) / interest(s) in the following assets/ businesses.

- a. 7 operating annuity-based road projects in various parts of India;
- b. 8 operating toll-based road projects in various parts of India;
- c. 4 under construction road projects in various parts of India; and
- d. 3 other assets and businesses, which includes engineering, procurement and construction business, operations and maintenance business in connection with infrastructure projects (Elsamex Maintenance Services Limited) and operation and management of a sports complex (Karyavattom Sports Facilities Limited).

In response to the above advertisement, the IL&FS Group received EOIs from 34 applicants out of which 32 applicants were considered eligible after technical evaluation as per eligibility criteria set forth in the EOIs (“Eligible Applicants”). Subsequently, the eligible applicants were, after receipt of an executed non-disclosure undertaking, provided access to a virtual data room containing required information about these projects/ assets. The request for proposal was also subsequently issued by the IL&FS Group to the Eligible Applicants, seeking binding bids in respect of these assets. The process was on-going as on March 31, 2019.

The resolution process for the IL&FS Group is being undertaken in accordance with the *Third Progress Report – Proposed Resolution Framework for the IL&FS Group* dated December 17, 2018, the *Addendum to the Third Progress Report* dated January 15, 2019 and the *Second Addendum to the Third Progress Report* dated December 5, 2019 (collectively the “**Resolution Framework**”). The New Board has till date submitted five progress reports to the NCLT on the resolution plans and latest of which were submitted on August 9, 2019. The New Board also submitted a revised Resolution Framework for all Group Companies to Hon’ble NCLAT vide an affidavit dated January 9, 2020, an addendum to the said affidavit was filed with Hon’ble NCLAT on February 7, 2020.

### Events post March 31, 2019

- I. Binding bids were received on August 30, 2019 (i.e. the binding bid due date) for 10 special purpose vehicles of the Company, of which for the following 5 SPVs, the sale process is currently ongoing in accordance with the Resolution Framework
  - a. Jharkhand Infrastructure Implementation Company Limited;
  - b. Chenani Nashri Tunnelway Limited;
  - c. Jorabat Shillong Expressway Limited;
  - d. Hazaribagh Ranchi Expressway Limited;
  - e. Pune Sholapur Road Development Company Limited

II. For the following 5 SPVs, the respective bids were significantly lower than the average 'fair market value', obtained by the New Board for the relevant ITNL SPV in the manner as contemplated in the Resolution Framework:

- a. Moradabad Bareilly Expressway Limited;
- b. Jharkhand Road Projects Implementation Company Limited;
- c. Baleswar Kharagpur Expressway Limited;
- d. Road Infrastructure Development Company of Rajasthan Limited; and
- e. Sikar Bikaner Highway Limited.

III. No binding bids were received for the following 4 SPVs:

- a. West Gujarat Expressway Limited;
- b. East Hyderabad Expressway Limited;
- c. Thiruvananthapuram Road Development Company Limited;
- d. Barwa Adda Expressway Limited.

No bids were also received for engineering, procurement and construction business of ITNL and operations and maintenance business carried out by Elsamex Maintenance Services Ltd. Further, for another asset, namely Karyavattom Sports Facilities Limited (which operates a stadium complex), binding bids have been received and are under evaluation by the New Board

For the 9 SPVs (mentioned in paragraph II and III above), after careful evaluation of alternate resolution options, the New Board has given its in-principle approval to establish an infrastructure investment trust ("**InvIT**") under the Securities and Exchange Board of India (Infrastructure and Investment Trusts) Regulation 2014. The proposal envisages establishment of an InvIT for holding the equity and other receivables from the relevant SPVs in consideration of units to be issued by the InvIT.

In furtherance of the same, the following steps have been undertaken:

- (i) the Company has incorporated a wholly owned subsidiary to act as the Sponsor to the proposed InvIT; and
- (ii) The application for registration of the InvIT has been made to the Securities and Exchange Board of India, which is under consideration.

The Company expects to complete the setup of the InvIT and transfer of the projects to the said InvIT in financial year 2021.

Hon'ble NCLAT vide its judgement dated March 12, 2020, has approved the revised Resolution Framework submitted by New Board along with its amendments and also directed IL&FS and the Union of India to conclude the resolution process for all IL&FS Group entities preferably within 90 days. Subsequently, *vide* its order dated March 30, 2020, the NCLAT clarified that lock down/shut down period as ordered by the Central Government and State Government will be excluded for the calculation of aforementioned 90 days.

The impact of the approved Resolution Framework to the extent it relates to manner of distribution of the proceeds among all the obligations of the entity (Distribution Framework) has not been given in these Financial Statements.

## **1.4 Significant accounting policies and critical estimates and judgements**

### **1.4.1 Statement of compliance**

The Company's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 (as amended from time to time).

The Company's compliance with the measurement and recognition and presentation and disclosure requirements of the Ind-AS are subject to the matters described in notes **1.5**, **1.6** and **1.7** to the standalone Ind-AS financial statements.

These financial statements include Balance sheet, Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash flows and notes, comprising a summary of significant accounting policies and other explanatory information and comparative information in respect of the preceding period.

### **1.4.2 Basis of preparation and presentation**

#### **Basis of preparation**

The financial statements have been prepared on a historical cost basis, except for the following asset and liabilities which have been measured at fair value or revalued amount:

- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on this basis.

The principal accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Presentation of financial statements**

The financial statements (except for Statement of Cash Flow) are prepared and presented in the format prescribed in Division II – Ind AS Schedule III ("Schedule III") to the Companies Act, 2013.

The Statement of Cash Flow has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows".

Amounts in the financial statements are presented in Indian Rupees in Crore as per the requirements of Schedule III. "Per share" data is presented in Indian Rupees up to two decimals places.



### **1.4.3 Investments in subsidiaries, associates and joint ventures**

Investment in subsidiaries, associates and joint ventures are measured at cost as per Ind AS 27.

If there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in a subsidiary, associate or a joint venture (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated, then it is necessary to recognize impairment loss with respect to the Company's investment in a subsidiary, associate or a joint venture.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognized is reduced from the carrying amount of the investment and recognized in the profit or loss. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases but the increase is restricted to the amounts that would arise had no impairment loss been recognized in previous years.

Investments in subsidiaries, associates and joint venture are an integral part of business of the Company in their surface transportation business.

The Company regularly evaluates the investment portfolio and as part of monetization plan decides to dispose/ sell the investments. Any gain arising out of sale of investments of subsidiary, associates, joint venture are recognized to Statement of Profit and Loss and included as part of Other Operating Income.

In case of losses, it is recognized as other expenses in the Statement of Profit and Loss.

### **1.4.4 Fair value measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as properties, Investments.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions.
- Quantitative disclosures of fair value measurement hierarchy.
- Investment property under development.
- Financial instruments (including those carried at amortised cost).

#### **1.4.5 Non-current assets held for sale**

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current asset or disposal group classified as held for sale are measured at the lower of their carrying amount and fair value less cost to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

#### **1.4.6 Revenue recognition**

##### **Ind AS 115 – Revenue from contract with customer**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The Company applies the five-step approach for recognition of revenue:

1. Identification of contract(s) with customers;
2. Identification of the separate performance obligations in the contract;
3. Determination of the transaction price;
4. Allocation of transaction price to the separate performance obligations; and
5. Recognition of revenue when (or as) each performance obligation is satisfied.

##### **Revenue from construction contracts**

Performance obligation in case of long term construction contracts satisfied over a period of time, since the Company creates an asset that the customer controls as the asset is created and the Company has an enforceable right to payment for performance completed to date if it meets the agreed specifications.

Revenue from long term construction contracts, where the outcome can be estimated reliably is recognized under the percentage of completion method by reference to the stage of completion of the contract activity.

The stage of completion is measured by input method i.e. the proportion that costs incurred to date bear to the estimated total costs of a contract. The percentage-of-completion method (an input method) is the most faithful depiction of the company's performance because it directly measures the value of the services transferred to the customer.

The total costs of contracts are estimated based on technical and other estimates. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss. Contract revenue earned in excess of billing is reflected under as "contract asset" and billing in excess of contract revenue is reflected under "contract liabilities".

Retention money receivable from project customers does not contain any significant financing element, these are retained for satisfactory performance of contract.

The major component of contract estimate is "budgeted cost to complete the contract" and on assumption that contract price will not reduce vis-à-vis agreement values. While estimating the various assumptions are considered by management such as:

- Work will be executed in the manner expected so that the project is completed timely;
- Consumption norms will remain same;
- Cost escalation comprising of increase in cost to complete the project are considered as a part of budgeted cost to complete the project etc.

Due to technical complexities involved in the budgeting process, contract estimates are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

## **Service Contracts**

For service contracts (including maintenance contracts) in which the company has the right to consideration from the customer in an amount that corresponds directly with the value to the customer of the company's performance completed to date, revenue is recognized when services are performed and contractually billable.

## **Variable Consideration**

The nature of the company's contracts gives rise to several types of variable consideration, including claims, unpriced change orders, award and incentive fees, change in law, liquidated damages and penalties. The company recognizes revenue for variable consideration when it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur. The company estimates the amount of revenue to be recognized on variable consideration using the expected value (i.e. the sum of a probability-weighted amount) or the most likely amount method, whichever is expected to better predict the amount.

The Company's claim for extra work, incentives and escalation in rates relating to execution of contracts are recognized as revenue in the year in which said claims are finally accepted by the clients.

Before including any amount of variable consideration in the transaction price, the Company considers whether the amount of variable consideration is constrained. The Company determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

## **Dividend and Interest Income**

Dividend income is recognised when the right to receive payment is established. Interest income is recognised using the effective interest method.

## **CONTRACT BALANCES**

### **Contract Assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract assets represent revenue recognized in excess of amounts billed and include unbilled receivables. Unbilled receivables, which represent an unconditional right to payment subject only to the passage of time, are reclassified to accounts receivable when they are billed under the terms of the contract.

### **Trade Receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in point 1.4.19 of Accounting Policies – Financial Instruments.

### **Contract Liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is

made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Contract liabilities represent amounts billed to clients in excess of revenue recognized to date and other advances received from customers.

#### **1.4.7 Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

For arrangements entered into prior to April 1, 2015 the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

#### **Company as lessee**

1. Assets held under finance leases are initially recognized as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.
2. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on borrowing costs. (refer note 1.4.9) Contingent rentals are recognized as expenses in in the periods in which they are incurred.
3. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.
4. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

#### **Company as lessor**

1. Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.
2. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

#### **1.4.8 Foreign currencies**

The Company's financial statements are presented in INR, which is also the Company's functional currency.

In preparing the financial statements of Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or statement of profit or loss are also recognized in OCI or statement of profit or loss, respectively).

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

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- Exchange differences on transactions entered into in order to hedge certain foreign currency risks (see note 21 below for hedging accounting policies); these are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.

#### **1.4.9 Borrowing costs**

Borrowing costs are recognised in the period to which they relate, regardless of how the funds have been utilised, except where it relates to the financing of construction of development of assets requiring a substantial period of time to prepare for their intended future use. Interest is capitalised up to the date when the asset is ready for its intended use. The amount of interest capitalised 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. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in statement of profit and loss in the period in which they are incurred.

Also, refer note 1.16 to the standalone Ind-AS financial statements to understand the accounting treatment provided in the current year considering the resolution process in place.

#### **1.4.10 Employee benefits**

##### **Retirement benefit costs and termination benefits**

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions. The Company has no obligation, other than the contribution payable to the provident fund, superannuation fund.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment,
- The date that the Company recognises related restructuring costs, and
- Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments;
- net interest expense or income; and
- re-measurement.

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

The retirement benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

##### **Short-term and other long-term employee benefits**

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

### **1.4.11 Taxation**

#### **Current tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax return with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### **Deferred tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets (including unused tax credits such as MAT credit and unused tax losses such as carried forward business loss and unabsorbed depreciation) are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of to recover or settle the carrying amount of its assets and liabilities.



#### 1.4.12 Property, plant and equipment

Property, plant and equipment 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 capitalized up to the date when the asset is ready for its intended use.

All assets are depreciated on a Straight-Line Method (SLM) of Depreciation, over the useful life of assets which are estimated by the management and are in line with Schedule II of the Companies Act, 2013 other than assets specified in para below

Following assets are depreciated over a useful life other than the life prescribed under Schedule II of the Companies Act, 2013 based on internal technical evaluation, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes etc.:

Asset	Useful life based on SLM
Data Processing Equipment (Server & Networking)	4
Mobile Phones and I pad / Tablets	Fully depreciated in the year of purchase
Specialized office equipment's	3
Vehicles	5
Assets provided to employees	3
All categories of assets costing less than ₹ 5000 /- each	Fully depreciated in the year of purchase

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying of the asset and is recognized in profit or loss.

The Company has elected to continue with the carrying value of all of its plant and equipment and intangible assets recognized as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

#### 1.4.13 Investment property under development

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with requirements of Ind AS 16 for cost model.

Though the Company measures investment property using cost-based measurement, the fair value of investment property is disclosed in the note to the standalone Ind-AS financial statement. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the Royal Institute of Chartered Surveyors.

Investment property is derecognised either when it is being disposed of or when it is permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

#### **1.4.14 Intangible assets**

Intangible assets comprise of software and amounts paid for acquisition of commercial rights under an “Operation and Maintenance” agreement for a toll road project and are depreciated as follow:

<b>Asset Type</b>	<b>Useful Life</b>
General software	4 years

Intangible assets are reported at acquisition cost with deductions for accumulated amortisation and impairment losses, if any. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period.

Acquired intangible assets are reported separately from goodwill if they fulfil the criteria for qualifying as an asset, implying they can be separated, or they are based on contractual or other legal rights and that their market value can be established in a reliable manner.

An impairment test of such intangible assets is conducted annually or more often if there is an indication of a decrease in value. The impairment loss, if any, is reported in the Statement of Profit and Loss.

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 acquisition of the rights under the “Operations and Maintenance” agreement is amortised over the minimum balance period (as at the time of acquisition) of the concession agreement relating to the corresponding toll road project.

#### **1.4.15 Impairment of Property, plant and equipment and intangible assets**

At the end of each reporting period, the Company reviews the carrying amounts of its Property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, or whenever there is an indication that the asset may be impaired.

In assessing value in use, the estimated future cash flows are discounted to their present value using appropriate discount rate.

Recoverable amount is the higher of fair value less costs of disposal and value in use.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

Also refer note 1.18 to the standalone Ind-AS financial statements for valuation method followed by the company during the current financial year.

#### **1.4.16 Inventories**

##### **Stores and spares**

Inventories are stated at lower of the cost or net realizable value. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs of stores and spares are determined on a first-in- first-out basis.

Also refer note 1.18 to the standalone Ind-AS financial statements for valuation method followed by the company during the current financial year.

#### **1.4.17 Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

##### **Onerous contracts**

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

#### **1.4.18 Bills Payable**

Trade payables (including bills payable) are liabilities to pay for goods or services that have been received or supplied and have been invoiced or formally agreed with the supplier. The Company may mandate supplier for construction/operation and maintenance work to avail discounting facility from banks/financial institutions on without recourse basis to the Company against the construction/operation and maintenance invoices raised by the supplier and accepts to pay the bank/financial institution at later stage.

The liability to pay to the banks/financial institutions (without recourse basis) on account of bill discounting availed by the supplier is in the Company's normal business operating cycle and considered as payable towards construction/operation and maintenance work carried out by the supplier and disclosed as trade payables.

#### **1.4.19 Financial Instruments**

Financial assets and financial liabilities are recognized when a company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss ("FVTPL") are recognized immediately in the statement of profit and loss.

##### **1.4.19.1 Financial assets**

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

##### **1.4.19.2 Classifications of financial assets – debt instruments**

Debt instruments that meet the following conditions are subsequently measured at amortized cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows;
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

#### **1.4.19.3 Amortized cost and Effective interest method**

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in profit or loss and is included in the "Other income" line item.

#### **1.4.19.4 Financial assets at FVTPL**

Investments in equity instruments (other than group) are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in FVOCI for equity instruments which are not held for trading.

Debt instruments that do not meet the amortized cost or FVOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortized cost or FVOCI criteria but are designated as at FVTPL are measured at FVTPL.

A debt instrument that meets the amortized cost or FVOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss is included in the "Other income" line item.

#### **1.4.19.5 Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a. Financial assets that are debt instruments, and are measured at amortised cost.
- b. Lease receivables under Ind AS 17.
- c. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.
- d. Loan commitments which are not measured as at FVTPL.
- e. Financial guarantee contracts which are not measured as at FVTPL.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

The Company has followed simplified approach for recognition of ECL. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The Company measures the loss allowance on the basis of estimated realization date for receivables and loans by considering the cash flow model of the respective project SPV's which in the view of the management is the most realistic and appropriate way for estimating the realization date of the receivables with respect to the project SPV's. In respect of other than

project SPV's, the management has carried out its internal assessment procedures and accordingly the realization date has been estimated. When estimating the cash flows, the Company is required to consider all contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument.

ECL allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head other income/other expenses in the statement of profit and loss.

#### **1.4.19.6 Reclassification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

#### **1.4.19.7 Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### **1.4.19.8 De-recognition of financial assets**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes collateralized borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

On de-recognition of a financial asset other than in its entirety (e.g., when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

#### **1.4.19.9 Foreign Exchange Gain and Losses**

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVOCI relating to changes in foreign currency rates are recognised in other comprehensive income.

#### **1.4.20 Financial liabilities and equity instruments**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

##### **1.4.20.1 Classifications as debt or equity**

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### **1.4.20.2 Compound instruments**

The components of compound instruments are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by issue of fixed number of the Company's own equity instruments in exchange of a fixed amount of cash or another financial asset is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognized as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently re-measured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognized in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognized in equity will be transferred to retained earnings. No gain or loss is recognized in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the lives of the convertible notes using the effective interest method.

### **1.4.20.3 Financial liabilities**

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for de-recognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

#### **1.4.20.3.1 Financial liabilities subsequently measured at amortized cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

#### **1.4.20.3.2 Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 115.

#### **1.4.20.3.3 Foreign exchange gains and losses**

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognized in 'Other income/ Other expenses' in the line-item 'Net foreign exchange gains/(losses).

#### **1.4.20.3.4 De-recognition of financial liabilities**

The Company derecognizes financial liabilities when and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.



#### **1.4.20.3.5 Commitments to provide a loan at a below-market interest rate**

Commitments to provide a loan at a below-market interest rate are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

#### **1.4.21 Derivative financial instruments**

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

##### **Embedded derivatives**

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

#### **1.4.22 Hedge accounting**

The Company designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

##### **Cash flow hedges**

The effective portion of changes in the fair value of the designated portion of derivatives that qualify as cash flow hedges is recognized in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss, and is included in the 'Other gains and losses' line item.

Amounts previously recognized in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognized in other comprehensive income and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

#### **1.4.23 Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

#### **1.4.24 Critical accounting judgments and key sources of estimation uncertainty**

##### **1.4.24.1 Critical accounting judgments**

The preparation of Financial Statements requires the Company 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 year.

The Company believes that the estimates used in the preparation of the Financial Statements are prudent and reasonable. Actual results could differ from these estimates. Any change in such estimates is recognised prospectively.

Further, the Company has applied the principles of prudence and substance over form for recognition and measurement of its assets and liabilities in view of the matters stated in the Notes 1.5 to 1.19 to the financial statements.

In the process of applying the Company's accounting policies, management has made the following judgements, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the current financial year in case of following:

- I. Useful life of Property, Plant & Equipment;
- II. Amortization of Intangible assets;
- III. Provision for Employee benefits;
- IV. Deferred Tax;
- V. Income tax - Provision for tax;
- VI. Provision for Onerous contract;
- VII. Impairment testing of Investments – Discounted Cash Flow;
- VIII. Impairment testing of Property under development;
- IX. Discounting of Financial Instruments;
- X. Expected Credit Loss of trade receivables, loans and advances and other receivables;

#### **1.4.24.2 Key sources of estimation uncertainty**

Key source of estimation of uncertainty at the date of Financial Statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of fair value measurement of financial instruments, receivables, loans and advances, valuation of deferred tax assets, useful life of assets, cash flow models for impairment and ECL.

#### **Key estimations in relation to fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models and the discount rates are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 34 to the standalone Ind-AS financial statement for further disclosures.

#### **Impairment of investments and loans and receivables in/from subsidiaries, joint- ventures and associates and other receivables**

Uncertainties involved in determining the recoverable value considered for determining provision for impairment and expected credit loss on investments, trade and other receivables due to subject to finalisation of the claim management process of subsidiaries and joint ventures and their audited financial statements. Further, in certain cases it is based on fair valuation, which is subject to various internal and external factors including significant assumptions or binding financial proposals approved by the Board of Directors which are subject to requisite approvals and acceptance of the Letter of Intent by the successful bidder and recoverable amount in respect of under construction projects is subject to finalisation / acceptance / disbursement of settlement amount by the respective authorities and various other matters as fully described in note 1.12. Any subsequent changes to the above stated variables could impact the carrying value of investments and other receivables.

#### **Key estimations in relation to Expected Credit Loss of receivables, loans and interest accrued thereon**

The Company has performed valuation for its receivables, loans and interest accrued thereon as to whether there is any ECL. When the fair value of receivables, loans and interest accrued thereon cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models and the discount rates are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as expected earnings in future years, liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of these receivables, loans and interest accrued thereon.

#### **Key estimations in relation to fair value measurement investments**

The Company has performed valuation for its investment as to whether there is any impairment in their fair values. When the fair value of investments cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models and the discount rates are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as expected earnings in future years, liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of these investments.

### **Key estimations in relation to Construction revenue and cost**

The Company, being a part of construction industry major components of contract estimate are budgeted costs and revenue to complete the contract. While estimating these components various assumptions are considered by the management such as (i) Work will be executed in the manner expected so that the project is completed timely (ii) consumption norms will remain same (iii) Assets will operate at the same level of productivity as determined (iv) Wastage will not exceed the normal % as determined etc. (v) Estimates for contingencies (vi) There will be no change in design and the geological factors will be same as communicated and (vii) price escalations etc. Due to such complexities involved in the budgeting process, contract estimates are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

### **Key estimations in relation to Useful lives of Property, plant and equipment & Intangible assets**

Useful lives of Property, plant and equipment & Intangible Assets (other than the life prescribed under Schedule II of the Companies Act, 2013) are estimated based on internal technical evaluation, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes. All these evaluations and assessments involve judgements on part of the management.

### **Key estimations in relation to deferred tax assets and MAT credit entitlement**

In assessing the realizability of deferred tax assets and MAT credit entitlement the management of the Company estimates whether the Company will earn sufficient taxable profit in future periods. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. The amount of the deferred tax assets and MAT credit entitlement considered realizable could be reduced in the near term, if estimates of future taxable income during the carry forward period are reduced.

### **Significant Judgements in application of Ind AS 115**

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

#### **Project revenue and costs**

The percentage-of-completion method places considerable importance on accurate estimates of the extent of progress towards completion and may involve estimates on the scope of deliveries and services required for fulfilling the contractually defined obligations. These significant estimates include total contract costs, total contract revenue, contract risks, including technical, political and regulatory risks, and other judgement. The Company re-assesses these estimates on periodic basis and makes appropriate revisions accordingly.

#### **Determining method to estimate variable consideration and assessing the constraint**

Before including any amount of variable consideration in the transaction price, the Company considers whether the amount of variable consideration is constrained. The Company determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

#### **1.4.25 Recent accounting pronouncements**

##### **Standards issued but not yet effective**

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new amendments to Ind AS which the group has not applied as they are effective for annual periods beginning on or after April 1, 2019.

##### **Ind AS 116 – Leases**

Ind AS 116 Leases was notified in March 2019 and it replaces Ind AS 17 Leases. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. It sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Ind AS 116 requires lessees and lessors to make more extensive disclosures than under Ind AS 17. The Group is in the process of evaluating the requirements of the standard and its impact on its financial statements.

##### **Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments).**

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the Income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The group does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The group does not expect any significant impact of the amendment on its financial statements.

##### **Ind AS 109 – Prepayment Features with Negative Compensation**

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The group does not expect this amendment to have any impact on its financial statements.

### **Ind AS 19 – Plan Amendment, Curtailment or Settlement**

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The group does not expect this amendment to have any significant impact on its financial statements.

### **Ind AS 23 – Borrowing Costs**

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The group does not expect any impact from this amendment.

### **Ind AS 28 – Long Term Interests in Associates and Joint Ventures**

The amendments clarify that an entity applies IND AS 109 Financial Instruments to long term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company is in the process of evaluating the requirements of the standard and its impact on its financial statements.

### **Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements**

The amendment to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company is in the process of evaluating the requirements of the standard and its impact on its financial statements.

## **1.5 Order of NCLT for re-opening and re-casting of financial statements**

NCLT, vide order no. CP 3638/241-242/2018 dated January 1, 2019, had allowed a petition filed by the Union of India, for re-opening of the books of accounts and re-casting the financial statements under the provisions of Section 130 of the Companies Act, 2013 for the financial years from 2013-14 to 2017-18 of ITNL, its holding company and its fellow subsidiary namely IL&FS Financial Services Limited (“IFIN”).

The process of such re-opening and re-casting of financial statements is currently in progress and the management considering various developments as mentioned in note 1.2 above, will be evaluating various business transactions in those years including mentioned in note 4 (i), note 4 (j) for re-casting, if any, during that exercise. Pending completion of the said exercise, the Company has not made any adjustments with respect to the consequential effect arising therefrom including their effect on (a) business transactions in those financial years (b) the balance sheet as at March 31, 2018 (comparative period end date) and the current year ended March 31, 2019 and (c) the statement of Profit and Loss for the years ended March 31, 2018 and March 31, 2019.

## **1.6 Status of New Board of Directors initiated Forensic Examination**

As a consequence of the matter described in **Note 1.2** above and various other matters discussed in this stand-alone financial statement, New Board have initiated a forensic examination for the period from April 2013 to September 2018, in relation to certain companies of the Group including ITNL and has appointed an Independent third party Grant Thornton India LLP (“GT”) for performing the forensic audit and to report their findings to the Board of Directors of the holding company. The Company has received one Interim report and the same was discussed in the

Board meeting held on November 28, 2019. Copy of the said report has been shared with regulatory agencies. Further as referred in note 24.1, the forensic auditor is in the process of carrying out further examination relating to certain aspects described therein. Pending full completion of their examination, no adjustments have been recorded in these standalone Ind AS financial statements for any consequential effects/ matters that may arise in this regard.

### **1.7 Investigations by Serious Fraud Investigation Office (“SFIO”) and other regulatory agencies**

The Ministry of Corporate Affairs (“MCA”), Government of India, has vide its letter dated October 1, 2018 initiated investigation by SFIO against IL&FS and its group companies including ITNL under Section 212 (1) of the Companies Act, 2013. As a part of its investigation, SFIO has been seeking information from the Company on an ongoing basis. The investigation is in progress and the Company is fully cooperating with the investigating agencies. The implications if any, arising from the aforesaid developments would be known only after the aforesaid matters are concluded and hence are not determinable at this stage.

### **1.8 Creditors Claim Process and reconciliation of claims received**

Read with note 1.3 to the standalone Ind-AS financial statement, the Resolution Framework submitted by the Company to the Ministry of Corporate Affairs, Government of India which, in turn, was filed with the Hon’ble NCLAT, the creditors of the Company were invited (via advertisement(s) dated May 22, 2019) to submit their claims as at October 15, 2018 with proof, on or before 5 June, 2019 (later extended till February 5, 2020) to a Claims Management Advisor (“CMA”) appointed by the IL&FS Group. The amounts claimed by the financial and operational creditors are assessed for admission by the CMA.

The CMA have submitted their report on the status of the claims received and its admission status. Claims of ₹ 21,249.70 crore (including contingent claims of ₹ 4,912.41 crore) have been filed by Financial Creditors of the Company and out of which claims of ₹ 17,922.25 crore (including contingent claims of ₹ 2,831.22 crore) have been admitted by CMA against the financial liabilities of ₹ 15,400.82 crore in the books. Appropriate disclosure in this respect have been made in note 37.1.

Claims of ₹ 2,780.20 crore have been filed by operational creditors of the Company, out of which claims of ₹ 1,361.27 crore have been admitted by the CMA against the operating liabilities of ₹ 1,047.75 crore in the books till the date of these financial statements. The report is subject to change based on additional information/ clarification that may be received from the creditors in due course.

Management of the Company is in the process of reviewing the claims made by third parties with the CMA, and reconciliation of such claims with the corresponding amounts as per the Company’s books of account is going on. Having regard to the nature, volume and value of claims received, management is of the view that due process will need to be applied to all such claims, in order to finally determine the level of present obligations that would need to be recognised by the Company as liabilities. Based on the ongoing review, the Company has provided the reconciliation for differences amounting to ₹440.23 crore to the CMA and their revert is awaited. Accordingly, no adjustments have currently been made in this regard to these standalone Ind AS financial statements, and all such admitted claims have been disclosed as part of contingent liabilities (refer Note 37.1).

### **1.9 Non-compliance with applicable laws and regulations**

As a consequence of the matter described in Note 1.2 above and various other matters discussed in this accompanying stand-alone Ind AS financial statements, the Company is not in compliance with provision of various applicable laws and regulations, including but not limited to the Companies Act 2013, SEBI Regulations as applicable to listed entities, Income Tax Act, 1961, Good and Services Tax Act, 2017, State VAT Regulations, Regulations of the Reserve Bank of India as applicable to the Company and Foreign Exchange Management Act, 1999.

Where the management has identified any non-compliance subsequent to September 30, 2018, these have been reported or are in the process of being reported to the relevant regulator, and the Company intends to comply with the necessary requirements or further directions at the earliest.

Management is in the process of evaluating the financial and other consequences arising from such non-compliance and of making a comprehensive assessment of other non-compliances, to determine their impact/ consequences, including financial and operational impact, of such non-compliances on the Company. Pending final determination and assessment thereof, no adjustments have been made to these Financial Statements.

#### **1.10 Assessment of various litigations, legal cases, suits, etc.:**

As a result of events up to September 30, 2018, as more fully described in note 1.2, there have been various litigations, legal cases and suits filed against the company following the default of borrowings made by the company, as described in the note 17 (h). The Company has also received notices from debenture trustees with respect to default in payment of interest to the debenture holders. Further, the Company is undergoing a resolution process (refer note 1.3) under the order of the NCLT, pending which the management is in the process of making assessments and determinations as to liabilities, provisions and contingent liabilities as per Ind AS 37, *Provisions, Contingent Liabilities and Contingent Assets* or as per Ind AS 109, *Financial Instruments* as the case may be. Pending final outcome of such process, no adjustments have been made to the stand-alone financial statements in this regard. Also refer note 37 for contingent liability disclosures.

#### **1.11 Accounting for guarantees and collaterals**

The Company has issued various financial guarantees, performance guarantees, letter of awareness, letter of comfort, sponsor guarantees and corporate guarantees in favour of or on behalf of group/ other companies including overseas subsidiaries. Based on information available with management, the total value of such financial guarantees, performance guarantees, letter of awareness, letter of comfort, sponsor guarantees to the lenders of under construction project SPVs and corporate guarantees as at March 31, 2019 is ₹ 7,149.21 crore. Management is in the process of reconciling the completeness and status of various such instruments issued, devolved, claimed and recorded/to be recorded in the books of account, including those guarantees in respect of which claims have been received as part of the claim management process amounting to ₹ 4,912.41 crore, out of which claims of ₹ 2,831.22 crore have been admitted by the CMA (refer note 1.8). Pending such assessment, management has not accounted for any such guarantees in these financial statements in terms of the requirements of Ind AS 109, *Financial Instruments* or Ind AS 37, *Provisions, Contingent Liabilities and Contingent Assets* as the case may be.

#### **1.12 Impairment of Investments, loans, trade receivables and other receivables**

As a result of the various events that have taken place during the financial year 2018-19 and subsequently up to the date of the financial statements, which are more fully described in note 1.2 to these stand-alone financial statements, there is a significant uncertainty around the recoverability of the carrying amount of the investments, loans, trade and other receivables from the subsidiaries, associates, joint venture, other entities in the IL&FS Group and other third parties. The New Board has also initiated a process for divesting stakes held by the Company and other IL&FS Group entities in various subsidiaries and road projects and related businesses as described above in note 1.3 to the standalone Ind-AS financial statements.

Accordingly, in the current year, the Company in consultation with Board, has performed an assessment to determine the recoverability of the carrying amounts of the investments, loans, trade and other receivables from its subsidiaries associates, joint venture, other entities in the IL&FS Group and other third parties (entities). For the purpose of determining the recoverable amount, the Company has made its assessment on the following basis:



Category	Basis
A	Entities where Binding Financial bids have been received and approved by the Board, recoverable amount has been determined basis the financial bid received.
B	Entities where Binding Financial bids were received but not accepted by the New Board, the recoverable amount has been determined basis lower of the Fair Market Values assigned by 2 valuers' engaged by the New Board during the divestment process.
C	Entities where no Financial bids were received, recoverable amount has been determined basis Fair market valuation obtained through an independent third-party valuer.
D	Entities, where projects are under construction/ incomplete/ partially incomplete and discussions are ongoing with the Concessing Authorities for foreclosure/ termination of the Concession Agreements, recoverable amounts have been determined basis the net compensation agreed or indicated by the respective Concessing Authority for the said foreclosure / termination. Based on the expected timing of realisation of these claims, the present value of the claim has been considered. Further, all known counter-claims and penalties have been adjusted to the recoverable amount.
E	For other entities, recoverable amount has been determined on the basis of: <ul style="list-style-type: none"> <li>a. Market valuation with appropriate illiquidity discount in respect of listed entity.</li> <li>b. Net Asset Value based on audited/management accounts of the entities.</li> <li>c. For others entities classified into 'Red', 'Amber' or 'Green' entities, with 100% provisions being made for exposure to Red entities, as per the policy adopted by the Parent Company.</li> <li>d. Estimated realisable value based on realisable value of underlying assets.</li> <li>e. For certain entities based on management best estimate.</li> <li>f. For overseas entities, realisable value considered as ₹ Nil.</li> </ul>

Based on the above categorisation, the Company has determined its impairment/ expected credit loss (ECL) provision as summarised below:

₹ in crore

Category as per above	Recoverable amount available to entities	Impairment and ECL recognised	Recoverable amount of investments	Recoverable amount of trade receivables and contract assets	Recoverable amount of Loans	Recoverable amount available to Company
(1)	(2)	(3)	(4)	(5)	(6)	(4) + (5) + (6) = (7)
A	8,111.70	1,783.80	-	31.04	955.17	986.21
B	6,988.13	1,654.46	-	22.39	245.76	268.15
C	2,251.66	1,958.10	-	0.79	166.83	167.62
D	2,994.56	5,016.54	-	42.69	571.18	613.87
E	269.53	3,839.69	99.86	34.59	172.13	306.58
<b>Total</b>	<b>20,615.58</b>	<b>14,252.59</b>	<b>99.86</b>	<b>131.50</b>	<b>2,111.07</b>	<b>2,342.43</b>

^ The recoverable amount for entities is subject to finalization of the claim management process of the respective Entity and its audited financial statements. The recoverable amount available to the Company has been computed based on distribution of recoverable amount of the Entity among all its obligations using the following distribution framework.

- a. First, towards payment to secured financial creditors;
- b. Second, towards unsecured creditors including Operations Creditors and statutory liabilities in proportion of their outstanding. No allocation made against provision for negative premium in the standalone financial statement of project entities;
- c. Third, towards Equity.

The above distribution framework is not in accordance with the Distribution mechanism suggested by New Board and approved by NCLAT pursuant to its order dated March 12, 2020. However, the above distribution framework is considered more conservative.

The significant estimates and judgments applied in determining the recoverable amount in each of the above categories is further explained in detail below:

Category	Significant Assumptions
A	<p>The financial proposals approved by the Board of Directors are binding in nature and are subject to approval of the Committee of Creditors, approval by a retired judge of the Supreme Court and approval of the NCLT. Post approval of the retired judge, the Company will issue a Letter of Intent to the successful bidder. Management believes that it is probable that these transactions will be consummated as intended and they closely approximate their fair value. Accordingly, the financial bids have been considered to determine the recoverable amount.</p>
B	<p>The New Board as part of divestment process, had appointed 2 independent valuation experts to determine Fair Market Value (FMV) and Liquidation Value (LV) for each entity. The FMVs provide by these experts were used as basis for evaluating the financial bids received. The Company has considered the lower of the FMV assigned by the valuers' for the purpose of determination of recoverable amount.</p> <p>The valuers' have used discounted cash flow models (DCF), discounting the future free cash flows of the entity (determined from a market participant perspective) over the tolling period / annuity period of the service concession agreement to the valuation date to arrive at the present value of the cash flows. The recoverable amount so determined is sensitive to the valuers' assessment of discount rate used as well as the expected future cash inflows / outflows and the growth rate used in case of toll projects.</p> <p>The valuers' have also provided Liquidation Value for each entity which is lower than the FMV. However, the same has not been considered for determination of recoverable amount as the management expects that through the resolution or monetisation process, the projects would continue to operate in future (refer note 1.3).</p> <p>The Company has obtained fair Market Values as at September 30, 2018 and has not adjusted the present value of the cash flows / working capital up to March 31, 2019. The Company has not done a detailed assessment to determine the impact on account of the same, management believes that overall impact on the impairment provision / ECL provision is not likely to be material.</p>
C	<p>In respect of entities classified in this category, the New Board as part of the divestment process, had appointed independent valuation expert to determine the Enterprise Value for these entities as at September 30, 2018. The Company has considered the same for the purpose of determination of recoverable amount.</p> <p>Under this approach, discounted cash flow model (DCF) has been applied whereby the future free cash flows of the entity (determined from a market participant perspective) over the tolling period /</p>

Category	Significant Assumptions
	<p>annuity period of the service concession agreement have been discounted to the valuation date to arrive at the present value of the cash flows. The recoverable amount so determined is sensitive to the discount rate used by the experts for the discounted cash flow model as well as the expected future cash inflows / outflows and the growth rate used in case of toll projects.</p> <p>The Company has obtained Enterprise valuation as at September 30, 2018 and has not adjusted the present value of the cash flows/ working capital up to March 31, 2019. The Company has not done a detailed assessment to determine the impact on account of the same, management believes that overall impact on the impairment provision/ ECL provision is not likely to be material.</p>
D	<p>In case of the entities classified in this category, the recoverable amounts is subject to finalisation/ acceptance and disbursement of settlement amount by the respective Concessing Authority and have been determined basis compensation amounts agreed with/ proposed by the Authority either through letters / communications between the respective project SPV and Authority or minutes of the meetings / orders passed by Conciliation Committee of Independent Experts or through affidavit filed by the Authority for resolution of the project SPV</p> <p>Further, the Management has estimated the timelines for realisation of the amounts, based on current progress of discussions with the respective Authorities.</p>
E	<p>In case of entities classified in this category, the Company does not presently have the necessary and/or complete information to support tests based on expected cash flows. Accordingly, management has applied the following methodologies to determine recoverable amount:</p> <ol style="list-style-type: none"> <li>1. As per the market price listed on the stock exchange with 50% discount for illiquidity.</li> <li>2. As per the net asset value in the audited financial statements / management certified financial statements for the year ended March 31, 2019.</li> <li>3. The IL&amp;FS Group entities have been classified into “Red”, “Amber” and “Green” categories (refer Note 1.3) by a resolution consultant appointed by the Board of Directors based on a 12-months cash flow-based solvency test. In case of entities which are classified into “Red” category (entities which cannot meet their payment obligations towards even senior secured financial creditors, as and when such payment obligations become due), amounts recoverable for the Company has been considered ₹ Nil.</li> <li>4. In case of receivable from one of the associate, fair valuation of certain underlying assets (land) is based on latest valuation report and for certain assets, the valuation report available as at March 18 has been considered. However the realizability is subject to the outcome of the resolution process as the said associate is currently part of Corporate Insolvency Resolution Process. (refer note 4(j)) and note 5 (e)).</li> <li>5. For other entities, based on management best estimate the realisable value has been considered ₹ Nil.</li> <li>6. For offshore entities, recoverable amounts have been computed after estimating the recoverable amount of each offshore entity/ investment and after satisfying all the liabilities taken by these offshore entities. Since insolvency petitions have been filed / are being filed for certain entities (Elsamex SA, IIDL and IIDMCC) their recoverable value has been considered ₹ Nil. Based on current progress, it is expected that offshore liabilities of the Group would be more than the value of offshore assets of the Group, on an aggregate analysis, and hence the recoverable amount for offshore exposures of the Company has been considered ₹ Nil.</li> </ol>

Category	Significant Assumptions
	In view of facts mentioned above, management's approach to determine recoverable amount for this category of assets does not consider the requirement of the relevant Ind AS standards in its entirety.

While carrying out impairment assessment as at March 31, 2018, the Company inadvertently had not considered latest traffic study report, for the purpose of computing projected cash flows of a project. The current year's impairment assessment for that project has been carried out basis the said traffic study report and in accordance with the approach detailed hereinabove, appropriate impairment provision has been recognised in the statement of profit and loss.

The impairment and expected credit loss provisions made after following the assessment as explained above, is prudent and represents the economic substance of the amounts recoverable as at March 31, 2019.

### 1.13 Fair value note

The key assumptions applied in determining the fair value by applying the discounted cash flow model are as described below. These apply mainly to the entities (or Special Purpose Vehicles (SPV's)) having toll-based service concession arrangements. In case of SPV's having annuity-based service concession arrangements, the revenue (annuities) is principally driven by the service concession agreement and estimates are largely involved in the discount rate applied and Operations and Maintenance expenses to the cash flows.

- I. Revenue – To determine the revenue over the period of the service concession arrangement, the Company has considered the toll traffic and the revenue estimate as per the latest available traffic study undertaken by an independent expert. Based on the traffic study an average revenue growth of 10% to 13% year on year over the tolling period has been considered.
- II. Operating and Maintenance expenses – These are driven by the service concession arrangements and increase at average of 5% year on year basis, over the concession period. Further, the Company has considered cash outflows for major maintenance expenses over the concession period basis the agreements / past experience / requirement of the concession agreement.
- III. Discount Rates - Discount rates have been derived by the valuers'/ experts carrying out the valuation exercise. The Discount rates reflect the valuers' assessment of SPV's weighted average cost of capital (WACC) and the current market risks specific to each SPV and takes into consideration the time value of money and any specific risk premium that have not been incorporated in the cash flow estimates and it ranges between 10.01% to 16.26 %

Sensitivity analysis on the above assumptions has not been disclosed as the same is not available from the valuation reports and any unexpected adverse change in future could further affect the carrying value of the investments, loans and other receivables as at March 31, 2019.

### 1.14 Inter-company confirmations and reconciliations

The Company is in the process of performing and completing the confirmation and reconciliation of inter-company balances with various subsidiaries, associates, joint ventures of the Company. Further, audited financial statements of certain subsidiaries, associates and joint ventures of the Company for the year ended March 31, 2019, are not available. Pending completion of such reconciliation and confirmation, the management has not made any adjustments that may be required to these financial statements including disclosure required by Ind AS-24-Related Party Disclosures.

### **1.15 Material Uncertainty relating to Going Concern assumption used for the preparation of these financial statements**

As at March 31, 2019, the current liabilities of the Company exceeded its current assets by ₹ 17,012.25 crore.

The Company and the IL&FS group in general are undergoing substantial financial stress as at March 31, 2019. During the year ended March 31, 2019, the Company has incurred loss (including other comprehensive income) of ₹ 16,956.12 crore and it has net liabilities of ₹ 13,884.41 crore. The Company has also suffered consistent downgrades in its credit ratings during the year and in September 2018 the credit rating was reduced to “default grade” subsequent to the defaults in repayment of loans taken by the company, details of which are discussed in note-1.2. As a result of the foregoing, the Company’s ability to raise funds has been substantially impaired, with normal business operations being substantially curtailed.

As indicated in note 1.3, there has been a resolution process run by the New Board of IL&FS. The resolution plan seeks a transparent resolution keeping in mind larger public interest, financial stability, legality, various stakeholders’ interest and commercial feasibility. The resolution plan of management is to sale entities wherever possible and maximise value for stakeholders. The Company is taking active steps to monetize its assets and is in discussions with multiple parties to sell its assets (refer note 1.12). The Company is committed to taking necessary steps to meet its financial commitments to the extent possible.

During the year, IL&FS has also engaged an independent third party as resolution advisor for the Group to assess the liquidity at the Company and at various subsidiaries in India. As a result, the companies in the IL&FS group have been classified into three categories as more fully discussed and disclosed in note-1.3 to these financial statements. These classifications reflect the ability of the companies to pay their financial and operations creditors from their operations in normal course of business, and are subject to periodic assessment and review by the management and the New Board and with the results being submitted to the National Company Law Tribunal the last of which have been submitted on August 9, 2019. The Company has been classified as “Red” entity.

The ability of the Company to continue as a going concern is predicated upon its ability to monetize its assets, secure further funding, restructure its liabilities and resume its normal operations. In view of actions that are currently underway, the accompanying financial statements have been prepared on going concern basis based on cumulative impact of certain steps taken by the New Board.

### **1.16 Accounting for contractual interest income in respect of loans to group companies and finance cost on the borrowings**

In line with the affidavit filed by the Ministry of Corporate Affairs with the Hon’ble NCLAT on May 21, 2019, the cut-off date of October 15, 2018 (“cut-off date”) was proposed on account of inter alia the fact that the Hon’ble NCLAT had passed the order on October 15, 2018 which inter alia granted certain relief to the IL&FS Group and also restricted certain coercive actions by the creditors of the IL&FS group.

In terms of the Resolution framework reports, the proposal made is that all liabilities relating to the relevant IL&FS Group entity whether financial (including interest, default interest, indemnity claims and additional charges), operational debt (Including interest, indemnity or other claims) as well as statutory claims (including tax, employment and labour related claims) whether existing at or relating to a period after October 15, 2018 (the Cut-off date, as explained in the previous paragraph) should not continue accruing.

Hon’ble NCLAT vide its judgement dated March 12, 2020, has approved the revised Resolution Framework submitted by New Board along with its amendments. In the said order, Hon’ble NCLAT has also approved October 15, 2018 as the Cut Off date for initiation of resolution process of the Company.

Accordingly, basis the said order and the legal evaluation of the applicability of the cut-off date, management has:

- a) Recognised interest income for the year on loans made, only for the period up to October 15, 2018. No such income has been recognised for the period from October 16, 2018 to March 31, 2019, which approximates ₹ 321.76 crore on a gross basis.
- b) Recognised finance costs on borrowings (including from third parties) for the year, only for the period up to October 15, 2018. No such finance costs have been recognised for the period from October 16, 2018 to March 31, 2019, which approximates ₹ 745.27 crore.

The amounts above are based on contractually agreed terms and exclude penal / other interest and charges. Further, the above (a) are not applied to entities classified as "Green" category (refer Note 1.3), i.e. entities which are in a position to honour their respective financial and operational liabilities.

### **1.17 Reconciliation with banks**

During the year, certain banks have adjusted/ debited the Company's bank accounts amounting to ₹ 426.34 crore. The adjustments are not authorised by the Company and are in the nature of repayment of loans obtained from the said banks and interest/ penal interest on such loans.

Further, the same banks have credited/ adjusted ₹ 422.09 crore and debit of ₹ 1.96 crore (total ₹ 420.13 crore) for which the management is not aware of its basis and rationale.

The management is in the process of reconciling the said amounts/ accounts, pending outcome of the said assessment, consequential impacts if any are not adjusted in the standalone Ind-AS financial statements.

### **1.18 Property plant and equipment and Inventories**

As fully described in the note 1.2 of the financial statements and reasons stated thereto, all construction works at respective sites were suspended and subsequently the Company has either terminated or is in the process of terminating the construction contracts.

The plant and machinery and inventories at respective construction sites are not in active use and the management is in the process of determining their alternate use including disposal if any. However, as required by Ind AS-36 'Impairment of assets' and Ind AS-2 'Inventories', no analysis has been carried out for determination of recoverable value / net realisable value of such assets.

However, the management has not conducted physical verification of inventories during the year.

Accordingly, no impact has been given in the standalone Ind AS financial statements.

### **1.19 Other significant transactions**

#### **Borrowings**

The Company had obtained secured/ unsecured loans from certain third parties (including the Company's vendors) having outstanding balances of ₹ 1,181.33 crore as at 31 March 2019 (March 31, 2018: ₹ 990 crore). The Company has provided Letter of Awareness (LOA) amounting to ₹ 1,020 crore (March 31, 2018 ₹ 750 crore) to IL&FS Financial Services Limited (IFIN) in respect of money borrowed by these parties or their group companies from IFIN (also refer note 38).

During the claim management process, some of the parties have represented that the loans given by them to the Company were from the money borrowed by them from IFIN. This matter is under investigation by various regulatory agencies and pending final outcome of the said investigation no adjustments have been recorded in this standalone Ind AS financial statements for consequential effect that may arise in this regard.

In addition to above, during the current year, Trade payable to certain vendors amounting to ₹ 496.05 crore were converted into borrowings (Previous year ended March 31, 2018 ₹ Nil) and outstanding balance of such borrowings as of March 31, 2019 was ₹ 311.91 crore (refer note 17 (j)).

**Note 3: Investment property under development**

₹ in crore

Particulars	As at March 31, 2019	As at March 31, 2018
Investment property under development (refer note (c) and (d) below)	81.36	118.93
<b>Total</b>	<b>81.36</b>	<b>118.93</b>

**Reconciliation of Carrying Amount**

Particulars	As at March 31, 2019	As at March 31, 2018
Carrying Amount at the beginning of the year	118.93	115.31
Add: Stamp duty and other taxes paid during the year	-	6.75
Less: Impairment loss provided during the year (refer note 30)	(37.57)	(3.13)
<b>Total</b>	<b>81.36</b>	<b>118.93</b>

**Reconciliation of Impairment during the year**

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance at the beginning of the year	(3.13)	-
Addition during the year (refer note 30)	(37.57)	(3.13)
Reversal during the year	-	-
<b>Closing balance at the end of the year</b>	<b>(40.70)</b>	<b>(3.13)</b>

**notes :**

- Investment property consists of 49,555 sq.ft. commercial property in Mumbai. The said property has been offered as a security given to one of the lenders of the Company. The investment property is held under freehold interests.
- The investment property is valued at cost as per Ind AS 40 'Investment Property' ("Ind AS 40") and tested for impairment, based on triggers, if any.
- During the current year, considering that the Company intends to sell the property on "as is" basis and has invited Expression of Interests for the same, the Company on a conservative basis has valued the said investment property at Ready Reckoner Rate (circle rate) setup by Maharashtra State Government and no detailed impairment assessment as required by Ind AS 36 'Impairment of Assets' ("Ind AS 36") has been carried out. The Company basis the said valuation, has recognised impairment loss of ₹ 37.57 crore in these financial statements.
- Details of the Company's investment properties and information about the fair value hierarchy as at March 31, 2019 and as at March 31, 2018 are as follows:

Fair value as per Level 2

Particulars	As at March 31, 2019	As at March 31, 2018
Investment property under development	81.36	118.93
<b>Total</b>	<b>81.36</b>	<b>118.93</b>

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**IL&FS TRANSPORTATION NETWORKS LIMITED**  
**Notes forming part of the standalone financial statements**  
**Note 4 : Investments (refer note 1.13)**

**i. Investments in Subsidiaries**

₹ in crore

Particulars	Face value ₹	As at March 31, 2019		As at March 31, 2018	
		Quantity	Amount	Quantity	Amount
<b>Unquoted Investments (all fully paid)</b>					
<b>Investments in Equity Instruments (at deemed cost):</b>					
North Karnataka Expressway Limited	10	7,720,823	7.72	7,720,823	7.72
East Hyderabad Expressway Limited	10	21,689,400	21.69	21,689,400	21.69
ITNL International Pte. Ltd., Singapore (Face value US\$ 1 each)	NA	126,632,481	779.92	126,632,481	779.92
ITNL Road Infrastructure Development Company Limited	10	140,000,000	140.00	140,000,000	140.00
Vansh Nimay Infraprojects Limited	10	14,300,000	14.50	14,300,000	14.50
IL&FS Rail Limited (refer note 14)	10	688,174,376	688.17	349,231,950	349.23
Hazaribagh Ranchi Expressway Limited (refer note 4 (g))	10	130,986,900	175.12	130,986,900	175.12
West Gujarat Expressway Limited	10	14,799,985	10.05	14,799,985	10.05
Moradabad Bareilly Expressway Limited	10	189,519,309	189.52	189,519,309	189.52
Jharkhand Road Projects Implementation Company Limited	10	242,448,000	118.17	242,448,000	118.17
Jharkhand Infrastructure Implementation Company Limited (refer note 4 (g))	10	79,999,940	80.00	44,999,940	45.00
Chenani Nashri Tunnelway Limited (refer note 4 (g))	10	372,000,000	372.00	372,000,000	372.00
Jorabat Shillong Expressway Limited (refer note 4 (a) and (g))	10	8,400,000	58.80	-	-
Pune sholapur Road Development Company Limited (refer note 14 and 4 (g))	10	160,000,000	362.86	-	-
MP Border Checkpost Development Company Limited	10	110,278,130	-	110,278,130	-
Badarpur Tollway Operations Management Limited	10	49,994	-	49,994	-
Rapid Metro Rail Gurgaon Limited	10	18,239,128	29.65	18,239,128	29.65
Futureage Infrastructure India Limited	10	3,000,000	-	3,000,000	-
Charminar Robopark Limited	10	4,680,000	-	4,680,000	-
Karyavattom Sports Facilities Limited	10	43,119,940	43.12	43,119,940	43.12
Kiratpur Ner Chowk Expressway Limited	10	500,810,000	500.81	500,810,000	500.81
ITNL Offshore Pte. Ltd., Singapore (Face value US\$ 1 each)	NA	3,370,500	20.84	3,370,500	20.84
Baleshwar Kharagpur Expressway Limited	10	178,590,000	178.59	178,590,000	178.59
Sikar Bikaner Highway Limited	10	124,050,000	233.50	124,050,000	233.50
Rapid MetroRail Gurgaon South Limited	10	230,300,000	248.04	230,300,000	248.04
ITNL Africa Projects Ltd., Nigeria (Face value Nigerian Naira 1 each)	NA	2,500,000	0.09	2,500,000	0.09
Barwa Adda Expressway Limited	10	243,499,940	464.50	230,499,940	451.50
Khed Sinnar Expressway Limited	10	294,189,994	294.19	294,189,994	294.19
Amravati Chikhli Expressway Limited	10	121,949,994	121.95	119,149,994	119.15
Fagne Songadh Expressway Limited (refer note 4(f))	10	296,999,994	297.06	262,499,994	262.56
ITNL Offshore Two Pte. Ltd. (Face value US\$ 1 each)	NA	50,000	0.31	50,000	0.31
ITNL Offshore Three Pte. Ltd. (Face value US\$ 1 each)	NA	1	0.00	1	0.00
Srinagar Sonmarg Tunnelway Limited (refer note 4(e))	10	11,583,818	201.81	5,676,068	195.90
GRICL Rail Bridge Development Company Limited	10	7,300,000	7.30	5,800,000	5.80
Elsamex Maintenance Services Limited	10	49,940	116.55	49,940	116.55
Elsamex India private Limited	10	2,100,000	12.01	2,100,000	12.01
Yala Construction Company Limited	10	6,067,762	11.41	6,067,762	11.41
Grusamar India Limited	10	49,940	0.84	49,940	0.84
Ranchi Muri Road Development Limited	10	49,940	0.05	49,940	0.05

<b>Investments in Covered Warrant - IL&amp;FS</b>					
- In favour of Chhattisgarh Highways Road Development Company Limited ((refer note 4(b))	10	7,400,000	7.40	7,400,000	7.40
- In favour of Jharkhand Road Projects Implementation Company Limited ((refer note 4(b))	10	17,000,000	-	17,000,000	-

**i. Investments in Subsidiaries**

Particulars	Face value ₹	As at March 31, 2019		As at March 31, 2018	
		Quantity	Amount	Quantity	Amount
<b>Investments in Preference Shares (at amortised cost) :</b>					
West Gujarat Expressway Limited (refer note 4(c))	10	20,000,000	11.41	20,000,000	11.41
<b>Investments in units (at cost) :</b>					
ITNL Road Investment Trust ("IRIT")	1,000	1,068,955	76.90	1,068,955	76.90
<b>Total Aggregate Unquoted Investments (A)</b>			<b>5,896.85</b>		<b>5,043.54</b>
<b>Less : Impairment loss in the value of Investments (B) (refer note 1.12 and 30)</b>			<b>5,818.13</b>		<b>352.05</b>
<b>Total Investments in Subsidiaries (A) - (B) = (i)</b>			<b>78.72</b>		<b>4,691.49</b>

IL&FS TRANSPORTATION NETWORKS LIMITED  
Notes forming part of the standalone financial statements  
**Note 4 : Investments (refer note 1.13)**

ii. Investments in Associates

₹ in crore

Particulars	Face value ₹	As at March 31, 2019		As at March 31, 2018	
		Quantity	Amount	Quantity	Amount
<b>Quoted Investments (all fully paid)</b>					
<b>Investments in Equity Instruments (at cost)</b>					
Noida Toll Bridge Company Limited (refer note 4 (I))	10	49,095,007	162.33	49,095,007	162.33
<b>Total Aggregate Quoted Investments (A)</b>			<b>162.33</b>		<b>162.33</b>
<b>Unquoted Investments (all fully paid)</b>					
<b>Investments in Equity Instruments (at cost)</b>					
Pario Developers Private Limited (refer note 4 (d) and (j))	10	330,000	0.33	330,000	0.33
ITNL Toll Management Services Limited	10	24,500	0.02	24,500	0.02
<b>Investments in Preference Shares (at amortised cost) :</b>					
Pario Developers Private Limited (refer note 4 (d) and (j))	10	150,000,000	158.37	15,000,000	158.37
<b>Total Aggregate Unquoted Investments (B)</b>			<b>158.72</b>		<b>158.72</b>
<b>Less : Impairment loss in the value of Investments [C] - (refer note 1.12 and 30)</b>			<b>307.44</b>		<b>-</b>
<b>Total Investments in Associates (A) + (B) - (C) = (ii)</b>			<b>13.61</b>		<b>321.05</b>

iii. Investments in Joint Ventures

₹ in crore

Particulars	Face value ₹	As at March 31, 2019		As at March 31, 2018	
		Quantity	Amount	Quantity	Amount
<b>Unquoted Investments (all fully paid)</b>					
<b>Investments in Equity Instruments (at cost)</b>					
Jorabat Shillong Expressway Limited (refer note 4(a))	10	-	-	42,000,000	42.00
NAM Expressway Limited (refer note 4(a))	10	-	-	116,754,970	116.75
Thiruvananthapuram Road Development Company Limited	10	17,030,000	-	17,030,000	-
Warora Chandrapur Ballarpur Toll Road Limited	10	61,708,490	61.71	61,708,500	61.71
Covered Warrant - IL&FS					
- In favour of Road Infrastructure Development Company of Rajasthan Limited ((refer note 4(b))	10	162,500,000	162.50	162,500,000	162.50
- In favour of Jharkhand Accelerated Road Development Company Limited ((refer note 4(b))	10	7,400,000	7.40	7,400,000	7.40
<b>Total Aggregate Unquoted Investments (A)</b>			<b>231.61</b>		<b>390.36</b>
<b>Less : Impairment loss in the value of Investments (refer note 1.12 and 30) (B)</b>			<b>224.21</b>		<b>26.01</b>
<b>Total Investments in Joint Ventures (A) - (B) = (iii)</b>			<b>7.40</b>		<b>364.35</b>

iv. Other Non Current Investments

₹ in crore

Particulars	Face value ₹	As at March 31, 2019		As at March 31, 2018	
		Quantity	Amount	Quantity	Amount
<b>Unquoted Investments (all fully paid) (at FVTPL)</b>					
<b>Investments in Equity Instruments</b>					
Indian Highways Management Company Limited	10	5,000	-	5,000	0.01
Gujarat Road and Infrastructure Company Limited	10	138,290	0.13	-	-
<b>Investments in Units of Infiniti Realty Opportunities Trust</b>					
Real Estate Asset performance-1 (refer note 4 (i) and 29)	100,000	17,109	63.73	-	-
<b>Total Aggregate Other Non Current Investments (iv)</b>			<b>63.86</b>		<b>0.01</b>
<b>Total Investments (i) + (ii) + (iii) + (iv)</b>			<b>163.59</b>		<b>5,376.90</b>

v. Other Current Investments

₹ in crore

Particulars	NAV ₹	As at March 31, 2019		As at March 31, 2018	
		Quantity	Amount	Quantity	Amount
Investment in Mutual Fund	50.95	1,295,528	6.60	-	-

**IL&FS TRANSPORTATION NETWORKS LIMITED**  
**Notes forming part of the standalone financial statements**  
**Note 4 : Investments (refer note 1.13)**

vi. Details of the Company's other Non-current investments, Other current investments and information about the fair value hierarchy as at March 31, 2019 and as at March 31, 2018 are as follows:

Particulars	Fair value hierarchy	₹ in crore	
		As at March 31, 2019	As at March 31, 2018
Other non-current Investment (refer note (iv) above)	Level 3	63.86	-
Other current Investment (refer note (v) above)	Level 1	6.60	-
<b>Total</b>		<b>70.46</b>	<b>-</b>

vii. Breakup of investments into quoted and unquoted

Particulars	As at March 31, 2019		As at March 31, 2018	
	Cost	Market value	Cost	Market value
Quoted investments	162.33	13.61	162.33	59.16
Unquoted investments	6,351.03	-	5,592.63	-
<b>Total</b>	<b>6,513.36</b>	<b>13.61</b>	<b>5,754.96</b>	<b>59.16</b>

viii. Reconciliation of Impairment loss during the year (refer note 30)

Particulars	₹ in crore	
	As at March 31, 2019	As at March 31, 2018
Opening balance at the beginning of the year	(378.06)	(14.50)
Addition during the year	(5,971.71)	(363.56)
<b>Closing balance at the end of the year</b>	<b>(6,349.77)</b>	<b>(378.06)</b>

a) During the current year, the Company had signed definitive agreements with Ramky Infrastructure Limited for sale of its entire stake viz. 116,754,970 equity shares (50% stake) held in NAM Expressway Limited (NAMEL) for a consideration of ₹ 60.00 crore and acquisition of 42,000,000 equity shares (50% stake) of Jorabat Shillong Expressway Limited (JSEL) for a consideration amounting to ₹ 16.80 crore (Out of the net consideration receivable of ₹ 43.20 crore the Company has received ₹ 23.20 crore during the year and the balance of ₹ 20.00 crore has been received subsequent to the year end). The Company has recorded loss of ₹ 56.75 crore on sale of its investment in NAMEL.

b) The Company's investment in "Covered Warrants" aggregating to ₹ 177.30 crore (As at March 31, 2018 ₹ 177.30 crore) issued by Infrastructure Leasing & Financial Services Limited ("IL&FS") are instruments under which the holder is entitled to a proportionate share of the dividend and the residual interest / economic benefit on the shares of the underlying investments. Legal Rights available to equity shareholder is with IL&FS.

c) 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 up to 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").

d) The Company's investment in non-convertible redeemable preference shares of PARIO Developers Private Limited, carry a yield of 11.04% on the issue price and is redeemable in three instalments starting from March 31, 2021 to March 31, 2023.

e) During the current year, the Company acquired shares of Srinagar Sonmarg Tollway Limited for a consideration of ₹ 5.87 crore (previous year ₹ Nil) from Soma Enterprises Limited (Soma). The amount payable for the said acquisition was adjusted against the loan granted by the Company to Soma in earlier years.

f) During the current year, the Company subscribed to the equity capital of Fagne Songadh Expressway Limited of ₹ 32.75 crore (previous year ₹ Nil) by converting its loan of the same amount to the said SPV.

g) The Company is actively taking steps to monetize its investments in road projects and related businesses, such investments are required to be classified as "Held for Sale" in accordance with Ind AS 105. However, since the process of divestment (including through INVIT) is not likely to be completed within 12 months from the end of year, which is one of the critical condition of the Ind AS 105 to classify such investments as "Held for Sale". Accordingly these investments are not classified as "non-current Investments Held for Sale" and continue to be classified as "non current Investments". Also refer note 1.3 to Standalone Ind AS financial statement.

h) The Company has given non-disposal undertaking to the lenders and the grantors of the concession for its investment in infrastructure companies, promoted by it with regard to its investments in the equity share capital of these companies as part of promoter's undertaking to such lenders, equity investors and the grantors of the concession, the carrying amount of which is ₹ 1,923.54 crore as at March 31, 2019 (₹ 1,893.30 as at March 31, 2018).

i) During the previous year in September 2017, the Company had sold 14.5% of equity investments in Moradabad Bareilly Expressway Limited (MBEL) and 10% of equity investments in Gujarat Road Infrastructure Company Limited (GRICL) for a total consideration of ₹ 164.00 crore and recognised the resulting gain amounting to ₹ 126.00 crore pursuant to a sale agreement between the Company and one of the large infrastructure player (the "Original Purchaser"). The valuation for both the entities was determined by an independent external valuer.

The shares were lodged irreversibly by the Company in an escrow account under the control of an independent Trustee and Escrow agent pursuant to the sale agreement. The consideration was due to be received within 180 days of the transaction and the Escrow agent was to transfer the shares to the Original Purchaser on receipt of the same. The Original Purchaser did not pay the consideration within the stipulated time and despite an extension granted by the Company.

Subsequently, in accordance with provisions of the said sale agreement and pursuant to a tripartite agreement entered between the Original Purchaser, the Company and a SEBI registered Fund ("New Purchaser"), in the month of May 2018 the shares were transferred in favour of the New Purchaser by the Escrow agent and consideration was received by the Company which resulted in additional gain of ₹ 7.20 crore which is after netting of ₹ 0.34 crore paid to the Original Purchaser pursuant to the sale agreement. The Company had also invested ₹ 172.60 crore in the units of a scheme of the Fund (New Purchaser).

As at March 31, 2019, the Company has fair valued its investments in units of the scheme of Fund amounting to ₹ 63.73 crore, based on the valuation of its underlying investments determined in accordance with note 1.12 and note 1.13 to these stand-alone financial statements and recognized fair valuation loss amounting to ₹ 101.67 crore (net of gain ₹ 7.20 crore) which has been disclosed in the note 29 as fair value loss on Investments recognised through Profit and Loss.

**IL&FS TRANSPORTATION NETWORKS LIMITED**

**Notes forming part of the standalone financial statements**

**Note 4 : Investments (refer note 1.13)**

j) The Company had entered into an arrangement with a Pune based leading developer ("Developer") for development of land parcels of Rajasthan Land Holdings Limited (RLHL) ('a subsidiary of the Company) and its subsidiaries for residential and commercial complexes (Project) through Pario Developers Private Limited ("Pario") a company owned by the Developer.

Consequently, during the previous year in June 2017, the Company transferred its 100% equity investment in Rajasthan Land Holdings Limited (RLHL) to Pario. The Developer was also to transfer shares held by it in an entity holding land parcels to Pario by December 31, 2017 as specified in the Share Purchase Agreement (SPA). The Company received consideration towards the said equity shares of RLHL in the form of Preference Shares in Pario amounting to ₹150.00 crore, which was arrived at basis the fair valuation of equity shares of RLHL as determined by an independent external valuer. The Company subsequently on July 20, 2017, took 34% stake in Pario and the balance stake was held by the Developer.

The Developer despite regular follow ups and extension to the original time limits granted by the Company till June 30, 2018, did not comply with the applicable conditions precedent as per the SPA with the Company and transfer shares of the entity holding parcels of land to Pario. Further, on March 31, 2018, the Developer transferred its holding in Pario to another party without prior written consent of the Company which was one of the condition of the Shareholder agreement of Pario. On subsequent follow up and in response to the demand by the Company in February 2019 for redemption of the Preference Shares held by it in Pario, a remedy available to it under the SPA, the developer vide letter dated March 19, 2019 cited various reasons including recession in real estate market and group restructuring among others, for non-compliance with the conditions of the SPA and suggested to unwind the agreement and liquidate Pario. Further during the current year, one of the operational creditor of RLHL, filed CIRP application against the Company and one of its subsidiary. The application has been accepted by Hon'ble NCLAT Jaipur in September 2019 and a Resolution Professional has been appointed to oversee the operations of Company.

Pursuant to various developments mentioned in note 1.2 above, issues faced by the Developer and recent developments at RLHL, the proposal for residential and commercial complexes project has not progressed and the management does not have any visibility about the said project progressing in near future. Accordingly, the Company based on assessment of recoverable amounts of underlying assets of Pario has fully impaired the investments of ₹ 158.37 crore in the preference shares and ₹ 0.33 crore in Equity shares of Pario. Also refer note 1.12 and note 5 (e)).

k) 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 Arbitrator. For the purpose of carrying out the Impairment assessment, the Company considering the limited trading volumes in the shares of the said Associate, has applied an illiquidity discount of 50% to the market rate prevailing as on March 31, 2019 and valued the Investment in the said Associates accordingly.

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**IL&FS TRANSPORTATION NETWORKS LIMITED**  
**Notes forming part of the standalone financial statements**

m) Information as required under paragraph 17 (b) of Ind AS 27 for investments in subsidiaries, joint ventures and associates :

The name of the investees	Proportion of the ownership interest		The principal place of business	Country of incorporation
	As at March 31, 2019	As at March 31, 2018		
<b>Investments in subsidiaries</b>				
<b>Investments in Equity Instruments:</b>				
Amravati Chikhli Expressway Limited	100.00%	100.00%	The IL&FS Financial Center, Plot C-22, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	India
Badarpur Tollway Operations Management Limited	100.00%	100.00%	Toll Plaza, Mayur Vihar Link Road, Delhi - 110092	India
Baleshwar Kharagpur Expressway Limited	100.00%	100.00%	The IL&FS Financial Center, Plot C-22, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	India
Barwa Adda Expressway Limited	100.00%	100.00%	The IL&FS Financial Center, Plot C-22, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	India
Charminar Robopark Limited	89.20%	89.20%	The IL&FS Financial Center, Plot C-22, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	India
Chenani Nashri Tunnelway Limited	100.00%	100.00%	The IL&FS Financial Center, Plot C-22, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	India
Chhattisgarh Highways Road Development Company Limited	74.00%	74.00%	House No. 705, Sector 2, Avanti Vihar, Telibandha Raipur CT 492006	India
East Hyderabad Expressway Limited	74.00%	74.00%	The IL&FS Financial Center, Plot C-22, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	India
Elsamex India Private Limited	99.15%	99.15%	The IL&FS Financial Center, Plot C-22, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	India
Elsamex Maintenance Services Limited	99.88%	99.88%	The IL&FS Financial Center, Plot C-22, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	India
Fagne Songadh Expressway Limited	100.00%	100.00%	The IL&FS Financial Center, Plot C-22, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	India
Futureage Infrastructure India Limited	58.48%	58.48%	3rd Floor, A-1, Crescent Krishna Metropolis. Rukminipuri, A S Rao Nagar, Hyderabad – 500062 Telangana	India
GRICL Rail Bridge Development Company Limited	100.00%	100.00%	301, Shapath-1 Complex, Opp: Rajpath Club, Nr. Madhur Hotel, Sarkhej Highway, Bodakdev, Ahmedabad - 380015	India
Grusamar India Limited	99.88%	99.88%	The IL&FS Financial Center, Plot C-22, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	India
Hazaribagh Ranchi Expressway Limited	99.99%	99.99%	The IL&FS Financial Center, Plot C-22, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	India
IL&FS Rail Limited	83.25%	83.25%	2nd Floor, Ambience Corporate Towers, Ambience Island, National Highway #8, Gurgaon – 122001	India
ITNL Africa Projects Limited	100.00%	100.00%	4th floor, Bank of Industry Bldg, Central Business District, Abuja	Nigeria
ITNL International Pte. Ltd.	100.00%	100.00%	8 Marina Boulevard 05-2 Marina Bay Financial Centre Singapore-018981	Singapore
ITNL Offshore Pte. Limited	100.00%	100.00%	8 Marina Boulevard 05-2 Marina Bay Financial Centre Singapore-018981	Singapore
ITNL Offshore Three Pte. Limited	100.00%	100.00%	8 Marina Boulevard 05-2 Marina Bay Financial Centre Singapore-018981	Singapore
ITNL Offshore Two Pte. Limited	100.00%	100.00%	8 Marina Boulevard 05-2 Marina Bay Financial Centre Singapore-018981	Singapore
ITNL Road Infrastructure Development Company Limited	100.00%	100.00%	The IL&FS Financial Center, Plot C-22, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	India
ITNL Road Investment Trust	100.00%	100.00%	The IL&FS Financial Center, Plot C-22, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	India
Jharkhand Infrastructure Implementation Company Limited	100.00%	100.00%	443 A, Road No. 5, Ashok Nagar, Ranchi – 834002	India
Jharkhand Road Projects Implementation Company Limited	100.00%	100.00%	443 A, Road No. 5, Ashok Nagar, Ranchi – 834002	India
Jorabat Shillong Expressway Limited	100.00%	0.00%	The IL&FS Financial Center, Plot C-22, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	India
Karyavattom Sports Facilities Limited	100.00%	100.00%	The IL&FS Financial Center, Plot C-22, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	India

**IL&FS TRANSPORTATION NETWORKS LIMITED**  
**Notes forming part of the standalone financial statements**

Information as required under paragraph 17 (b) of Ind AS 27 for investments in subsidiaries, joint ventures and associates (continue):

The name of the investees	Proportion of the ownership interest		The principal place of business	Country of incorporation
	As at March 31, 2019	As at March 31, 2018		
Khed Sinnar Expressway Limited	100.00%	100.00%	The IL&FS Financial Center, Plot C-22, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	India
Kiratpur Ner Chowk Expressway Limited	100.00%	100.00%	The IL&FS Financial Center, Plot C-22, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	India
Moradabad Bareilly Expressway Limited	85.50%	85.50%	The IL&FS Financial Center, Plot C-22, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	India
MP Border Checkpost Development Company Limited	74.00%	74.00%	The IL&FS Financial Center, Plot C-22, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	India
North Karnataka Expressway Limited	93.50%	93.50%	The IL&FS Financial Center, Plot C-22, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	India
Pune Sholapur Road Development Company Limited	90.91%	90.91%	The IL&FS Financial Center, Plot C-22, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	India
Ranchi Muri Road Development Limited	100.00%	100.00%	The IL&FS Financial Center, Plot C-22, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	India
Rapid MetroRail Gurgaon Limited	44.13%	44.13%	2nd Floor, Ambience Corporate Towers, Ambience Island, National Highway #8, Gurgaon – 122001	India
Rapid MetroRail Gurgaon South Limited	89.11%	89.11%	2nd Floor, Ambience Corporate Towers, Ambience Island, National Highway #8, Gurgaon – 122001	India
Sikar Bikaner Highway Limited	100.00%	100.00%	The IL&FS Financial Center, Plot C-22, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	India
Srinagar Sonamarg Tunnelway Limited	100.00%	49.00%	The IL&FS Financial Center, Plot C-22, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	India
Vansh Nimay Infraprojects Limited	90.00%	90.00%	The IL&FS Financial Center, Plot C-22, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	India
West Gujarat Expressway Limited	74.00%	74.00%	The IL&FS Financial Center, Plot C-22, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	India
Yala Construction Company Limited	96.03%	96.03%	The IL&FS Financial Center, Plot C-22, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	India
<b>Investments in associates</b>				
<b>Investments in Equity Instruments:</b>				
Parlo Developers Private Limited	33.00%	33.00%	Flat 2, Gangadhar Chambers, H No 314, Nrayan Peth, Off Laxmi Road Pune - 411030	India
ITNL Toll Management Services Limited	49.00%	49.00%	The Toll Plaza, DND Flyway, Noida - 201301	India
Noida Toll Bridge Company Limited	26.37%	26.37%	DND Flyway Toll Plaza, Noida	India
<b>Investments in joint ventures</b>				
<b>Investments in Equity Instruments:</b>				
Jorabat Shillong Expressway Limited	0.00%	50.00%	The IL&FS Financial Center, Plot C-22, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	India
Jharkhand Accelerated Road Development Company Limited	74.00%	74.00%	443 A, Road No. 5, Ashok Nagar, Ranchi – 834002	India
NAM Expressway Limited	0.00%	50.00%	6-3-1089/G/10&11, Gumohar Avenue, Rajbhavan Road, Somajiguda, Hyderabad - 500082	India
Road Infrastructure Development Company of Rajasthan Limited	50.00%	50.00%	1st Floor, LIC Jeevan Nidhi Building, Ambedkar Circle, Bhawani Singh Road Jaipur 302005	India
Thiruvananthapuram Road Development Company Limited	50.00%	50.00%	The IL&FS Financial Center, Plot C-22, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	India
Warora Chandrapur Ballarpur Toll Road Limited	35.00%	35.00%	4th Floor Madhu Madhav Tower, Laxmi Bhuvan Square, Dharampeth, Nagpur - 440010	India

**Note 5: Loans (refer note 1.12)**

₹ in crore

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non Current	Current	Non Current	Current
<b>Loans to related parties (refer note 41)</b>				
Unsecured, considered good (refer note 5 (b), (d), (g))	2,094.85	16.23	4,259.97	1,681.56
Unsecured, credit impaired (refer note 5 (b), (c), (g))	5,932.39	-	-	85.62
Allowance for credit impaired loans (refer note 5 (e))	(5,932.39)	-	-	(85.62)
Allowance for expected credit loss	-	-	(219.98)	-
Deemed cost of investment	-	-	(293.29)	-
<b>Sub-total (A)</b>	<b>2,094.85</b>	<b>16.23</b>	<b>3,746.70</b>	<b>1,681.56</b>
<b>Loans to other parties</b>				
Unsecured, considered good	-	-	190.71	129.26
Unsecured, considered credit impaired	172.66	-	-	50.36
Allowance for credit impaired loans (refer note 5 (f))	(172.66)	-	-	(50.36)
Allowance for expected credit loss	-	-	(66.32)	-
<b>Sub-total (B)</b>	<b>-</b>	<b>-</b>	<b>124.39</b>	<b>129.26</b>
<b>Total (A+B)</b>	<b>2,094.85</b>	<b>16.23</b>	<b>3,871.09</b>	<b>1,810.82</b>

**Note:**

- a. Loans including interest due from directors or other officers of the company either severally or jointly with any other person; and from firms or private companies respectively in which any director is a partner, a director or a member aggregated to ₹ Nil (previous year ended March 31, 2018 ₹ Nil crore).
- b. Banks have adjusted fixed deposits amounting to ₹ 152.85 crore pledged by the Company due to default by certain subsidiaries of their obligations. Such adjustments have been accounted for as loans given by the Company to its subsidiaries.
- c. During the year, the Company has given loans to related parties amounting to ₹ 7.50 crore which have been fully impaired during the year for which underlying agreements are not available with the Company.
- d. The Company since past few years has been assigning loans given to its group companies to a Commercial Bank. During the previous year, loans given to its group companies amounting to ₹ 1,000.00 crore were assigned. Cash received on assignment of these loans were utilized by the Company to meet its obligations. The assignment agreement signed with the Bank contains clauses that suggest that the assignment was done on a recourse basis, however the same was not mentioned in the other transaction documents (term sheets, Letter of Awareness (LOA) issued by the Company). The LOAs given by the Company to the bank, makes it clear that the Company was not providing any guarantee or taking liability in respect of the said loans. Further as the cash was received, these loans were derecognized in the books of account of the Company.
- During the current year, pursuant to significant developments as referred in note 1.2 to the standalone Ind AS financial statements, the said Bank has filed its claim against the respective group companies and not against the Company. Accordingly, management has not recognised financial assets and corresponding financial liabilities amounting to ₹ 1,000.00 crore as at March 31, 2019 (previous year as at March 31, 2018 ₹ 1,000.00 crore) in the standalone Ind AS financial statements, which is not in accordance with requirements of Ind AS 109.
- e. The allowance for credit Impaired loans includes ₹ 75.09 crore in respect of loans given by the Company to an Associate's subsidiary (entity). The allowance has been determined basis the latest available valuation of the underlying assets held by that entity (for some assets, valuation report of March 2018 has been considered, due to inability in carrying out fresh valuation arising out of lockdown situation due to COVID 19.)
- f. Allowance for credit impaired loans include ₹ 8.61 crore on loan given to one of the Joint venture sold during the year.
- g. Loan given to related parties include ₹ 45.00 crore given to IL&FS Engineering & Construction Company Limited (a related party EPC contractor), who was awarded a construction contract in respect of one of the road project of the Company. Based on net balance of payables/ receivables from the said contractor, the loan has been determined recoverable. The management understands that the onward utilisation of the said loan by the erstwhile management of the contractor, is under investigation by the regulatory agencies.

**h. Movement in the expected credit loss/ credit impaired loans:**

₹ in crore

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at beginning of the year	422.28	735.07
Other provisions	-	135.98
Allowance for credit impaired loans (refer note 30)	5,682.77	-
Addition in expected credit loss on loans given	-	107.39
Reversal in expected credit loss on loans given	-	(556.16)
<b>Balance at end of the year</b>	<b>6,105.05</b>	<b>422.28</b>

**IL&FS TRANSPORTATION NETWORKS LIMITED**

Notes forming part of the standalone financial statements

**Note 6: Other financial assets (Unsecured, considered good unless otherwise mentioned) (refer note 1.12)**

₹ in crore

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non Current	Current	Non Current	Current
Security Deposits to related parties (refer note 41)	-	-	0.25	-
Security Deposits to others	6.03	-	2.61	5.00
Allowance for credit impaired advances (refer note 6 (b))	(5.00)	-	-	-
Retention Money Receivable from related parties (refer note 41)	-	-	-	235.65
Balances with Banks in deposit accounts (under lien)	17.74	-	50.70	-
Advance towards Share Application Money receivable from related parties	-	-	0.01	-
Interest on trade receivables from related parties	-	-	-	202.53
<b>Advances recoverable :</b>				
From related parties (refer note 6 (a))	-	0.16	-	132.67
Allowance for expected credit loss	-	-	-	(5.54)
From related parties considered credit impaired	1.66	-	-	22.06
Allowance for credit impaired advances (refer note 6 (b))	(1.66)	-	-	(22.06)
From others (refer note 21.4)	2.17	0.03	-	90.55
Allowance for expected credit loss (refer note 6 (b))	(0.47)	-	-	-
From others considered credit impaired	56.32	-	20.00	-
Allowance for credit impaired advances (refer note 6 (b))	(56.32)	-	(20.00)	-
Dividend receivable from related parties	6.48	-	-	6.48
Allowance for credit impaired Receivable (refer note 6 (b))	(6.48)	-	-	-
Receivable for sale of investment	-	20.00	-	163.55
Unbilled Revenue from related parties (refer note 11 and note 24(a))	-	-	-	841.48
<b>Total</b>	<b>20.47</b>	<b>20.19</b>	<b>53.57</b>	<b>1,672.37</b>

a. Dues receivable from directors or other officers of the Company either severally or jointly with any other person; and from firms or private companies respectively in which any director is a partner, a director or a member aggregated to ₹ 0.16 crore (previous year ended March 31, 2018 ₹ Nil).

b. Movement in the expected credit loss/ credit impaired other financial assets:

-

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at beginning of the year	47.60	66.93
Allowance for credit impaired Other financial assets (refer note 30)	49.93	-
Adjustment on account of balance transferred to trade receivable	(27.60)	-
Reversal in expected credit loss on other financial assets given	-	(19.33)
<b>Balance at end of the year</b>	<b>69.93</b>	<b>47.60</b>

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**Note 7: Deferred Tax Assets (Net)**

The following is the analysis of Deferred Tax Asset/ (Liabilities) presented in the balance sheet:

₹ in crore

Particulars	₹ in crore		
	As at March 31, 2019	Movement Recognised in statement of Profit and loss	As at March 31, 2018
Property, plant and equipment	-	8.24	(8.24)
Unamortised borrowing costs	-	64.25	(64.25)
Allowance for doubtful loans/ Expected credit loss on loans	-	(235.67)	235.67
Allowance for doubtful debts/ Expected credit loss on receivables	-	(95.56)	95.56
Other Comprehensive Income	(0.97)	(3.35)	2.38
Defined benefit obligation	0.97	(0.82)	1.79
Business loss	-	(45.68)	45.68
Capital loss	-	(9.80)	9.80
Fair valuation and Expected credit loss in investments (net)	-	(76.90)	76.90
<b>Sub-total</b>	-	<b>(395.29)</b>	<b>395.29</b>
MAT Credit Entitlement (refer note below)	-	(34.72)	34.72
<b>Deferred Tax Asset / (Liabilities) (Net)</b>	-	<b>(430.01)</b>	<b>430.01</b>

During the current year, pursuant to the various matters stated in note no 1.2 to the standalone Ind AS financial statements, the management has evaluated the recoverability of deferred tax assets and accordingly:

- recognised deferred tax asset only to the extent of deferred tax liability.
- As referred in note 1.3 the Company is in the process of disposing off its Investments and other assets and it is not probable that sufficient taxable income would be generated in future against which the unabsorbed business losses, unabsorbed depreciation, and Minimum Alternat Tax credit can be offset. Accordingly, no additional deferred tax assets have been recognised and the Company has also written off deferred tax asset recognised till previous year.

**Note 8: Non Current Tax Assets (net)**

₹ in crore

Particulars	₹ in crore	
	As at March 31, 2019	As at March 31, 2018
Advance Payment of taxes	723.86	1,404.02
Provision for tax	(209.65)	(864.73)
<b>Total</b>	<b>514.21</b>	<b>539.29</b>

**Note 9: Other assets (Unsecured, considered good unless otherwise mentioned) (refer note 1.12)**

₹ in crore

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non Current	Current	Non Current	Current
Capital Advances	-	0.01	0.01	-
Preconstruction and Mobilisation advances paid to contractors and other advances (refer note 21.3)	-	-	309.11	506.91
Mobilisation advances considered doubtful	25.10	-	-	25.10
Allowance for doubtful advances	(25.10)	-	-	(25.10)
Prepaid expenses (refer note (a) below)	3.93	6.16	9.24	16.28
<b>Indirect tax balances receivable</b>				
Works Contract Tax	66.74	-	-	88.14
Provision for Indirect tax balances (refer note 29)	(10.33)	-	-	-
Goods & Service Tax	120.63	-	-	90.80
Provision for Indirect tax balances (refer note 29)	(120.63)	-	-	-
Value Added Tax	0.43	-	-	9.21
Others	-	-	-	0.59
Other Current Assets	-	0.54	0.01	0.33
Allowance for doubtful receivable (refer note 30)	-	(0.51)	-	-
<b>Total</b>	<b>60.77</b>	<b>6.20</b>	<b>318.37</b>	<b>712.26</b>

(a) Prepaid expenses includes provision for gratuity amounting to ₹ 3.93 crores (previous year ended March 31, 2018 ₹ 4.63 crores) (refer note 36)

**Note 10: Inventories (refer note 1.18)**

₹ in crore

Particulars	As at March 31, 2019	As at March 31, 2018
Stores and spares	18.49	19.90
<b>Total</b>	<b>18.49</b>	<b>19.90</b>

The inventories at the year end were lying at the construction site and certified and confirmed by the Company.

**Note 11: Contract Assets (refer note 1.12 and 6)**

₹ in crore

Particulars	As at March 31, 2019	As at March 31, 2018
Unbilled Revenue - considered good (refer note 41)		
From Related	4.35	-
From others	-	-
Unbilled Revenue - credit impaired		
From Related	375.29	-
From others	0.52	-
<b>Sub total</b>	<b>380.16</b>	-
Impairment allowance for Unbilled Revenue - credit impaired (refer note 30)		
From related parties	(375.29)	-
From others	(0.52)	-
<b>Sub total</b>	<b>(375.81)</b>	-
<b>Total</b>	<b>4.35</b>	-

a) Contract assets are initially recognized for revenue earned from construction projects contracts, as receipt of consideration is conditional on successful completion of project milestones/certification. Upon completion of milestone and acceptance/ certification by the customer, the amounts recognised as contract assets are reclassified to trade receivables.

b) As the Company has adopted modified retrospective approach, no reclassification have been made for contract assets as at March 31, 2018 and the corresponding balances as at March 31, 2018 are shown under "Other Financial Assets - Current" as "Unbilled Revenue".

c) Allowance for credit impaired contract assets include ₹ 0.52 crore from one of the Joint venture Company sold during the year.

d) Movement in Allowance for credit impaired/ expected credit loss on Contract Assets:

₹ in crore

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at beginning of the year	-	-
Allowance for credit impaired contract assets during the year (refer note 30)	368.51	-
Transition impact of Ind AS 115	7.30	-
<b>Balance at end of the year</b>	<b>375.81</b>	-

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**Note 12: Trade receivables - Current/ non-current (refer note 1.12)**

₹ in crore

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non Current	Current	Non Current	Current
Unsecured, considered good				
From related parties (refer note 41)	71.76	52.02	115.07	3,108.16
From others	1.41	1.96	-	39.10
Credit impaired				
from related parties (refer note 41)	2,310.98	-	-	-
from others	100.70	-	-	16.54
<b>Sub total</b>	<b>2,484.85</b>	<b>53.98</b>	<b>115.07</b>	<b>3,163.80</b>
Allowance for credit impaired Trade Receivables				
from related parties	(2,310.98)	-	-	-
from others (refer note 12 (d))	(100.70)	-	-	(16.27)
Trade Receivables which have significant increase in credit Risk	-	-	(50.98)	(66.34)
<b>Sub-Total</b>	<b>(2,411.68)</b>	<b>-</b>	<b>(50.98)</b>	<b>(82.61)</b>
<b>Total</b>	<b>73.17</b>	<b>53.98</b>	<b>64.09</b>	<b>3,081.19</b>

**Note**

- a. Receivable due from directors and other officer of the company either severally or jointly with any other person; and from firms or private companies respectively in which any director is a partner or a member aggregated ₹ Nil (previous year ended March 31, 2018 ₹ Nil).
- b. Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.
- c. Pursuant to various developments during the current year specifically mentioned in note 1.2 to these standalone Ind AS Financial Statements, the normal construction operations of the Company have been suspended. Accordingly, the Company has shown the trade receivable of ₹ 2,538.83 crore including retention money receivable of ₹ 227.55 crore, Interest on trade receivables from related parties ₹ 199.43 crore, Other receivable of ₹ 27.60 crore (including Expected credit loss of ₹ 27.60 crore) net off unearned revenue of ₹ 891.01 crore and Mobilisation advances received ₹ 234.29 crore.
- d. Allowance for credit impaired trade receivables include ₹ 32.26 crore from one of the Joint venture sold during the year.
- e. Movement in Allowance for credit impaired/ expected credit loss on trade receivables:

₹ in crore

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at beginning of the year	154.49	304.90
Adjustment on account of balance transferred from other financial assets	27.60	-
Adjustment for recognising revenue at fair value	-	20.93
Allowance for credit impaired trade receivables (refer note 30)	2,229.59	-
Expected credit loss allowance (refer note 22 (a))	-	7.86
Reversal of Expected credit losses on trade receivables (net)	-	(179.20)
<b>Balance at end of the year</b>	<b>2,411.68</b>	<b>154.49</b>
Pertaining to Allowance for credit impaired trade receivable	2,411.68	-
Pertaining to the Expected credit loss	-	133.56
Pertaining to the adjustment for revenue at fair value	-	20.93
<b>Total</b>	<b>2,411.68</b>	<b>154.49</b>

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**Note 13: Cash and Bank Balances**

For the purposes of the statement of cash flows, cash and bank balances include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:

₹ in crore

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with Banks (refer note (a) below)		
On current accounts	24.24	175.11
In term deposit with maturity less than 3 months	0.18	0.09
Cash on hand	0.01	0.06
<b>Cash and cash equivalents</b>	<b>24.43</b>	<b>175.26</b>
Unpaid dividend accounts	0.15	0.11
In term deposits with maturity more than 3 months and less than 12 months *	128.00	287.56
<b>Other bank balances</b>	<b>128.15</b>	<b>287.67</b>

\* Balances held as margin money or as security against borrowings

**Notes :**

a. Cash at Banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short term deposits rates.

b. For the purpose of the statement of cash flows, cash and cash equivalents comprise following :

₹ in crore

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Cash and cash equivalents</b>	<b>24.43</b>	<b>175.26</b>
Less – Secured demand loans from banks (Cash credit) (shown under current borrowings in note 17)	(170.18)	(117.31)
Less – Unsecured demand loans from banks (Bank overdraft) (shown under current borrowings in note 17)	(0.35)	-
<b>Cash and cash equivalents for statement of cash flows</b>	<b>(146.10)</b>	<b>57.95</b>

**Note 14: Asset Classified as Held for sale (note 4 (g) and note 1.3)**

₹ in crore

Particulars	Face value ₹	As at March 31, 2019		Face value ₹	As at March 31, 2018	
		Quantity	Amount		Quantity	Amount
IL&FS Rail Limited	-	-	-	10.00	338,942,426	338.94
Pune Sholapur Road Development Company Limited	-	-	-	10.00	160,000,000	362.86
Gujarat Road and Infrastructure Company Limited	-	-	-	10.00	138,290	0.13
<b>Total</b>			-			<b>701.93</b>

**Note**

i) During the year ended March 31, 2018, the Company had entered into letter of intent (LOI)/ Memorandums of understanding (MOU) with third parties for the sale of 90.91% stake sale in Pune Solapur Road Development Company Limited (PSRDCL), 41% stake sale in IL&FS Rail Limited and 0.25% stake sale in Gujarat Road and Infrastructure Company Limited. The LOIs/MOUs had certain conditions including consents / approvals which were outstanding on March 31, 2018 and accordingly the sale was not recorded during the previous year and the investments was shown as held for sale. In the current year, owing to matters described in note 1.2 of the standalone Ind AS financial statements, the parties has not pursued the above MOUs/ LOI's. Accordingly, these investments have been reclassified to 'non-current investments'.

ii) In case of PSRDCL, the prospective buyer had paid ₹ 270.00 crore as advance (in respect of which a Letter of awareness was given by the Company to IFIN) which was shown under other financial liabilities in the previous year. Further, if certain conditions (including requisite consents / approvals) as per MOU were not fulfilled and the understanding was not formalized in to a definitive agreement by a specific date, the advance amount was required to be repaid back by the Company along with interest. Due to the developments mentioned in note 1.2 to these stand-alone financial statements, the parties are not pursuing the MOU as stated above, the Company in the current year has re-classified the advance amount under borrowings.

**Note 15: Share capital**

₹ in crore

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of Shares	₹ in Crore	Number of Shares	₹ in Crore
<b>Authorised</b> Equity Shares of ₹ 10/- each	500,000,000	500.00	500,000,000	500.00
<b>Issued, Subscribed and Paid up</b> Equity Shares of ₹ 10/- each fully paid	328,960,027	328.96	328,960,027	328.96
<b>Total</b>	<b>328,960,027</b>	<b>328.96</b>	<b>328,960,027</b>	<b>328.96</b>

i. Details of shares held by the holding company, the ultimate controlling party, their subsidiaries and associates

Equity shares	As at March 31, 2019	As at March 31, 2018
Holding Company - Infrastructure Leasing & Financial Services Limited ("IL&FS")	236,582,632	236,582,632
Fellow subsidiary - IL&FS Financial Services Limited ("IFIN")	4,266,368	4,266,368

ii. Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year :

Equity Shares	As at March 31, 2019		As at March 31, 2018	
	Number of Shares	₹ in Crore	Number of Shares	₹ in Crore
Shares outstanding at the beginning of the year	328,960,027	328.96	328,960,027	328.96
Shares issued during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>328,960,027</b>	<b>328.96</b>	<b>328,960,027</b>	<b>328.96</b>

iii. Shareholders holding more than 5% of issued, subscribed and paid up equity share capital :

Equity Shareholder	As at March 31, 2019		As at March 31, 2018	
	Number of Shares	% of total holding	Number of Shares	% of total holding
IL&FS	236,582,632	71.92%	236,582,632	71.92%

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.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Where final dividend proposed by the Board of Directors, is subject to the approval of the shareholders in the Annual General Meeting.

v. Share allotted as fully paid up pursuant to contracts without payment being received in Cash during the year of five years immediately preceding the date of Balance Sheet - Nil

**Note 16: Other equity**

₹ in crore

Reserves and surplus	As at March 31, 2019	As at March 31, 2018
<b>Debenture Redemption Reserve (refer note 16 (a))</b>		
Balance at beginning of the year	343.31	130.37
Transfer (to) / from balance in Statement of Profit and Loss	-	212.94
<b>Balance at end of the year</b>	<b>343.31</b>	<b>343.31</b>
<b>Capital Redemption Reserve (refer note 16 (b))</b>		
Balance at beginning of the year	127.25	-
Transfer (to)/ from balance in Statement of Profit and Loss	20.00	127.25
<b>Balance at end of the year</b>	<b>147.25</b>	<b>127.25</b>
<b>Securities Premium (refer note 16 (c))</b>		
Balance at beginning of the year	2,144.97	2,144.97
Premium utilised towards Redemption of Preference Shares	-	-
<b>Balance at end of the year</b>	<b>2,144.97</b>	<b>2,144.97</b>
<b>General Reserve (refer note 16 (d))</b>		
Balance at beginning of the year	55.12	182.37
Transfer from/ (to) Capital Redemption Reserve	(20.00)	(127.25)
<b>Balance at end of the year</b>	<b>35.12</b>	<b>55.12</b>
<b>Retained Earnings (refer note 16 (e))</b>		
Balance at beginning of the year	118.92	81.79
(Loss)/ Profit attributable to owners' of the Company	(17,000.32)	251.76
Transition impact due to Ind AS 115 (refer note 22)	(4.75)	-
Actuarial profit/ (loss) on defined benefit plan (net of tax)	2.13	(1.69)
Transfer from/ (to) Debenture Redemption Reserve	-	(212.94)
<b>Balance at end of the year</b>	<b>(16,884.02)</b>	<b>118.92</b>
<b>Sub-Total</b>	<b>(14,213.37)</b>	<b>2,789.57</b>
<b>Items of other comprehensive income</b>		
<b>Cash Flow Hedge Reserve (refer note 16 (f))</b>		
Balance at beginning of the year	(42.07)	(39.33)
Gain/ (loss) arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges (refer note 34.6.2) (net of tax)	42.07	(2.74)
<b>Total Other Comprehensive Income</b>	<b>-</b>	<b>(42.07)</b>
<b>Total</b>	<b>(14,213.37)</b>	<b>2,747.50</b>

**IL&FS TRANSPORTATION NETWORKS LIMITED****Notes forming part of the standalone financial statements****Notes :**

- a. The Company has issued several series of Non convertible debentures (NCDs). In terms of Section 71(4) of the Companies Act, 2013 read with rule 18(7)(b)(iii) of the Companies (Share Capital and Debentures) Rules 2014, the Company being an Infrastructure Company is required to create Debenture Redemption Reserve to the extent of 25% of the value of privately placed NCDs until such NCDs are redeemed. During the year ended March 31, 2019, the Company has incurred losses and accordingly no amount has been transferred to Debenture Redemption Reserve.
- b. Capital Redemption Reserve is created as per Statutory requirement.
- c. The amount received in excess of Face Value of the equity Shares is recognised in Securities premium. The reserve is utilised in accordance with the specific provisions of the Companies Act, 2013.
- d. The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.
- e. The debit / credit balance of the Statement of Profit/Loss Account shall be shown as negative / positive figure under the head "Retained Earnings".
- f. The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.
- g. The Company has transferred the amounts relating to retiral benefits to employees to this reserve in compliance with Ind AS 19 on Employee Benefits.

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**Note 17: Borrowings At Amortised Cost (Refer footnote 17 (g) and 17 (h))**

₹ in crore

Particulars	As at March 31, 2019			As at March 31, 2018		
	Long-term	Current portion	Short-term	Long-term	Current portion	Short-term
<b>Secured (refer note 17 (a))</b>						
Term Loans from banks (refer note (k))	-	5,097.25	51.79	3,094.75	1,715.72	99.08
Term Loans from financial institutions (refer note (k))	-	367.35	-	233.45	45.00	-
Term Loans from other parties (refer note (i), (j), (m))	-	856.21	387.35	660.00	-	100.00
Demand loans from banks (Cash credit)	-	-	170.18	-	-	117.31
<u>Debentures (refer note 17 (b))</u>						
Redeemable Non-Convertible Debentures [NCDs]	-	1,460.20	-	1,654.57	191.30	-
Redeemable NCDs (issued at discount)	-	300.00	-	300.29	-	-
<b>Sub-total (A)</b>	-	<b>8,081.01</b>	<b>609.32</b>	<b>5,943.06</b>	<b>1,952.02</b>	<b>316.39</b>
<b>Unsecured</b>						
<u>Debentures (Refer note 17 (b))</u>						
Unsecured Redeemable Non-Convertible Debentures [NCDs]	-	2,715.50	-	2,153.63	365.00	-
Term Loans from banks (refer note (l))	-	605.78	16.28	209.43	697.34	750.00
Term Loans from related parties	-	2,475.20	23.56	-	-	45.56
Term Loans from Other Parties (refer note (j), (m))	-	-	270.00	-	-	330.00
Demand loans from banks (Bank Overdraft)	-	-	0.35	-	-	-
Commercial Paper	-	-	143.00	-	-	169.62
Redeemable preference share capital (refer note 17(d), (e), (f))	-	490.02	-	485.92	80.66	-
<b>Sub-total (B)</b>	-	<b>6,286.50</b>	<b>453.19</b>	<b>2,848.98</b>	<b>1,143.00</b>	<b>1,295.18</b>
Less: Current maturities of long term borrowing clubbed under "other financial liabilities" (C)	-	14,288.81	-	-	3,095.02	-
Less: Adjusted on account of termination of derivative Contracts (refer note 34.6.2)	-	(78.69)	-	-	-	-
<b>Total (A+B-C)</b>	-	-	<b>1,062.51</b>	<b>8,792.04</b>	-	<b>1,611.57</b>

**Note a**

₹ in crore

Security details	As at March 31, 2019		As at March 31, 2018	
	Long-term	Short-term / Current	Long-term	Short-term
Investment property under development (refer note 3 (a))	-	81.36	118.93	-
Current / Non-Current assets, investments, Loans & Advances, Financial and Other Financial Assets and receivables #	-	2,815.06	7,728.05	316.39
Fixed deposits	-	5.00	48.50	-
<b>Total</b>	-	<b>2,901.43</b>	<b>7,895.48</b>	<b>316.39</b>

# restricted to the extent of assets recognised in the books of accounts



**IL&FS TRANSPORTATION NETWORKS LIMITED**  
**Notes forming part of the standalone financial statements**

**note b**

**Details of Redeemable Non-Convertible Debentures (NCDs)**

Series of NCDs	Face value per NCD (₹)	Rate of interest p.a.	Terms of repayment	Date of redemption	No. of NCDs issued	No. of NCDs outstanding As at March 31, 2019	No. of NCDs outstanding As at March 31, 2018
ITNL 11.80% 2024	1,000,000	11.80%	Bullet repayment	3-Jan-25	2,500	2,500	2,500
ITNL 11.80% 2024	1,000,000	11.80%	Bullet repayment	21-Dec-24	2,500	2,500	2,500
ITNL 9.44% 2026	1,000,000	9.44%	Various Dates	25-Oct-24 to 27-Oct-26	2,500	2,500	2,500
ITNL 9.51% 2026	1,000,000	9.51%	Various Dates	16-Aug-24 to 18-Aug-26	1,000	1,000	1,000
ITNL 9.51% 2026	1,000,000	9.51%	Various Dates	9-Aug-24 to 10-Aug-26	2,000	2,000	2,000
ITNL 9.33% 2027 - Series B	1,000,000	9.20%	Various Dates	28-June-24 to 31-Mar-27	4,500	4,500	4,500
ITNL, 11.50%, 2024	1,000,000	11.50%	Bullet repayment	21-Jun-24	2,000	2,000	2,000
ITNL, 11.50%, 2024	1,000,000	11.50%	Bullet repayment	4-Feb-24	1,000	1,000	1,000
ITNL 9.20% 2022, Series A	1,000,000	9.20%	Bullet repayment	15-Apr-22	3,000	3,000	3,000
ITNL 10.50% 2021	1,000,000	10.50%	Bullet repayment	8-May-18	1,250	-	1,250
ITNL 9.28% 2021	1,000,000	9.28%	Various dates	30-Jul-20 to 30-Jun-21	2,000	2,000	2,000
ITNL 11.70% 2020	1,000,000	11.70%	Bullet repayment	26-May-18	2,250	-	2,250
ITNL 11.50% 2019	1,000,000	11.50%	Bullet repayment	20-Nov-19	1,250	1,250	1,250
NCD Tranche XIII Series B #	500,000	0.00%	Bullet repayment	23-Jun-19	500	500	500
ITNL 9.40% 2020	1,000,000	9.40%	Bullet repayment	5-Apr-19	4,250	4,250	4,250
NCD Tranche XIII Series A #	500,000	0.00%	Bullet repayment	23-Mar-19	7,300	7,300	7,300
ITNL,12.00%,2019 Series II *	1,000,000	12.00%	Bullet repayment	18-Mar-19	5,300	208	363
ITNL, 12.00%, 2019 *	1,000,000	12.00%	Bullet repayment	23-Jan-19	4,000	14	50
ITNL 11.70% 2018	1,000,000	11.70%	Bullet repayment	12-Apr-18	1,500	-	1,500
ITNL 9.25% 2022 Option I	1,000,000	9.25%	Bullet repayment	28-Oct-22	325	325	325
ITNL 9.37% 2027 Option II	1,000,000	9.37%	Various dates	30-Jan-23 to 29-Oct-2027	1,180	1,180	1,180
ITNL 9.37% 2027 Series 1 Option II	1,000,000	9.37%	Various dates	28-Feb-23 to 30-Nov-27	1,000	1,000	1,000
ITNL 9.00% 2027 Series 2	1,000,000	9.00%	Various dates	28-Feb-23 to 30-Nov-27	1,000	1,000	1,000
ITNL 9.25% 2022 Series 1 Option I	1,000,000	9.25%	Bullet repayment	15-Dec-22	500	500	500
ITNL 9.00% 2027 Series 2	1,000,000	9.00%	Various dates	15-Mar-23 TO 15-Dec-27	990	990	990
ITNL 9.10% 2023 Series 1A	1,000,000	9.10%	Bullet repayment	2-Feb-23	1,000	1,000	1,000
ITNL 9.10% 2023 - Series 1B	1,000,000	9.10%	Bullet repayment	3-Feb-23	1,000	1,000	1,000
ITNL 9.10 % Series 1	1,000,000	9.10%	Bullet repayment	28-Mar-23	750	750	750
ITNL 9.15 % Series 2	1,000,000	9.15%	Various dates	28-Jun-23 to 28-Mar-25	1,000	1,000	1,000
ITNL 9.20% Series 3	1,000,000	9.20%	Various dates	30-Jun-23 to 30-Mar-28	1,400	1,400	1,400
ITNL 9.35% Tranche XXV - Option I	1,000,000	9.35%	Bullet repayment	27-Apr-23	100	100	-
ITNL 9.40% Tranche XXV - Option II	1,000,000	9.40%	Various dates	27-Jul-23 to 25-Apr-25	150	150	-
ITNL 9.45% Tranche XXV - Option III	1,000,000	9.45%	Various dates	27-Jul-23 to 25-Apr-28	750	750	-
ITNL 9.15% Tranche XXVI - Series I	1,000,000	9.15%	Various dates	25-Aug-23 to 23-May-25	240	240	-
ITNL 9.20% Tranche XXVI - Series II	1,000,000	9.20%	Various dates	25-Aug-23 to 25-May-28	750	750	-
<b>Total</b>					<b>62,735</b>	<b>48,657</b>	<b>51,858</b>

# These are 0% coupon NCDs having intrinsic rate of interest of 9.85% p.a.

\* Debenture terms gives put option to debenture holder.

**IL&FS TRANSPORTATION NETWORKS LIMITED**

**Notes forming part of the standalone financial statements**

**c. Age-wise analysis and Repayment terms of the Company's Borrowings (other than NCDs and Preference shares) are as below:**

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	Interest rate range	
	₹ in Crore	₹ in Crore	Frequency of Repayment*	Frequency of Repayment*	As at March 31, 2019	As at March 31, 2018
Current/ short term	10,846.42	-	QT,Y,B		6.54% to 18%	
1-3 Years	-	2,666.66		QT,Y,B		9.10% to 14.00%
3-5 Years	-	1,363.63		QT,Y,B		10.06% to 12.75%
> 5 Years	-	167.34		Y		10.06%
<b>Total</b>	<b>10,846.42</b>	<b>4,197.63</b>				

\* QT = Quarterly, HY = Half yearly, Y = Yearly and B = Bullet repayment

**d. The Company has issued following series of Cumulative Redeemable Preference Shares ("CRPS") and Cumulative Non-Convertible Compulsorily Redeemable Preference Shares ("CNCRPS") aggregating to ₹ 538.40 crore:**

Series Name	Number of shares	Face value per share	Premium received per share	Maturity date	Dividend payout	Redemption terms
20.50% CRPS	160,000,000	10	10	Refer note 17 d (i) below	20.50% per annum	Refer note 17 d (i) below
10.50% ITNL CNCRPS 2018	19,200,000	10	10	December 23, 2018	21.44% per annum	Redemption at face value plus premium of ₹ 10 per share
11% ITNL CNCRPS 2021	50,000,000	10	10	January 17, 2021	22.32% per annum	

d (i): 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 for 20.50% CRPS and other CNCRPS:

Date of redemption	No of shares to be redeemed (in crore)	Redemption Amount ₹ in crore
31-May-19	3.00	64.26
31-May-20	3.00	65.01
17-Jan-21	5.00	100.00
31-May-21	3.00	65.76
31-May-22	3.00	66.51
31-May-23	3.00	67.26
31-May-24	0.50	11.34
31-May-25	0.50	11.48
<b>Total</b>	<b>21.00</b>	<b>451.62</b>

e. Authorised preference share capital of the Company is 1,000,000,000 shares of ₹ 10 each aggregating ₹ 1,000 crore (as at March 31, 2018 : 1,000,000,000 shares of ₹ 10 each aggregating ₹ 1,000 crore)

**f. Rights of CRPS and CNCRPS holders are as follows:**

The holder(s) of CRPS and CNCRPS shall have no voting rights other than in respect of matters directly affecting the rights attached to the CRPS and CNCRPS. In the event of any due and payable dividends on the CRPS and 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 CRPS and 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 CRPS and 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 CRPS and 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.

During the current year, preference dividend of ₹ 49.99 crore (previous year ended March 31, 2018: ₹ 84.72 crore) was paid to holders of CRPS and CNCRPS. Pursuant to various developments mentioned in note 1.2 and note 1.16 of the stand-alone Ind AS financial statement during the current year, the Company has not accrued preference dividend of ₹ 51.77 crore.

g. The company has defaulted on its debts to banks, financial institution and others resulting in breach of various loans covenants. The company has not assessed the financial impact of such Non - Compliance and no adjustment have been made in the accompanying standalone Ind-AS financial statements.

**IL&FS TRANSPORTATION NETWORKS LIMITED**  
**Notes forming part of the standalone financial statements**

h. Details of default in principal repayment of borrowings

₹ in crore

Due Date	Name of the lenders	Amount
19-Jul-18	Nainital Bank	15.00
10-Aug-18	Indian Overseas Bank	75.00
28-Aug-18	Bank Of Maharashtra	22.25
10-Sep-18	Indian Overseas Bank	75.00
18-Sep-18	Societe Generale	50.00
21-Sep-18	Societe Generale	20.10
23-Sep-18	Tamilnad Mercantile Bank Limited	50.00
24-Sep-18	IndusInd Bank Limited	36.04
26-Sep-18	Wavell Investments Private Limited	100.00
28-Sep-18	KFW Ipex Bank GMBH	6.46
30-Sep-18	CANARA BANK	75.00
30-Sep-18	Lakshmi Vilas Bank	11.25
30-Sep-18	IFCI Limited	11.25
30-Sep-18	Bank of Baroda	18.75
30-Sep-18	Yes Bank	32.13
30-Sep-18	Bharatiya Mahila Bank	8.33
30-Sep-18	IndusInd Bank Limited	95.00
30-Sep-18	Gujarat Integrated Maritime Complex	12.43
30-Sep-18	Yes Bank	30.00
30-Sep-18	Yes Bank	26.10
30-Sep-18	IL&FS Airport Limited	4.40
10-Oct-18	Indian Overseas Bank	75.00
15-Oct-18	Bhopal Co-Operative Central Bank Ltd	26.00
23-Oct-18	Bhopal Co-Operative Central Bank Ltd	37.00
23-Oct-18	Yes Bank	9.00
09-Nov-18	The Himachal Pradesh State Cooperative Bank Ltd	30.00
10-Nov-18	Indian Overseas Bank	75.00
12-Nov-18	HDFC Ergo General Insurance Co. Ltd	50.00
20-Nov-18	Punjab & Sindh Bank	40.00
25-Nov-18	Bank of Bahrain and Kuwait B.S.C.	30.00
30-Nov-18	Karur Vysya Bank	37.50
30-Nov-18	State Bank Of Hyderabad	20.00
23-Dec-18	Preference share 10.50% ITNL CNCRPS 2018	38.40
28-Dec-18	South Indian Bank	50.00
29-Dec-18	Canara Bank	75.00
30-Dec-18	United Bank of India	99.42
31-Dec-18	IFCI Limited	15.00
31-Dec-18	Yes Bank	30.00
31-Dec-18	Yes Bank	26.10
31-Dec-18	Lakshmi Vilas Bank	11.25
31-Dec-18	Bank of Baroda	25.00
31-Dec-18	Yes Bank	28.39
31-Dec-18	IndusInd Bank Limited	95.00
07-Jan-19	Oriental Structural Engineers Private Limited	13.05
27-Feb-19	Oriental Structural Engineers Private Limited	30.30
01-Mar-19	Oriental Structural Engineers Private Limited	35.50
16-Jan-19	Yes Bank	3.40
18-Jan-19	Vijaya Bank	20.00
23-Jan-19	Yes Bank	9.00
23-Jan-19	Debentures --- 400 (Bond 1)	1.40
02-Feb-19	State Bank of Bikaner and Jaipur / State Bank of India	25.00
27-Feb-19	Bank of Bahrain and Kuwait B.S.C.	27.50
27-Feb-19	Beigh Construction Company Pvt Ltd	200.00
14-Mar-19	Karur Vysya Bank	25.00
18-Mar-19	Series II Debentures --- 530 (Bond ii-b)	20.80
23-Mar-19	Bonds XIII - a	365.00
28-Mar-19	KFW Ipex Bank GMBH	6.56
28-Mar-19	South Indian Bank	50.00
28-Mar-19	Karnatak Bank Limited	10.00
29-Mar-19	Canara Bank	75.00
30-Mar-19	Yes Bank	25.23
31-Mar-19	Yes Bank	50.18
31-Mar-19	Lakshmi Vilas Bank	15.00
31-Mar-19	North Karnataka Expressway Limited	6.73
31-Mar-19	Yes Bank	30.00
31-Mar-19	Oriental Bank of Commerce	45.00
31-Mar-19	Bharatiya Mahila Bank	8.33
31-Mar-19	Bank of Baroda	25.00
31-Mar-19	IndusInd Bank Limited	95.00
31-Mar-19	IFCI Limited	7.50
	<b>Total</b>	<b>2,923.03</b>

**IL&FS TRANSPORTATION NETWORKS LIMITED**  
**Notes forming part of the standalone financial statements**

- i) During the current year, short term loans of ₹ 390.00 crore availed by group companies from third parties in respect of which letter of awareness was given by the Company to IFIN were assigned to the Company. The Company also assigned short term borrowings of ₹ 420.00 crore taken from third parties to group companies.
- j) During the current year, Trade payable to various vendors amounting to ₹ 496.05 crore were converted into borrowings. (Previous year ended March 31, 2018 ₹ Nil). Additionally, the Company borrowed ₹ 74.30 crore from its sub-contractors and the proceeds of the said borrowings were utilized to discharge bills of exchange liabilities due to various financing institutions relating to work done on the projects by these sub-contractors.
- k) During the current year, one of the subsidiary made payments of ₹ 30.76 crore on behalf of the Company and other SPVs. Such payment has been adjusted against the loans given to this subsidiary. Payments made on behalf of other SPVs aggregating to ₹ 7.97 crore (included above) have been treated as loans given by the Company to these SPVs.
- l) Bank guarantees of ₹ 16.28 crore given on behalf of SPVs were invoked by the banks and have been shown as borrowings from the said Banks and receivables from the respective SPVs.
- m) During the current year pursuant to amendments made to the underlying loan agreements, one of the unsecured borrowing of ₹ 200.00 crore in respect of which letter of awareness was given by the Company to IFIN was converted into secured borrowings. The aforesaid borrowing was treated as unsecured borrowings as at March 31, 2018.

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### Note 18: Other financial liabilities

₹ in crore

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non Current	Current	Non Current	Current
Derivative liability (refer note 34.6)	-	-	64.79	-
Payable on account of Capital Expenditure	-	-	-	43.55
Retention money payable (refer note 21.3)	-	-	211.19	161.92
Interest accrued (refer note 1.16)	-	539.52	-	231.35
Unpaid dividends	-	0.21	-	0.12
Current maturities of long-term debt (refer note 17)	-	14,288.81	-	3,095.02
Advance received for sale of investment (refer note 14 (ii))	-	-	-	270.00
<b>Total</b>	-	<b>14,828.54</b>	<b>275.98</b>	<b>3,801.96</b>

### Note 19: Provisions

₹ in crore

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non Current	Current	Non Current	Current
Employee benefits	-	7.36	3.10	17.06
Provision for tax on Proposed Dividend on preference shares	-	-	-	12.52
Provision for Indirect Tax matters (refer note 19.1 and note 19.2)	-	170.48	-	-
<b>Total</b>	-	<b>177.84</b>	<b>3.10</b>	<b>29.58</b>

19.1 - The Maharashtra VAT authority has passed an order for FY 2010-11 and raised demand of ₹ 7.66 crore along with Interest and penalty against the Company on the grounds of non-deduction of WCT-TDS by the Company as Principal employer from payment made to various sub-contractors in relation to certain projects. Based on expert opinions obtained by the Company, the Company believes that it has strong ground to challenge the position taken by the VAT authority and defend the demand. The Company has already filed an appeal against the order and same is under consideration. However as an abundant caution, the Company has made provision for the tax demanded, Interest and penalty aggregating of ₹ 7.66 crore. The Company has on the same principle made an additional provision of ₹ 162.82 crore for a probable demand that may arise for subsequent years having similar matters.

#### 19.2 - Movement in Provision

₹ in crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Balance at the beginning of the year	-	-
Addition during the year	170.48	-
Reversal during the year	-	-
<b>Closing at the end of the year</b>	<b>170.48</b>	<b>-</b>

### Note 20: Other liabilities

₹ in crore

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non Current	Current	Non Current	Current
Mobilisation advances received (refer note 12 (c))	-	-	134.92	99.94
Unearned revenue (refer note 12 (c))	-	-	-	112.58
<b>Statutory dues</b>				
Goods and Service Tax	-	129.77	-	83.52
Tax Deducted at source	-	21.73	-	21.75
Labour Cess	-	12.62	-	6.89
Provident Fund	-	0.35	-	0.49
others	-	-	-	57.28
<b>Total</b>	-	<b>164.47</b>	<b>134.92</b>	<b>382.45</b>

## Note 21 : Trade Payables

₹ in crore

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non Current	Current	Non Current	Current
Trade payables other than micro and small enterprises (refer note 21.3, 21.4, 21.5 below)	-	695.25	-	827.83
Trade payables to micro and small enterprises (refer note 21.1, 21.5 below)	-	36.74	-	-
Bills payables to Banks (refer note 21.2 below)	-	315.76	-	458.69
<b>Total</b>	-	<b>1,047.75</b>	-	<b>1,286.52</b>

**21.1 Disclosure required under Micro, Small And Medium Enterprises Development Act, 2006 (The Act) are as follows (as per information available with the Company):**

₹ in crore

Particulars	As at March 31, 2019	As at March 31, 2018
Principal amount remaining unpaid to any supplier as at the end of the accounting year.	36.74	-
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	6.66	-
The amount of interest paid by the company in terms of section 16 of the Micro , Small and Medium Enterprise Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small, and Medium Enterprises Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise , for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

21.2 During the year ended March 31, 2019, the Company has accepted Bills of Exchange drawn by various vendors against the construction/ operation and maintenance invoices raised by these vendors and accepted to pay the banks/ financial institutions (without any recourse to the Company) on due date of these bills. As on March 31, 2019, Company is liable to pay such Bills of Exchange amounting to ₹ 315.76 crore which is disclosed as Bills Payable under Trade Payables.

21.3 Consequent to the various matters mentioned in note no. 1.2 to these standalone Ind AS Financial Statements, the normal construction operations of the Company have been suspended. The Company therefore expect to settle the gross trade payable of ₹ 1,077.68 crore net off mobilisation advances receivable of ₹ 421.36 crore, retention money payable of ₹ 401.12 crore and other advances receivable of ₹ 261.79 crore and accordingly these balances of trade payable have been presented on a net basis.

21.4 Trade payable to IL&FS Ltd is net off ₹ 0.83 crore (previous year ended March 31, 2018 ₹ Nil) recoverable towards excess remuneration paid to Ex-Managing Director and Ex-Executive Director.

21.5 The amount due to Micro, Small and Medium Enterprises during the year ended March 31, 2019 is ₹ 36.74 crore. Micro, Small and Medium Enterprises ('MSME') have been determined based on information available with the Company. However due to uncertainties and other matters mentioned in note 1.2 to the standalone Ind-AS financial statement, Company is in the process of reconciling all its vendors and pending outcome of the said assessment, consequential impacts is pending.

All disclosures as required by Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 relating to Micro, Small and Medium enterprises have been appropriately disclosed in the financial statements. Payments to Micro, Small and Medium undertakings have not been made within the prescribed time limit/date agreed upon with the supplier and appropriate interest has not been paid/ provided for in the book of accounts for delayed payments. The Company is in the process of compiling the full details of the same. This is on account of the moratorium prescribed by the NCLAT.

**Note 21 A : Contract Liabilities (refer note 20 & 12 (c))**

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non Current	Current	Non Current	Current
Unearned Revenue (refer note (a) and (b) below)	9.17	9.76	-	-
<b>Total</b>	<b>9.17</b>	<b>9.76</b>	-	-

a) Contract liability is recognized when the payment is made or payment is due (whichever is earlier), if a customer pays consideration before the Company transfers goods or services to the customer. Contract liabilities are recognized as revenue when the Company performs under the Contract.

b) As the Company has adopted modified retrospective approach, no reclassification have been made for contract liabilities as at March 31, 2018 and the corresponding balances as at March 31, 2018 are shown under "Other Current Liabilities" as "Unearned Revenue".

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**Note 22: Revenue from operations**

Disaggregation of the Company's revenue from contract with customers are as follows:

Particulars	₹ in crore	
	Year ended March 31, 2019	Year ended March 31, 2018
<b>Construction Contract</b>		
Revenue from Construction Contract (refer note 22(b) and (e))	-	2,667.93
<b>Operation and maintenance</b>		
Revenue from Operation and maintenance income (refer note 22 (c))	179.54	210.46
<b>Others</b>		
Advisory, Design and Engineering fees (refer note 22 (d))	-	201.14
Supervision fees (refer note 22(d))	-	13.08
Profit on sale of investments (refer note 22(f))	-	444.22
<b>Total</b>	<b>179.54</b>	<b>3,536.83</b>

Assessment under Ind AS 115 – Revenue from Contract with customers:

a) Ind AS 115 Revenue from Contracts with Customers, mandatory for reporting period beginning on or after April 01, 2018 replaces existing revenue recognition requirements. The Company aligned its policy of revenue recognition with IND AS 115 effective from April 01, 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 April 01, 2018 by ₹ 4.75 crore net of tax effect of ₹ 2.55 crore.

b) As fully described in the note 1.2 of the standalone Ind AS financial statements, construction work at respective sites was suspended from October 01, 2018. The consideration receivable for the work performed at respective sites is subject to likely contractual deductions, penalties, value of work certified by independent engineer and ability of respective project subsidiaries to pay the consideration. These project subsidiaries have initiated steps to foreclose the concession agreement with the respective Concessioning Authorities and seek compensation under the relevant contracts/ guidelines. Basis the likely compensation amounts that could be realised by the project SPVs and in accordance with the requirements of Ind AS 115 Revenue from contracts with customers, the Company has reversed the construction revenue of ₹ 702.85 crore recognized up to quarter ended June 30, 2018. Accordingly on a cumulative basis, the Company has not recognised construction revenue for the current year. Further, though for the balance period of the year the Company had raised invoices of ₹ 489.84 crore on its project subsidiaries, it has not recognised any construction revenue thereof.

c) During the current year, effective January 01, 2019, the Company novated Operation and Maintenance contracts of 10 project subsidiaries to one of its wholly owned subsidiary Elsamex Maintenance Services Limited.

d) No revenue has been recognised with respect to Advisory, Design and Engineering fees and Supervision fees amounting to ₹ 53.32 crore due to significant uncertainties involved in performance of their obligations by the project SPVs.

e) Revenue from Construction contract is net of ₹ Nil (previous year ₹ 20.93 crore) being adjustment for time value for recognising revenue at fair value.

f) Revenue from Operations includes (loss)/ gain on sale of investment of ₹ Nil (previous year ended March 31, 2018 ₹ 444.22 core).

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**Note 23: Other Income**

₹ in crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest income earned on financial assets that are not designated as at fair value through profit or loss (refer note 23 (a))	428.81	744.91
Interest on Bank deposits (at amortised cost)	17.40	19.74
Dividend Income	0.02	34.40
Guarantee Fees Income (refer note 23(b))	-	17.25
Insurance claim	-	2.06
Excess provisions written back (refer note 23 (c))	12.20	-
Reversal of Expected Credit Losses (previous year net of impairment Loss of ₹ 293.29 crore) (refer note 29 (c))	-	323.13
Lease Rental income	22.52	22.46
Foreign Exchange fluctuation gain (net) (refer note 34.6.2)	111.69	-
Interest on Income Tax Refund	10.77	-
Gain on Mutual Fund Investments (includes MTM of ₹ 0.06 crore)	0.25	-
Miscellaneous income	3.04	8.70
<b>Total</b>	<b>606.70</b>	<b>1,172.65</b>

a) During the current year, the Company has accrued the Interest Income on loans given to SPVs till October 15, 2018 except in case of entities which are classified as Green entities (refer note 1.3) where in the Interest Income is accrued till March 31, 2019.

b) During the current year, the Company has not recognised the Guarantee fees Income amounting to ₹ 13.07 crore due to significant uncertainties involved in performance of their obligations by the group companies.

c) During the current year, the Company has written back provisions made in earlier year for performance related pay of ₹ 12.20 crore (previous year ended March 31, 2018 ₹ Nil).

**Note 24: Cost of Material Consumed and Construction Costs**

₹ in crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Inventory at the beginning of the year	19.90	22.59
Add-Purchase of raw material & stores and spares	2.45	9.48
Less- Inventory at the end of the year	18.49	19.90
<b>Cost of Materials consumed</b>	<b>3.86</b>	<b>12.17</b>
<b>Construction Contract Costs (refer note 24.1 and note 24.2)</b>	<b>749.58</b>	<b>2,120.76</b>

24.1 - In respect of construction expenses including other operating expenses amounting to ₹ 52.26 crore, the economic benefits achieved from that expense/ contract and process followed in selection of vendor for which forensic audit is in progress. As mentioned in Note 1.6 of the standalone Ind AS financial statements, the Board of Directors of the Holding Company have initiated a forensic audit for the period April 2013 to September 2018 which inter alia includes review of:

(i) various aspects relating to project cost estimates and awards, project execution and procurement, work certification and change orders, payment certifications etc.

(ii) examining transactions with certain vendors/ subcontractors in greater details and identifying nature of services, commercial substance, basis of selection of vendors and business rationale for identified construction cost incurred.

Pending outcome of the said ongoing examination, consequential impact if any on these standalone Ind-AS financial statements is not determinable.

24.2 Pursuant to termination of the EPC contract between the Company and IL&FS Engineering and Construction Company Ltd (IECCL), a related party contractor in respect of Kiratpur Ner Chowk Expressway project in 2017, the Company during the current year novated the contract given by IECCL to one its sub-contractors (Sammon Infracorp Ltd) in respect of future work to be done on the said project by the sub-contractor.

24.3 As a part of ongoing vendor reconciliation exercise, additional cost amounting to ₹ 52.5 crore is accounted during the year with respect to certain vendors. The Company is in the process of reconciling all its vendors and pending outcome of the said assessment, consequential impacts if any are not adjusted in the standalone Ind-AS financial statements.

**Note 25: Other Operating Expenses (refer note 24)**

₹ in crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Fees for legal and technical services	48.38	45.51
Operation and maintenance expenses	164.89	167.65
Other expenses	5.39	-
<b>Total</b>	<b>218.66</b>	<b>213.16</b>

**Note 26: Employee benefits expense**

₹ in crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries and wages	45.08	61.64
Contribution to provident and other funds	7.92	5.59
Staff welfare expenses	4.77	7.45
Deputation Cost	2.19	5.51
<b>Total</b>	<b>59.96</b>	<b>80.19</b>

**Note 27: Finance Costs (refer note 1.16)**

₹ in crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Interest expenses</b>		
Interest on loans	924.18	1,333.24
Discount on Commercial papers	9.81	41.93
Dividend on redeemable preference shares	-	72.16
<b>Other borrowing costs</b>		
Upfront fees and other finance charges	302.45	194.77
Other Interest	30.37	-
Loss/ (Gain) arising on derivatives designated as hedging instruments in cash flow hedges	-	(0.68)
(Gain)/Loss arising on adjustment for hedged item attributable to the hedged risk in a designated cash flow hedge accounting relationship	-	0.68
Adjustment on account of fair valuation of Redeemable Preference Shares	8.74	-
<b>Total</b>	<b>1,275.55</b>	<b>1,642.10</b>

a. Interest on bank overdraft, loans and debentures is net off ₹ Nil (previous year ended March 31, 2018 ₹ 9.58 crore) on account of credit value adjustment/Debit value adjustment (CVA/DVA) on derivative contracts on borrowing.

**Note 28: Depreciation and amortisation expense**

₹ in crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation of property, plant and equipment	20.44	21.16
Amortisation of intangible assets	0.49	1.17
<b>Total</b>	<b>20.93</b>	<b>22.33</b>

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**Note 29: Other expenses**

₹ in crore

Particulars	₹ in crore	
	Year ended March 31, 2019	Year ended March 31, 2018
Impairment/ Provision for doubtful receivables and loans	-	41.15
Impairment loss on receivables and other financial asset	-	15.66
Impairment loss on investments in subsidiary	-	70.27
Impairment loss on investment property (refer note 3)	-	3.13
Electricity charges	0.84	1.08
Travelling and conveyance	9.46	18.04
Printing and stationery	0.54	0.80
Rent	16.92	16.79
Rates and taxes	61.53	1.69
Provision for Indirect tax balances and matters (refer note 9 and note 19.1)	301.44	-
Repairs and maintenance (other than building and machinery)	0.72	3.62
Communication expenses	0.93	1.56
Insurance	32.05	28.67
Legal and professional fees	32.89	21.49
Directors' fees	0.33	0.56
Bank commission	12.46	7.95
Loss on sale/ discard/ damaged/ scrapped of fixed assets (refer note 2)	14.60	0.09
Loss on sale of investments (refer note 4(a))	56.75	-
Foreign exchange fluctuation loss (net)	-	5.72
Expenses related to Bid documents	0.09	0.34
Brand Subscription Fees	10.29	12.25
Corporate Social Responsibility expenses (refer note 29 (a))	0.02	4.35
Auditor's remuneration (refer note 29 (b))	2.54	2.99
Loss on cancellation of Swap contracts (net) (refer note 34.6.2)	19.20	-
Fair valuation loss on Investments recognised through profit and loss (refer note 4 (i))	101.67	-
Miscellaneous expenses (refer note 29 (c))	10.56	28.78
<b>Total</b>	<b>685.83</b>	<b>286.98</b>

a) In terms of Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) Committee has been formed by the Company. The areas for CSR activities as per the CSR policy are (i) Promotion of education, (ii) promoting gender equality and empowering women, (iii) reducing child mortality and improving maternal health, (iv) ensuring environmental sustainability, (v) employment enhancing vocational skills, (vi) social business projects, (vii) contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socioeconomic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women and (viii) such other matters as may be prescribed.

In line with Guidance Note on Accounting for Expenditure on Corporate Social Responsibility Activities, issued by the Institute of Chartered Accountants of India, the disclosure of the CSR expenditure during the year, is as under:

- (i) Gross amount required to be spent by the Company during the year: ₹ 4.14 crore (previous year ₹ 9.86 crore)  
(ii) Amount spent during the year on:

₹ in crore

Particulars	₹ in crore	
	Year ended March 31, 2019	Year ended March 31, 2018
(i) Livelihood Development	-	0.60
(ii) Education enhancement	0.02	2.29
(iii) Local Area projects	-	1.46
<b>Total</b>	<b>0.02</b>	<b>4.35</b>

b) Payment to auditors include the following:

₹ in crore

Payments to auditors excluding taxes	₹ in crore	
	Year ended March 31, 2019	Year ended March 31, 2018
For statutory audit	1.10	1.74
For other services	1.32	1.22
For out of pocket Expenses	0.12	0.03
<b>Total</b>	<b>2.54</b>	<b>2.99</b>

c) Miscellaneous expenses includes ₹ 3.50 crore towards sponsorship of an event in May 2018. The expense was approved by the erstwhile Managing Director of the Company.

**IL&FS TRANSPORTATION NETWORKS LIMITED**  
**Notes forming part of the standalone financial statements**

**Note 30: Exceptional items (refer note 1.12)**

₹ in crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Allowance for credit impaired loans (refer note 5 (h))	5,682.77	-
Allowance for credit impaired Trade receivable (refer note 12 (d))	2,229.59	-
Allowance for credit impaired contract assets (refer note 11)	368.51	-
Allowance for credit impaired Other financial assets and Impairment Loss on Other assets (refer note 6 and note 8)	50.44	-
Impairment loss on investments (refer note 4 (i))	5,971.71	-
Impairment loss on investment property (refer note 3)	37.57	-
<b>Total</b>	<b>14,340.59</b>	<b>-</b>

**Note 31: Tax expenses**

**Income tax recognised in profit or loss**

₹ in crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Current tax</b>		
In respect of current year	-	24.85
In respect of prior year	-	7.59
	-	<b>32.44</b>
<b>Deferred tax</b>		
In respect of current year	1.59	80.04
In respect of previous year (refer note 7)	395.29	-
MAT Entitlement Credit	34.72	(32.45)
	431.60	47.59
<b>Total</b>	<b>431.60</b>	<b>80.03</b>

**Note 32: Component of other Comprehensive Income (OCI) - Items to be reclassified to Profit and loss**

The disaggregation of changes to OCI by each type of reserve in equity is shown below :

**Cashflow Hedge Reserve**

₹ in crore

Particular	Year ended March 31, 2019	Year ended March 31, 2018
Reclassified to statement of profit or loss	42.07	(2.74)
<b>Total</b>	<b>42.07</b>	<b>(2.74)</b>

**Note 33: Component of other Comprehensive Income (OCI) - Items not to be reclassified to Profit and loss**

**Defined Benefit plan adjustments**

₹ in crore

Particular	Year ended March 31, 2019	Year ended March 31, 2018
Re-measurement gains on defined benefit plans	2.13	(1.69)
<b>Total</b>	<b>2.13</b>	<b>(1.69)</b>

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**IL&FS TRANSPORTATION NETWORKS LIMITED**  
**Notes forming part of the standalone financial statements**

**Note 34 : Financial instruments**

**34.1 Capital management**

Refer note 1.3 which states that the normal business operations of the Company as they existed under the previous year have ceased, and the new board has undertaken certain steps as mentioned in that note for resolution of existing obligations. The Company has defaulted in respect of several of its loan obligations. The Company remains overleveraged and is striving to sell its assets in order to meet its repayment obligations.

The capital structure of the Company consists of net debt of ₹ 15,738.26 crore (March 31, 2018 ₹ 13,267.04 crore) (borrowings as detailed in notes 17 offset by cash and bank balances as detailed in note 13) and total equity of (₹ 13,884.41 crore) (March 31, 2018 ₹ 3,076.46 crore positive equity) (as detailed in note 15 and note 16).

**34.1.1 Gearing ratio**

The gearing ratio at end of the reporting period was as follows:

Particulars	₹ in crore	
	As at March 31, 2019	As at March 31, 2018
Debt	15,890.83	13,729.97
Less: Cash & cash equivalents; and bank balances	152.57	462.93
Net debt	15,738.26	13,267.04
Total Equity	(13,884.41)	3,076.46
Net debt to total equity ratio (in times)	(1.13)	4.31

Formula used for the computation of the Ratios:

a) Net Debt/Equity Ratio = Net Debt/ (Equity Share Capital+Other Equity).

Debt is defined as long-term borrowings (Including Preference share capital), current maturities of long-term borrowings, short-term borrowings and interest accrued thereon (excluding derivative, financial guarantee contracts), as described in note 16.

Equity includes equity share capital and reserves of the Company that are managed as capital.

b) Cash and bank balance include cash and cash equivalents and bank balance held as margin money with lenders as described in note 13.

**34.2 Categories of financial instruments**

Particulars	₹ in crore	
	As at March 31, 2019	As at March 31, 2018
<b>Financial assets</b>		
<u>Fair value through profit and loss (FVTPL)</u>		
Investments	70.46	-
<u>Derivative instruments designated as cash flow hedge</u>	-	-
<u>At amortised cost</u>		
Trade receivables	127.15	3,145.29
Cash & cash equivalents; and bank balances	152.57	462.93
Loans	2,111.08	5,681.92
Other financial assets	40.66	1,725.94
<b>Financial liabilities</b>		
<u>Derivative instruments designated as cash flow hedge</u>	-	64.79
<u>At amortised cost</u>		
Borrowings	1,062.51	10,403.61
Trade payables	1,047.74	1,286.52
Other financial liabilities	14,828.54	4,013.16

**IL&FS TRANSPORTATION NETWORKS LIMITED**  
**Notes forming part of the standalone financial statements**

**34.3 Financial risk management objectives**

Refer Note 1.2 which states that the normal business operations of the Company as they existed under the previous year have ceased, and the new board has undertaken certain steps as mentioned in that note for resolution of existing obligations. Accordingly, the Company is in the process of setting up mechanism to address the risks including market risk, currency risk, interest risk and liquidity risk.

**34.4 Market risk**

The Company is exposed to the financial risk of changes in foreign currency exchange rates and interest rates.

**34.5 Foreign currency risk management**

The carrying amounts of the Company's unhedged foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

₹ in crore

Particulars	Liabilities		Assets	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
USD	24.84	-	0.66	8.20
Euro	2.42	17.60	0.01	0.85
GBP	0.05	-	-	-
SGD	-	-	-	0.01

**34.6.1 Foreign currency sensitivity analysis**

The Company is mainly exposed to the currency of United States and the currency of Eurozone.

The following table details the Company's sensitivity to a 10% increase and decrease in the ₹ against the relevant foreign currencies. 10% sensitivity indicates management's assessment of the reasonable possible change in foreign exchange rates. The sensitivity analysis includes only outstanding unhedged foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

₹ in crore

Particulars	USD		Euro	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Impact on Profit and loss	(2.42)	0.82	(0.24)	(1.68)
Impact on Total Equity	(2.42)	0.82	(0.24)	(1.68)

₹ in crore

Particulars	GBP		SGD	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Impact on Profit and loss	(0.00)	-	-	0.00
Impact on Total Equity	(0.00)	-	-	0.00

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

The impact on profit or loss in previous year was substantially lower as the Company has entered into a currency swap of similar maturity and principal amount to cover the foreign exchange exposure on the interest and principal amount however the swap contract is cancelled during the current year. (refer note 34.6.2)

**34.6.2 Cross currency interest rate swap contracts**

Under these swap contracts, the Company agrees to exchange the difference between fixed interest amounts based on functional currency notional principal amounts and floating rate interest amounts calculated on agreed foreign currency notional principal amounts. Also the Company agrees to exchange difference between the functional currency notional principal amount and the amount calculated based on the spot exchange rates on the foreign currency notional principal amount on specified dates. Such contracts enable the Company to mitigate the risk of changing interest rates and foreign exchange rates on the cash flows of issued foreign currency variable rate debt. The fair value of these swaps at the end of the reporting period is determined by discounting the future cash flows using the foreign currency and interest rate curves at the end of the reporting period and the credit risk inherent in these contracts, and is disclosed below. The average interest rate is based on the outstanding balances at the end of the reporting period.

**IL&FS TRANSPORTATION NETWORKS LIMITED**  
**Notes forming part of the standalone financial statements**

The following tables detail the notional principal amounts and remaining terms of interest rate swap contracts outstanding at the end of the previous reporting period.

**Cash flow hedges**

Outstanding receive floating pay fixed contracts	USD in crore		Average contracted exchange rate		Average contracted fixed interest rate	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Upto 1 year	-	-	-	-	-	10.50%
1 to 3 years	-	3.06	-	66.57	-	10.49%
3 to 5 years	-	14.86	-	66.89	-	10.49%
More than 5 years	-	2.58	-	64.86	-	10.49%
<b>Total</b>	-	<b>20.50</b>				

₹ in crore

Outstanding receive floating pay fixed contracts	Notional principal value		Fair value assets (liabilities)	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Upto 1 year	-	200.00	-	(2.30)
1 to 3 years	-	203.71	-	(5.11)
3 to 5 years	-	994.04	-	(55.40)
More than 5 years	-	167.34	-	(1.97)
<b>Total</b>	-	<b>1,565.09</b>	-	<b>(64.78)</b>

The cross currency interest rate swap contracts are generally settled on a quarterly basis. The floating rate on the interest rate swaps is the 3 months LIBOR. The Company settles the difference between the fixed and floating interest rate on a net basis. All cross currency interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges in order to reduce the Company's cash flow exposure resulting from variable interest rates on borrowings. The cross currency interest rate swaps and the interest payments on the loan occur simultaneously and the amount accumulated in equity is reclassified to profit or loss over the period that the floating rate interest payments on debt affect profit or loss.

In order to hedge the Currency rate and interest rate portion of ECB loans, the Company has entered in to the cross currency and interest rate SWAP with 4 banks. During the year all the 4 banks from which the Company has taken cross currency and interest rate swap contracts for its foreign currency borrowing have terminated the SWAP contract before its maturity date. On termination, profit of ₹ 142.34 crore is accrued of which ₹ 57.13 crore is realised in cash and ₹ 78.69 crore (refer note 17) is adjusted against outstanding borrowings by the respective banks. Further, on termination, the hedge exposure amounting to ₹ 64.79 crore and Mark to Market (MTM) gain recognised in earlier years amounting to ₹ 42.07 crore is netted off and recognised in the statement of profit and loss.

Foreign currency restatement of such ECB loans amounting to ₹ 184.26 crore is netted with the gain as recognised above. Accordingly, net loss recognised due to such termination is ₹ 19.20 crore.

**34.7 Interest rate risk management**

The Company is exposed to interest rate risk as it borrows funds at both fixed and floating interest rates. Due to the matters discussed in note 1.16 the Company has not accrued interest expense post October 15, 2018.

**34.7.1 Interest rate sensitivity analysis**

The sensitivity analyse below have been determined based on the exposure to the interest rates for all non-derivative variable interest rate instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

**IL&FS TRANSPORTATION NETWORKS LIMITED**  
**Notes forming part of the standalone financial statements**

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the impact of the same is given in below table which is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

Particulars	₹ in crore	
	Year ended March 31, 2019	Year ended March 31, 2018
Impact on Profit and loss	42.22	23.16
Impact on Total Equity	42.22	23.16

Due to the matters discussed in note 1.16 the interest expense has been accounted in the books upto October 15, 2018. The impact in the table above has also been calculated and disclosed accordingly. Sensitivity impact on interest from 16th October 2018 to 31st March 2019 amounts to ₹ 35.20 crore.

**34.8 Commodity Price Risk**

The Company requires construction materials for implementation (construction, operation and maintenance) of the projects, such as cement, bitumen, steel and others, for which, they have fixed price contract (with capped escalation charges) with the EPC contractor and Operation & Maintenance Contractor so as to manage the exposure to price increases in raw materials. Considering that the operations of the Company have been substantially curtailed, no substantial commodity risks exist as at 31 March 2019.

**34.9 Other price risks**

The Company is exposed to equity price risks arising from equity investments. As detailed in Note 1.12 the management based on the consultation with the New Board and its assessment of the cash flows from the investments, is of the view that the value arrived and disclosed is prudent and represents the economic substance of the amounts recoverable as of March 31, 2019.

Management's approach in this regard does not consider the requirements of the relevant Ind-AS standards in entirety as the Company does not presently have the necessary and/or complete information to support cash flow-based tests over its investments as explained in note 1.13.

**34.10 Credit risk management**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and its financing activities (primarily loans given).

Due to the developments outlined in note 1.2 the receivables of the Company and the loans given by the Company have been substantially impaired.

**34.11 Liquidity risk management**

During the current year, the Company has defaulted on in its interest and principal obligations. Accordingly, in terms of the loan agreements all the long term liabilities on account of interest and principal is classified as current liability.

**34.11.1 Liquidity and interest risk tables**

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

₹ in crore

Particulars	March 31, 2019			March 31, 2018		
	Non-interest bearing	Variable interest rate instruments	Fixed interest rate instruments	Non-interest bearing	Variable interest rate instruments	Fixed interest rate instruments
Weighted average effective interest rate (%)	-	11.57%	12.51%	-	12.62%	12.27%
Upto 1 year	1,567.25	6,078.60	9,654.16	1,993.46	3,370.77	2,106.26
1-3 years	-	-	-	211.19	1,551.52	2,758.18
3-5 years	-	-	-	-	424.92	1,894.16
More than 5 years	-	-	-	-	-	3,010.50
<b>Total</b>	<b>1,567.25</b>	<b>6,078.60</b>	<b>9,654.16</b>	<b>2,204.64</b>	<b>5,347.21</b>	<b>9,769.10</b>



**IL&FS TRANSPORTATION NETWORKS LIMITED**  
**Notes forming part of the standalone financial statements**

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

The Company is in the process of monetizing its entire investments in operating assets to generate cash flows in order to meet its obligations.

₹ in crore

Particulars	March 31, 2019			March 31, 2018		
	Non-interest bearing	Variable interest rate instruments	Fixed interest rate instruments	Non-interest bearing	Variable interest rate instruments	Fixed interest rate instruments
Weighted average effective interest rate (%)	-	-	10.48%	-	-	12.82%
Upto 1 year	-	-	-	6,344.52	-	1,800.25
1-3 years	1,134.35	-	2,111.08	168.64	-	901.64
3-5 years	-	-	-	-	-	387.63
More than 5 years	-	-	-	5,897.34	-	5,461.79
<b>Total</b>	<b>1,134.34</b>	<b>-</b>	<b>2,111.08</b>	<b>12,410.49</b>	<b>-</b>	<b>8,551.31</b>

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

The following table details the Company's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves at the end of the reporting period. As at 31 March 2019, there are no outstanding derivative financial instruments.

₹ in crore

Particulars	March 31, 2019	March 31, 2018
	Cross currency interest rate swaps	Cross currency interest rate swaps
Upto 1 year	-	390.17
1-3 years	-	963.15
3-5 years	-	1,042.81
More than 5 years	-	152.63

**IL&FS TRANSPORTATION NETWORKS LIMITED**  
**Notes forming part of the standalone financial statements**

**34.12 Fair value measurements**

This note provides information about how the Company determines fair values of various financial assets and financial liabilities.

34.12.1 Fair value of the Company's material financial assets and financial liabilities that are measured at fair value on a recurring basis.

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

₹ in crore

Financial assets/ financial liabilities	Fair value		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)
	As at March 31, 2019	As at March 31, 2018			
Cross currency interest rate swap (refer note 6 and note 18)	-	64.79	Level 2	Future cash flows are estimated based on forward exchange rate and observable yield curves at the end of the reporting period and contract forward rate, contract interest rates discounted at the rate that reflect the credit risk of various counter parties.	None
Investment in mutual fund	6.60	-	Level 1	Based on net asset value as declared by funds as of year end	None
Gujarat Road and Infrastructure Company Limited	0.13	0.13	Level 2	Based on valuation report from an independent valuer.	None
Investments in Units of Infiniti Realty Opportunities Trust - Real Estate Asset performance-1	63.73	-	Level 2		None

34.12.2 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required).

₹ in crore

Particulars	As at March 31, 2019		As at March 31, 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
<u>At amortised cost</u>				
Trade receivables	127.15	127.15	3,145.28	3,145.28
Cash & cash equivalents; and bank balances	152.57	152.57	462.93	462.93
Loans	2,111.08	2,111.08	5,681.92	5,836.65
Other financial assets	40.66	40.66	1,725.94	1,725.94
<b>Financial liabilities</b>				
<u>At amortised cost</u>				
Borrowings	1,062.51	1,062.51	10,403.61	10,763.21
Trade payables	1,047.75	1,047.75	1,286.52	1,286.52
Other financial liabilities	14,828.54	14,828.54	4,013.16	4,013.16

**IL&FS TRANSPORTATION NETWORKS LIMITED**  
**Notes forming part of the standalone financial statements**

₹ in crore

Fair value hierarchy Particulars	As at March 31, 2019			As at March 31, 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial assets</b>						
<u>At amortised cost</u>						
Trade receivables	-	-	127.15	-	-	3,145.28
Cash & cash equivalents; and bank balances	-	-	152.57	-	-	462.93
Loans	-	-	2,111.08	-	-	5,836.65
Other financial assets	-	-	40.66	-	-	1,725.94
<b>Financial liabilities</b>						
<u>At amortised cost</u>						
Borrowings	-	-	1,062.51	-	-	10,763.21
Trade payables	-	-	1,047.75	-	-	1,286.52
Other financial liabilities	-	-	14,828.54	-	-	4,013.16

The fair values of the financial assets and financial liabilities above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

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**IL&FS TRANSPORTATION NETWORKS LIMITED**  
**Notes forming part of the standalone financial statements**

**Note 35 : Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for March 31, 2019 and March 31, 2018**

₹ in crore

	Year ended March 31, 2019	Year ended March 31, 2018
Accounting (loss)/ profit before income tax	(16,568.72)	331.79
At statutory income tax rate of 31.20% (March 31, 2018 : 34.944%)	(5,169.44)	115.95
Dividend Income exempt from tax	(0.01)	(12.02)
MAT	-	24.85
<b>Non deductible expense for tax purpose :</b>		
- Preference dividend accounted as finance cost	-	27.26
- Corporate Social Responsibilities expenditure not allowable as per Income Tax	0.01	1.52
- Finance charges allowed on payment basis	-	12.58
- Provision for doubtful loans and receivables	-	16.11
Profit on sale of Investment	-	(52.74)
Deferred tax not recognised on loss on sale of Investments	11.80	-
Deferred tax on Capital Loss	-	(9.80)
Deferred tax on Business Loss	-	(45.68)
Increase in Tax rate as compared to previous year	-	1.09
Others	-	0.91
Deferred Tax Asset not recognised on losses	402.77	-
Deferred Tax Asset not recognised on expenses disallowed	280.61	-
Deferred tax not recognised on provision for Impairment	4,474.26	-
Deferred Tax written off (refer note 7)	431.60	-
<b>At the effective income tax rate of Nil (March 31, 2018 : 24.12%)</b>	<b>431.60</b>	<b>80.03</b>
<b>Income tax expense reported in the statement of profit and loss</b>	<b>431.60</b>	<b>80.03</b>

**35.1 Deferred Tax Asset not recognised**

The gross amount and expiry dates of losses available for carry forward are as follows on which no deferred tax asset is recognised:

₹ in crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Expiring within 5 years	-	-
Expiring beyond 5 years	1,574.24	-
Indefinite	33.20	-

The gross amount and expiry dates of MAT Credit available for carry forward are as follows on which no deferred tax asset is recognised:

₹ in crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Expiring within 5 years	-	-
Expiring beyond 5 years	22.56	-
Indefinite	-	-

35.2 As referred in note 1.3, the Company is in process of disposing off its investments and other assets and it is not probable that sufficient taxable income would be generated in future against which the unabsorbed business losses, unabsorbed depreciation and Minimum Alternate Tax credit can be get offset. Accordingly, no additional deferred tax asset has been recognised and the Company has also written off Deferred Tax Assets recognised till previous year.

**IL&FS TRANSPORTATION NETWORKS LIMITED**  
**Notes forming part of the standalone financial statements**

**Note 36. Employee benefit plans**

**36.1 Defined contribution plans**

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

The total expense recognised in profit or loss of ₹ 4.34 crore (for the year ended March 31, 2018: ₹ 3.81 crore) represents contributions payable to these plans by the Company at rates specified in the rules of the plans.

**36.2 Defined benefit plans**

The Company offers its employees defined-benefit plans in the form of gratuity (a lump sum amount). Benefits under defined benefit plans are typically based on years of service rendered and the employee's eligible compensation (immediately before retirement). The gratuity scheme covers substantially all regular employees. In the case of the gratuity scheme, the 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. The Company recognizes Actuarial Gain & Loss in the Other Comprehensive Income Account in the year in which they occur.

Under the plans, the employees are entitled to post-retirement lump sum amounting to 30 days of final salary for each completed years of service. The eligible salary is Basic pay. Benefits are vested to employee on completion of 5 years.

Investment risk	The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined based on the benchmark yields available on Government Bonds at the valuation date with terms matching that of the liabilities. If the return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. Salary increase rates take into account inflation, seniority, promotion and other relevant factors.

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**IL&FS TRANSPORTATION NETWORKS LIMITED**  
**Notes forming part of the standalone financial statements**

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. The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	Valuation as at	
	March 31, 2019	March 31, 2018
Discount rate(s)	6.53%	7.53%
Rate of increase in compensation <sup>#</sup>	3%	7%
Mortality rates*	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Employee Attrition rate (Past service)	PS: 0 to 40 : 31.17%	PS: 0 to 40 : 10%
Expected Average Remaining Service	2.1	7.18

<sup>#</sup> 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.

\* Based on India's standard mortality table with modification to reflect expected changes in mortality/ others.

Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows:

₹ in crore

Particulars	₹ in crore	
	Year ended March 31, 2019	Year ended March 31, 2018
Service cost:		
Current service cost	2.31	1.85
Past service cost and (gain)/loss from settlements	-	-
Net interest expense	(0.23)	(0.32)
Opening Fair Value Adjustments	1.60	0.03
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>3.68</b>	<b>1.53</b>
Re-measurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	1.32	0.01
Actuarial (gains)/ losses arising from changes in demographic	0.95	-
Actuarial (gains)/ losses arising from changes in financial assumptions	(0.62)	0.95
Actuarial (gains)/ losses arising from experience adjustments	(4.74)	1.64
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>(3.09)</b>	<b>2.60</b>
<b>Total</b>	<b>0.59</b>	<b>4.13</b>

\* This figure does not reflect interrelationship between demographic assumption and financial assumption when a limit is applied on the benefit, the effect will be shown as an experience.

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss. The re-measurement of the net defined benefit liability is included in other comprehensive income. The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows.

₹ in crore

Particulars	₹ in crore	
	As at March 31, 2019	As at March 31, 2018
Present value of funded defined benefit obligation	11.97	16.10
Fair value of plan assets	15.90	20.64
Funded status	3.93	4.54
<b>Net asset/ (liability) arising from defined benefit obligation</b>	<b>3.93</b>	<b>4.54</b>

**IL&FS TRANSPORTATION NETWORKS LIMITED**  
**Notes forming part of the standalone financial statements**

Movements in the present value of the defined benefit obligation are as follows.

Particulars	₹ in crore	
	As at March 31, 2019	As at March 31, 2018
Opening defined benefit obligation	16.10	11.81
Current service cost	2.31	1.85
Interest cost	1.09	0.76
Re-measurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic	0.95	-
Actuarial gains and losses arising from changes in financial assumptions	(0.62)	0.95
Actuarial gains and losses arising from experience adjustments	(4.74)	1.64
Benefits paid	(2.87)	(0.91)
Others (Transfer out liability )	(0.25)	-
<b>Closing defined benefit obligation</b>	<b>11.97</b>	<b>16.10</b>

Movements in the fair value of the plan assets are as follows.

Particulars	₹ in crore	
	As at March 31, 2019	As at March 31, 2018
Opening fair value of plan assets	20.65	12.62
Interest income	1.32	1.08
Re-measurement gain (loss):		
Return on plan assets (excluding amounts included in net interest)	(1.32)	-
Adjustment to Opening Fair Value of Plan Asset	(1.63)	0.03
Contributions from the employer	-	7.83
Benefits paid	(2.87)	(0.91)
Other (Transfer out liability)	(0.25)	-
<b>Closing fair value of plan assets</b>	<b>15.90</b>	<b>20.65</b>

The fair value of the plan assets at the end of the reporting period for each category, are as follows.

Particulars	₹ in crore	
	Fair Value of plan asset as at	
	As at March 31, 2019	As at March 31, 2018
Cash and cash equivalents	-	-
Gratuity Fund (LIC)	15.90	20.64
Others [describe]	-	-
<b>Total</b>	<b>15.90</b>	<b>20.64</b>

All of the Plan Asset is entrusted to LIC of India under their Company Gratuity Scheme. The reimbursement is subject to LIC's Surrender Policy. Since the scheme funds are invested with LIC of India Expected rate of return on Plan assets is based on rate of return declared by fund managers.

The actual return on plan assets was - ₹ 1.32 crore (2018: ₹ 1.07 crore).

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

**Sensitivity Analysis**

	ATT - Attrition Rate		DR - Discount Rate		ER - Salary Escalation Rate	
	PVOATT + 1%	PVOATT - 1%	PVO DR + 1%	PVO DR - 1%	PVO ER + 1%	PVO ER - 1%
PVO	11.97	11.93	11.70	12.22	12.17	11.74

**Expected Payout**

Year	Expected Outgo First	Expected Outgo Second	Expected Outgo Third	Expected Outgo Fourth	Expected Outgo Fifth	Expected Outgo Six to Ten years
Payouts	4.37	2.78	2.19	1.39	1.00	1.99

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

**Asset Liability Comparisons**

Year	₹ in crore	
	As at March 31, 2019	As at March 31, 2018
PVO at end of the year	11.97	16.10
Plan Assets	15.90	20.64
Surplus/(Deficit)	3.93	4.54
Experience adjustments on plan assets	-	(0.01)

The expected contributions to the defined benefit plan for the next annual reporting period as at March 31 2019 is ₹ 4.38 crore ( as at March 31 2018 is ₹ 2.65 crore)

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**IL&FS TRANSPORTATION NETWORKS LIMITED**  
**Notes forming part of the standalone financial statements**

**Note 37 : Contingent Liabilities and Commitments**

₹ in crore

Particulars	As at March 31, 2019	As at March 31, 2018
<b>(i) Contingent Liabilities</b>		
Claims against the Company not acknowledged as debts		
- Income tax demands contested by the Company	79.20	45.74
- Indirect tax demands contested by the Company	4.47	2.84
<b>Sub Total (a)</b>	<b>83.67</b>	<b>48.58</b>
<b>(ii) Commitments</b>		
- Capital commitments	-	3.36
- Sub-debt commitments (refer note 37.2)	-	773.86
- Investment commitments (refer note 37.2)	-	1,187.74
<b>Sub-Total (b)</b>	<b>-</b>	<b>1,964.96</b>
<b>Total (a) + (b)</b>	<b>83.67</b>	<b>2,013.54</b>

**Note 37.1**

Pursuant to various development during the current year specifically mentioned in note 1.2 to this standalone Ind-AS financial statements, the Company is in process of reconciling the claims admitted by the Claim Management Advisor for financial creditors of ₹ 17,922.25 crore (which includes contingent claims of ₹ 2,831.22 crore) against financial liability of ₹ 15,400.82 crore in the books and for operational creditors of ₹ 1,361.27 crore as against operational liability of ₹ 1,047.75 crore in the books. Pending completion of the reconciliation, no impact have been given in these standalone Ind AS financial statements.

**Note 37.2**

The Company, as Sponsor of projects has given commitment to lenders of these projects for infusing sub-debt and equity Investment in the project companies from time to time. However in view of current liquidity crisis, multiple financial default by the Company to its lenders and the developments mentioned in note 1.2 of these stand-alone Ind AS Financial statements, the Company will not be in the position to honour these commitments and hence the same is considered as ₹ Nil in current financial year.

**Note 37.3**

Supreme Court (SC) passed a judgement dated 28 February 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF Act. There are numerous interpretative issues relating to the Supreme Court (SC) judgement including the effective date of application. The Company continues to assess any further developments in this matter for the implication on financial statements, if any.

**Note 37.4**

The Company has received assessment orders wherein tax authority has disallowed certain expenses. The Company is yet to assess its impact on subsequent assessment years hence no impact is considered in standalone Ind AS financial statements on this account.

**IL&FS TRANSPORTATION NETWORKS LIMITED**  
**Notes forming part of the standalone financial statements**

**Note 38 : Letter of comfort, letter of awareness. letter of assurance and letter of financial support or Guarantees**

₹ in crore

Particulars	As at March 31, 2019	As at March 31, 2018
a) Letter of awareness issued to third party banks and financial institutions for loans taken by Group Entities (subsidiaries, associates and joint ventures) (to the extent of loans outstanding) (refer note 38.1)	1,791.77	2,096.81
b) Letter of awareness issued to third party banks and financial institution for projects being executed by Group Entities (refer note 38.10)	198.10	167.70
c) Letter of awareness issued to Fellow Subsidiary for loans taken by Group Entities (refer note 38.1)	390.00	390.00
d) Letter of awareness issued to Fellow Subsidiary for loans taken by third parties which directly or through their group companies have given loans to the Company (also refer note 38.3, 1.19 and 14(ii))	1,020.00	750.00
e) Letter of awareness issued to Fellow Subsidiary for loans taken by third parties which directly or through their group companies has given loans to Group Entities (refer note 38.2)	820.00	820.00
f) Letter of awareness issued to Fellow Subsidiary for loan taken by a third parties which had receivables from the Company	20.00	20.00
g) Letter of awareness issued to a fellow subsidiary for loans taken by third parties which has given advance for purchase of investments to the Company (refer note 14 (ii))	-	270.00
h) Sponsor guarantees given to banks on behalf of Group Entities (refer note 38.4 and 38.5)	81.28	-
i) DSRA support undertaking given to banks on behalf of Group Entities (refer note 38.4 and 38.5)	159.45	-
j) Guarantees/ counter guarantees issued to outsiders in respect of Group Entities (net) (refer note 38.7)	2,529.32	680.74
<b>Total</b>	<b>7,009.92</b>	<b>5,195.25</b>

## **IL&FS TRANSPORTATION NETWORKS LIMITED**

### **Notes forming part of the standalone financial statements**

#### **Note 38.1**

The Group Entities (Subsidiaries, Joint Ventures, Associates) have availed borrowing facilities from third party banks, financial institutions and other lenders (including a Fellow Subsidiary (IFIN)) and terms of some of the facilities include provision of (i) Letter of Comfort/awareness (ii) Parent Support Agreement (iii) Debt Servicing Reserve Account in favour of these Banks and Lenders. In respect of certain such arrangements, the Company has issued letter of awareness to Banks and Other lenders on behalf of its Group Entities for outstanding loan aggregating to ₹ 2,181.77 crore as at March 31, 2019 as disclosed in (a) and (c) above.

#### **Note 38.2**

The Company had issued letter of awareness amounting to ₹ 820 crore (Previous year ₹ 820 crore) to a Fellow Subsidiary for loans taken by third parties from the said fellow subsidiary. These third parties directly or through their group companies have given loans to Group Entities of the Company. This matter is under investigation by various regulatory agencies and pending final outcome of the said investigation no adjustments have been recorded in this standalone Ind AS financial statements for consequential effect that may arise in this regard.

#### **Note 38.3**

The Company had issued letters of awareness to a fellow subsidiary in respect of loans obtained by third parties amounting to ₹ 710.50 crore from the said fellow subsidiary. The loans have been since repaid and as confirmed by the fellow subsidiary the loan outstanding balance as at March 31, 2019 is ₹ Nil (March 31, 2018 - ₹ Nil).

#### **Note 38.4**

The Company at the time of financial closure of various SPVs, has issued certain commitments (Sponsor Undertakings) to Senior lenders of those SPVs. The Sponsor Undertakings require Company to take/ fulfil certain actions as Sponsor during the life time of the Project. The financial implication of these Sponsor Undertakings wherever quantifiable and measurable are disclosed appropriately keeping in mind the current Financial position of the Company pursuant to various developments indicated in note 1.2.

#### **Note 38.5**

In case of Sponsor guarantees and DSRA undertakings, the amount disclosed is based on the claims admitted by the CMA. The management is in the process of reconciling these claims and pending completion of the reconciliation, no impact have been given in these standalone Ind AS financial statements.

#### **Note 38.6**

The Company had given letter of financial support to its various Group Entities. In view of current liquidity crisis and multiple financial default by the Company to its lenders, the Company will not be able to honour these commitments and provide any financial support to its Group Entities and hence the same has been considered as ₹ Nil in the current financial year.

**IL&FS TRANSPORTATION NETWORKS LIMITED**  
**Notes forming part of the standalone financial statements**

**Note 38.7**

(a) The Group Entities have availed limits from Banks for issuing Performance Guarantees and Financial Guarantees (collectively referred to as 'third party guarantees') in favour of third parties. These third-party guarantees have been issued by the Company's bankers on behalf of such Group Entities in the normal course of business.

(b) The Company has issued guarantees to third parties on behalf of Group Entities aggregating to ₹ 2,529.32 crore (as at 31st March 2018: ₹ 680.74 crore).

(c) Guarantees or counter guarantees issued to outsiders in respect of Group Entities amounting to ₹ Nil (as on 31st March 2018: ₹ 1,500 crore) are backed by Parent Company.

**Note 38.8**

The Company has defaulted on its debts to banks, financial institution and others resulting in breach of various loans covenants. The Company has not assessed the financial impact of such Non - Compliance and no adjustment have been made in this standalone Ind AS financial statements.

**Note 38.9**

The Company has issued financial/ performance guarantees to third parties aggregating to ₹ 139.30 crore (as at 31st March 2018: ₹ 153.96 crore). The Company has not assessed the impact for such guarantees and accordingly no adjustments have been made in these standalone Ind AS financial statements.

**Note 38.10**

The Company has issued Letter of awareness to third party banks and financial institution, for projects undertaken by Group Entities amounting to ₹ 198.10 crore (as at 31st March 2018: ₹ 167.70 crore)

**Note 38.11**

The Company has not assessed the impact under Ind AS 37/ Ind AS 109 for Guarantees/ Counter guarantee/ Letter of Awareness/ Non Disclosure Undertakings/ Performance guarantees/ Other Arrangements extended by it and accordingly, no impact has been given in this standalone Ind AS financial statements (refer note 1.11).

**IL&FS TRANSPORTATION NETWORKS LIMITED**  
**Notes forming part of the standalone financial statements**

**Note 39: Lease**

The Company holds certain properties under a non-cancellable operating lease. The Company's future lease rentals under the operating lease arrangements as at the year end are as under:

	₹ in crore	
	As at March 31, 2019	As at March 31, 2018
<b>Future lease rentals :</b>		
Within one year	2.84	9.50
Over one year but less than 5 years	2.21	8.86
More than 5 years	-	-
	Year ended March 31, 2019	Year ended March 31, 2018
<b>Amount charged to the Statement of Profit and Loss for rent in respect of these properties</b>	2.84	5.94

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 40: Earnings / (loss) per Equity Share :**

Particulars	Unit	Yea ended March 31, 2019	Yea ended March 31, 2018
(Loss)/ Profit after tax	₹ in Crore	(17,000.32)	251.75
Weighted average number of equity shares	Number	328,960,027	328,960,027
Nominal value per equity share	₹	10.00	10.00
Basic / Diluted earnings / (loss) per share	₹	(516.79)	7.65

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IL&FS TRANSPORTATION NETWORKS LIMITED			
Notes to the Standalone Financial Statements for the year ended March 31, 2019			
Note 41. Related Party Disclosures			
(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	Amravati Chikhli Expressway Limited	ACEL	
	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	
	Fagne Songadh Expressway Limited	FSEL	
	Futureage Infrastructure India Limited	FIIL	
	GRICL Rail Bridge Development Company Limited	GRBDCL	
	Hazaribagh Ranchi Expressway Limited	HREL	
	IL&FS Rail Limited	IRL	
	ITNL International Pte. Ltd.	IIPL	
	ITNL Offshore Pte. Ltd.	IOPL	
	ITNL Offshore Two Pte. Ltd.	IO2PL	
	ITNL Offshore Three Pte. Ltd.	IO3PL	
	ITNL Road Infrastructure Development Company Limited	IRIDCL	
	Jharkhand Road Projects Implementation Company Limited	JRPICL	
	Jharkhand Infrastructure Implementation Company Limited	JIICL	
	Jorabat Shillong Expressway Limited (wef August 22, 2018)	JSEL	
	Karyavattom Sports Facility Limited	KSFL	
	Kiratpur Ner Chowk Expressway Limited	KNCEL	
	Khed Sinnar Expressway Limited	KSEL	
	Moradabad Bareilly Expressway Limited	MBEL	
	MP Border Checkpost Development Company Limited	MPBCDCL	
	Pune Sholapur Road Development Company Limited	PSRDCL	
	Ranchi Muri Road Development Limited	RMRDL	
	Scheme of ITNL Road Investment Trust	SOIRIT	
	Sikar Bikaner Highway Limited	SBHL	
	Srinagar Sonmarg Tunnelway Limited (wef September 29, 2018)	SSTL	
	Vansh Nimay Infraprojects Limited	VNIL	
	West Gujarat Expressway Limited	WGEL	
	Elsamex Maintenance Services Limited	EMSL	
	Elsamex India Private Limited	EIPL	
	Grusamar India Limited	GIL	
	Yala Construction Co Private Limited	YCCPL	
	Chhattisgarh Highway Development Company Limited	CHDCL	
	ITNL KMB JV (AOP)	IKMBJV	
	ITNL IECC JV (AOP)	IIJV	
	Subsidiaries - Indirect	Alcantarilla Fotovoltaica, S.L.	AFSLU
		Area De Servicio Coiros S.L.U.	ADSCSLU
		Area De Servicio Punta Umbria, S.L.U.	ADSPUSLU
		Atenea Seguridad y Medio Ambiente S.A.	ASYMASAU
		Beasolarta S.L.	BSLU
		CIESM-INTEVIA S.A. Sociedad Unipersonal	CISASU
		Conservacion De Infraestructuras De Mexico S.A. De C.V.	CDIDMSADCV
		Control 7, S.A.	C7SA
Elsamex, S.A.		ESA	
Elsamex Construcao E Manutencao LTDA ®		ECFML	
Elsamex Vietnam Joint Stock Company		EVJSC	
Elsamex Internacional, S.L, Sociedad Unipersonal		EISLSU	
Elsamex Maintenance Services Limited		EMSL	
Elsamex Portugal Engenharia e Sistemas de Gestao S.A.		EPEESDGSA	
Elsamex Colombia SAS®		ECSAS	
ESM Mantenimiento Integral de SA de CV		EMIDSAC	
Grusamar Albania SHPK®		GAS	
Grusamar Ingenieria Y Consulting, SL Sociedad Unipersonal		GIYCLSU	
Grusamar Ingenieria Y Consulting Colombia SAS®		GIYCCSAS	
Grusamar Engenharia & Consultoria Brasil LTDA@		GECBL	
IIPL USA LLC		IUL	
IIPL LAOS Pte. Ltd.		ILPL	
Inteval Gestao Integral Rodoviaria, S.A.		IGIR	
ITNL International DMCC		IIDMCC	
ITNL Infrastructure Developer LLC		IIDL	
ITNL Africa Projects Limited		IAPL	
ITNL Elsamex JVCA, Botswana		IEJVCABOTSWANA	
ITNL Elsamex JV BURE		IEJVBURE	

**IL&FS TRANSPORTATION NETWORKS LIMITED**

Notes to the Standalone Financial Statements for the year ended March 31, 2019

**Note 41. Related Party Disclosures (contd...)**

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

Nature of Relationship	Name of Entity	Abbreviation used
Subsidiaries - Indirect	ITNL Elsamex JV NEKEMTE	IEJVNEKEMTE
	Mantenimiento y Conservacion de Vialidades S.A. de C.V.	MYCDV
	North Karnataka Expressway Limited	NKEL
	Park Line LLC	PLL
	Rapid MetroRail Gurgaon Limited	RMGL
	Rapid Metro Rail Gurgaon South Limited	RMGSL
	Senalizacion Viales e Imagen S.U.	SVEISU
	Sharjah General Services Company LLC (upto 14th November 2018)	SGSCL
Other Related Parties (including fellow subsidiaries) (Only with whom there have been transaction during the year/ there was balance outstanding at the year end)	Gujarat Integrated Maritime Complex Private Limited	GIMCPL
	IL&FS Airports Limited	IAL
	IL&FS Education & Technology Services Limited	IETSL
	IL&FS Energy Development Company Limited	IEDCL
	IL&FS Engineering & Construction Company Limited (wef April 01, 2018)	IECCL
	IL&FS Environmental Infrastructure & Service Limited	IEISL
	IL&FS Financial Services Limited	IFIN
	IL&FS Global Pte Limited	IGPL
	IL&FS Investment Managers Limited	IIML
	IL&FS Maritime Infrastructure Company Limited	IMICL
	IL&FS Securities Services Limited	ISSL
	IL&FS Township & Urban Assets Limited	ITUAL
	Bhopal e-Governance Limited	BEGL
	IIML Asset Advisors Limited	IAAL
	IL&FS Asian Infrastructure Managers Limited	IAIML
	IL&FS Global Financial Services (UK) Limited	IGFSL- UK
	IL&FS Global Financial Services Pte Limited	IGFSPL
	IL&FS Infra Asset Management Limited	IIAML
	IL&FS Renewable Energy Limited (Merged with IEDCL on April 20, 2018)	IREL
	IL&FS Skills Development Corporation Limited	ISDCL
	IL&FS Tamil Nadu Power Company Limited	ITNPCL
	IL&FS Urban Infrastructure Managers Limited	IUIML
	IL&FS Wind Power Services Limited	IWPSL
	LIVIA India Limited	LIL
	Pt Mantimin Coal Mining	PMCM
	Sabarmati Capital One Limited	SCOL
	Tierra Enviro Limited	TEL
	Unique Waste Processing Company Limited	UWPCL
IL&FS Employee Welfare Trust	IEWT	
IL&FS Technologies Ltd.	ITL	
Joint Ventures	N.A.M. Expressway Limited (upto August 16, 2018)	NAMEL
	Chongqing Yuhe Expressway Co. Ltd. (held through subsidiary )	CYECL
	Road Infrastructure Development Company of Rajasthan Limited (RIDCOR)	RIDCOR
	Jharkhand Accelerated Road Development Company Limited	JARDCL
	Thiruvananthapuram Road Development Company Limited	TRDCL
	Warora Chandrapur Ballarpur Toll Road Limited	WCBTRL
	RIDCOR Infra Projects Limited (Subsidiary of RIDCOR)	RIPL
Associates	ITNL Toll Management Services Limited (subsidiary of NTBCL)	ITMSL
	Pario Developers Private Limited	PDPL
	CGI 8 S.A.	CGISA
	Elsamex Infrastructure Company WLL	EICW
	Elsamex Road Technology Co. Ltd <sup>®</sup>	ERTCL
	Sociedad Concesionaria Autovía A-4 Madrid S.A	SCAAMSA
	Ramky Elsamex Hyderabad Ring Road Limited	REHRRL
	Noida Toll Bridge Company Limited	NTBCL
	Geotecnia y Control De Qualitat, S.A.	GYCDQSA
	Consorcio De Obras Civiles, Conciviles, S.R.L.	CDOCCSRL
	Rajasthan Land Holdings Limited #	RLHL
	Vías Y Construcciones, Viacon, S.R.L.	VTCVSRL

**IL&FS TRANSPORTATION NETWORKS LIMITED**

Notes to the Standalone Financial Statements for the year ended March 31, 2019

**Note 41. Related Party Disclosures (contd...)**

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

Nature of Relationship	Name of Entity	Abbreviation used
Key Management Personnel ("KMP")	Mr. K. Ramchand, Managing Director (resigned w.e.f. October 29, 2018)	
	Mr. Krishna Ghag, Company Secretary	
	Mr. Dilip Bhatia, Chief Financial Officer (upto September 22, 2018 and CEO Officiating w.e.f. November 15, 2018, CEO w.e.f. April 24, 2019)	
	Ms. Shaivali Parekh Chief Financial Officer (w.e.f. December 13, 2018 and resigned w.e.f. January 31, 2020)	
	Mr. Mohit Bhasin, Chief Financial Officer (appointed w.e.f February 01, 2020)	
	Mr. Mukund Sapre (resigned w.e.f. November 02, 2018)	
	<del>Mr. Vineet Nayyar (Appointment w.e.f October 25, 2018)</del>	
	<del>Mr. Nand Kishore (Appointment w.e.f November 15, 2018)</del>	
	<del>Mr. C.S. Rajan (Appointment w.e.f October 25, 2018)</del>	
	Mr. Deepak Dasgupta (resigned w.e.f. March 31, 2019)	
	Mr. R. C. Sinha (Resigned w.e.f. March 31, 2019)	
	Mr. H. P. Jamdar (Resigned w.e.f. March 31, 2019)	
	Mr. Ravi Parthasarathy (Resigned w.e.f. July 21, 2018)	
	Mr. Hari Sankaran (Resigned w.e.f. October 1, 2018)	
	Mr. Arun K Saha (Resigned w.e.f. October 1, 2018)	
Ms. Neeru Singh (Resigned w.e.f. November 01, 2018)		
Mr. Bijay Kumar (Appointed w.e.f May 21, 2019)		
Relatives of KMP (Only with whom there have been transaction during the year/ there was balance outstanding at the year end)	Ms. Rita Ramchand (Wife of K Ramchand)	
	Mr. Ankush Dilip Bhatia (Son of Dilip Bhatia)	
	Mrs. Sangeeta Sapre (Wife of Mukund Sapre)	

# considered an Associate as per the provisions of Ind AS 110, as the same is wholly owned subsidiary of Pario Developers Private Limited which is evaluated as an associate of the Company. (refer note 1.12 and note 4 (j))

@ Company under liquidation



**IL&FS TRANSPORTATION NETWORKS LIMITED**
**Notes to the Standalone Financial Statements for the period ended March 31, 2019**
**Note 41. Related Party Disclosures (Continue...)**

(b) transactions/ balances with above mentioned related parties (Current Year)

₹ in crore							
Particulars	Holding Company	Subsidiaries	Other related parties	Joint Ventures	Associates	KMP and their relatives	Total
<b>Balances as of March 31, 2019</b>							
<b>Unsecured Borrowings (inclusive of Interest accrued)</b>							
ILFS	2,546.36	-	-	-	-	-	2,546.36
Others	-	77.50	19.49	-	-	-	96.99
	<b>2,546.36</b>	<b>77.50</b>	<b>19.49</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,643.35</b>
<b>Unsecured Loans Given</b>							
BAEL	-	904.68	-	-	-	-	904.68
JRPICL	-	817.60	-	-	-	-	817.60
Others	-	5,774.61	137.97	222.63	185.98	-	6,321.19
	<b>-</b>	<b>7,496.89</b>	<b>137.97</b>	<b>222.63</b>	<b>185.98</b>	<b>-</b>	<b>8,043.47</b>
<b>Trade Payables</b>							
IECCL	-	-	97.56	-	-	-	97.56
EMSL	-	97.11	-	-	-	-	97.11
IRIDCL	-	42.69	-	-	-	-	42.69
IRL	-	37.51	-	-	-	-	37.51
Others	31.08	15.47	52.04	3.11	0.00	0.00	101.70
	<b>31.08</b>	<b>192.78</b>	<b>149.60</b>	<b>3.11</b>	<b>0.00</b>	<b>0.00</b>	<b>376.57</b>
<b>Trade Receivable</b>							
KSEL	-	624.29	-	-	-	-	624.29
CNTL	-	517.88	-	-	-	-	517.88
BAEL	-	365.03	-	-	-	-	365.03
MPBCDCL	-	265.48	-	-	-	-	265.48
Others	0.41	546.62	82.60	32.14	0.31	-	662.08
	<b>0.41</b>	<b>2,319.30</b>	<b>82.60</b>	<b>32.14</b>	<b>0.31</b>	<b>-</b>	<b>2,434.76</b>
<b>Investments</b>							
IIPL	-	779.92	-	-	-	-	779.92
IRL	-	688.17	-	-	-	-	688.17
Others	-	4,428.76	-	231.61	321.05	-	4,981.42
	<b>-</b>	<b>5,896.85</b>	<b>-</b>	<b>231.61</b>	<b>321.05</b>	<b>-</b>	<b>6,449.51</b>
<b>Impairment Loss on Investments</b>							
IIPL	-	779.92	-	-	-	-	779.92
IRL	-	688.17	-	-	-	-	688.17
Others	-	4,350.06	-	224.21	307.41	-	4,881.69
	<b>-</b>	<b>5,818.15</b>	<b>-</b>	<b>224.21</b>	<b>307.41</b>	<b>-</b>	<b>6,349.77</b>
<b>Impairment Loss on Trade Receivable</b>							
KSEL	-	624.29	-	-	-	-	624.29
CNTL	-	486.85	-	-	-	-	486.85
BAEL	-	365.03	-	-	-	-	365.03
MPBCDCL	-	265.48	-	-	-	-	265.48
Others	-	467.58	69.62	31.82	0.31	-	569.33
	<b>-</b>	<b>2,209.23</b>	<b>69.62</b>	<b>31.82</b>	<b>0.31</b>	<b>-</b>	<b>2,310.98</b>
<b>Impairment Loss on Other Financials Assets</b>							
SOIRIT	-	6.48	-	-	-	-	6.48
ITL	-	-	1.65	-	-	-	1.65
Others	-	-	0.02	-	-	-	0.02
	<b>-</b>	<b>6.48</b>	<b>1.67</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8.15</b>
<b>Impairment Loss on unsecured Loans</b>							
BAEL	-	862.07	-	-	-	-	862.07
JRPICL	-	817.60	-	-	-	-	817.60
MPBCDCL	-	653.62	-	-	-	-	653.62
IRIDCL	-	617.06	-	-	-	-	617.06
Others	-	2,736.45	53.92	95.54	96.13	-	2,982.04
	<b>-</b>	<b>5,686.80</b>	<b>53.92</b>	<b>95.54</b>	<b>96.13</b>	<b>-</b>	<b>5,932.39</b>
<b>Contract Assets</b>							
KNCEL	-	311.21	-	-	-	-	311.21
Others	-	66.10	-	2.33	-	-	68.43
	<b>-</b>	<b>377.31</b>	<b>-</b>	<b>2.33</b>	<b>-</b>	<b>-</b>	<b>379.64</b>
<b>Contract Liabilities</b>							
JRPICL	-	15.36	-	-	-	-	15.36
WGEL	-	2.12	-	-	-	-	2.12
Others	-	1.46	-	-	-	-	1.46
	<b>-</b>	<b>18.94</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18.94</b>
<b>Impairment Loss on Contract Assets</b>							
KNCEL	-	311.21	-	-	-	-	311.21
Others	-	64.08	-	-	-	-	64.08
	<b>-</b>	<b>375.29</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>375.29</b>

**IL&FS TRANSPORTATION NETWORKS LIMITED**

Notes to the Standalone Financial Statements for the period ended March 31, 2019

**Note 41. Related Party Disclosures (Continue...)**

(b) transactions/ balances with above mentioned related parties (Current Year)

₹ in crore							
Particulars	Holding Company	Subsidiaries	Other related parties	Joint Ventures	Associates	KMP and their relatives	Total
<b>Other Financial Assets</b>							
SOIRIT	-	6.48	-	-	-	-	6.48
ITL	-	-	1.65	-	-	-	1.65
Others	-	0.00	0.02	-	-	0.17	0.19
	-	<b>6.48</b>	<b>1.67</b>	-	-	<b>0.17</b>	<b>8.32</b>
<b>Other Assets</b>							
ILFS	0.24	-	-	-	-	-	0.24
Others	-	0.17	0.00	0.01	-	-	0.18
	<b>0.24</b>	<b>0.17</b>	<b>0.00</b>	<b>0.01</b>	-	-	<b>0.42</b>
<b>Impairment Loss on Other Assets</b>							
ILFS	0.24	-	-	-	-	-	0.24
	<b>0.24</b>	-	-	-	-	-	<b>0.24</b>
<b>Guarantees/counter guarantees issued to outsiders in respect of group companies</b>							
IOPL	-	1,033.26	-	-	-	-	1,033.26
I IPL	-	726.30	-	-	-	-	726.30
IOTPL-3	-	287.50	-	-	-	-	287.50
Others	-	481.77	-	-	-	-	481.77
	-	<b>2,528.83</b>	-	-	-	-	<b>2,528.83</b>
<b>DSRA Support undertaking given to Bank on behalf of Group companies</b>							
PSRDCL	-	102.77	-	-	-	-	102.77
CNTL	-	56.67	-	-	-	-	56.67
	-	<b>159.44</b>	-	-	-	-	<b>159.44</b>
<b>Sponsor Guarantees given to Bank on behalf of Group companies</b>							
KSEL	-	81.28	-	-	-	-	81.28
	-	<b>81.28</b>	-	-	-	-	<b>81.28</b>
<b>Letter of awareness issued to IFIN on behalf of Group companies</b>							
RIDCOR	-	-	-	250.00	-	-	250.00
MBEL	-	140.00	-	-	-	-	140.00
	-	<b>140.00</b>	-	<b>250.00</b>	-	-	<b>390.00</b>
<b>Letter of awareness issued to Group companies on behalf of outsiders</b>							
IFIN	-	-	1,860.00	-	-	-	1,860.00
	-	-	<b>1,860.00</b>	-	-	-	<b>1,860.00</b>
<b>Letter of awareness issued to outsiders and Group company on behalf of group companies</b>							
CNTL	-	750.00	-	-	-	-	750.00
IIDL	-	379.27	-	-	-	-	379.27
ESA	-	271.96	-	-	-	-	271.96
Others	-	503.15	-	35.50	49.99	-	588.64
	-	<b>1,904.38</b>	-	<b>35.50</b>	<b>49.99</b>	-	<b>1,989.87</b>
<b>Transactions during the year</b>							
<b>Borrowings (inclusive of non cash transactions)</b>							
ILFS	3,379.43	-	-	-	-	-	3,379.43
Others	-	69.00	-	-	-	-	69.00
	<b>3,379.43</b>	<b>69.00</b>	-	-	-	-	<b>3,448.43</b>
<b>Repayment of Borrowings (inclusive of non cash transactions)</b>							
ILFS	974.60	-	-	-	-	-	974.60
Others	-	-	22.00	-	-	-	22.00
	<b>974.60</b>	-	<b>22.00</b>	-	-	-	<b>996.60</b>
<b>Loans given (inclusive of non cash transactions)</b>							
SSTL	-	563.31	-	-	-	-	563.31
ACEL	-	393.22	-	-	-	-	393.22
Others	-	1,641.22	52.50	17.20	0.42	-	1,711.34
	-	<b>2,597.75</b>	<b>52.50</b>	<b>17.20</b>	<b>0.42</b>	-	<b>2,667.87</b>
<b>Repayment of loans given (inclusive of non cash transactions)</b>							
SSTL	-	297.53	-	-	-	-	297.53
MBEL	-	252.59	-	-	-	-	252.59
FSEL	-	104.75	-	-	-	-	104.75
Others	-	33.58	1.14	36.25	-	2.50	73.47
	-	<b>688.45</b>	<b>1.14</b>	<b>36.25</b>	-	<b>2.50</b>	<b>728.34</b>
<b>Purchase of/ Investments in equity shares</b>							
JIIICL	-	35.00	-	-	-	-	35.00
FSEL	-	34.50	-	-	-	-	34.50
JSEL	-	16.80	-	-	-	-	16.80
BAEL	-	13.00	-	-	-	-	13.00
Others	-	10.21	-	-	-	-	10.21
	-	<b>109.51</b>	-	-	-	-	<b>109.51</b>

**IL&FS TRANSPORTATION NETWORKS LIMITED**
**Notes to the Standalone Financial Statements for the period ended March 31, 2019**
**Note 41. Related Party Disclosures (Continue...)**

(b) transactions/ balances with above mentioned related parties (Current Year)

₹ in crore							
Particulars	Holding Company	Subsidiaries	Other related parties	Joint Ventures	Associates	KMP and their relatives	Total
<b>Redemption of Preference Shares</b>							
IFIN	-	-	21.17	-	-	-	21.17
IMICL	-	-	21.17	-	-	-	21.17
	-	-	<b>42.34</b>	-	-	-	<b>42.34</b>
<b>Impairment Loss on Investments</b>							
I IPL	-	779.92	-	-	-	-	779.92
IRL	-	688.17	-	-	-	-	688.17
Others	-	3,971.97	-	224.21	307.44	-	4,503.62
	-	<b>5,440.06</b>	-	<b>224.21</b>	<b>307.44</b>	-	<b>5,971.71</b>
<b>Impairment Loss on Trade Receivable</b>							
KSEL	-	613.86	-	-	-	-	613.86
CNTL	-	474.94	-	-	-	-	474.94
BAEL	-	365.12	-	-	-	-	365.12
MPBCDCL	-	236.98	-	-	-	-	236.98
Others	-	385.21	49.64	27.01	0.31	-	462.17
	-	<b>2,076.11</b>	<b>49.64</b>	<b>27.01</b>	<b>0.31</b>	-	<b>2,153.07</b>
<b>Impairment Loss of contract Assets</b>							
KNCEL	-	311.21	-	-	-	-	311.21
Others	-	56.78	-	-	-	-	56.78
	-	<b>367.99</b>	-	-	-	-	<b>367.99</b>
<b>Impairment Loss on unsecured Loans</b>							
BAEL	-	831.53	-	-	-	-	831.53
JRPICL	-	806.13	-	-	-	-	806.13
IRIDCL	-	617.06	-	-	-	-	617.06
MPBCDCL	-	595.63	-	-	-	-	595.63
Others	-	2,597.10	51.79	31.54	88.38	-	2,768.81
	-	<b>5,447.45</b>	<b>51.79</b>	<b>31.54</b>	<b>88.38</b>	-	<b>5,619.16</b>
<b>Impairment Loss on other Financial Assets</b>							
SOIRIT	-	6.48	-	-	-	-	6.48
ITL	-	-	1.65	-	-	-	1.65
Others	-	-	0.02	-	-	-	0.02
	-	<b>6.48</b>	<b>1.67</b>	-	-	-	<b>8.15</b>
<b>Settlement of Liabilities on behalf of Group companies</b>							
IECCL	-	-	12.33	-	-	-	12.33
	-	-	<b>12.33</b>	-	-	-	<b>12.33</b>
<b>Guarantees/counter guarantees issued to outsiders in respect of group companies</b>							
IOPL	-	1,033.00	-	-	-	-	1,033.00
Others	-	79.28	-	-	-	-	79.28
	-	<b>1,112.28</b>	-	-	-	-	<b>1,112.28</b>
<b>Revenue Billing</b>							
BAEL	-	295.63	-	-	-	-	295.63
FSEL	-	251.31	-	-	-	-	251.31
ACEL	-	239.08	-	-	-	-	239.08
SSTL	-	172.00	-	-	-	-	172.00
KSEL	-	145.38	-	-	-	-	145.38
Others	-	85.28	-	-	-	-	85.28
	-	<b>1,188.67</b>	-	-	-	-	<b>1,188.67</b>
<b>Revenue from Operation and maintenance income</b>							
JRPICL	-	31.62	-	-	-	-	31.62
Others	-	127.07	-	20.84	-	-	147.91
	-	<b>158.69</b>	-	<b>20.84</b>	-	-	<b>179.53</b>
<b>Interest Income on Loans Given</b>							
JRPICL	-	75.16	-	-	-	-	75.16
BAEL	-	47.98	-	-	-	-	47.98
Others	-	275.56	9.43	9.92	10.28	-	305.19
	-	<b>398.70</b>	<b>9.43</b>	<b>9.92</b>	<b>10.28</b>	-	<b>428.33</b>
<b>Lease Rental Income</b>							
IECCL	-	-	22.52	-	-	-	22.52
	-	-	<b>22.52</b>	-	-	-	<b>22.52</b>
<b>Miscellaneous Income</b>							
CNTL	-	1.20	-	-	-	-	1.20
IECCL	-	-	0.40	-	-	-	0.40
IEISL	-	-	0.23	-	-	-	0.23
Others	-	0.11	0.13	-	(0.04)	0.16	0.36
	-	<b>1.31</b>	<b>0.76</b>	-	<b>(0.04)</b>	<b>0.16</b>	<b>2.19</b>
<b>Construction Cost</b>							
IECCL	-	-	161.25	-	-	-	161.25
EMSL	-	9.24	-	-	-	-	9.24
IRL	-	12.69	-	-	-	-	12.69
	-	<b>21.93</b>	<b>161.25</b>	-	-	-	<b>183.18</b>

**IL&FS TRANSPORTATION NETWORKS LIMITED**
**Notes to the Standalone Financial Statements for the period ended March 31, 2019**
**Note 41. Related Party Disclosures (Continue...)**

(b) transactions/ balances with above mentioned related parties (Current Year)

₹ in crore							
Particulars	Holding Company	Subsidiaries	Other related parties	Joint Ventures	Associates	KMP and their relatives	Total
<b>Fees for Legal &amp; Technical Services</b>							
IMICL	-	-	10.00	-	-	-	10.00
	-	-	<b>10.00</b>	-	-	-	<b>10.00</b>
<b>Impairment Loss on Other Assets</b>							
ILFS	0.24	-	-	-	-	-	0.24
	<b>0.24</b>	-	-	-	-	-	<b>0.24</b>
<b>Operation and Maintenance Expenses</b>							
EMSL	-	154.12	-	-	-	-	154.12
Others	-	-	-	0.00	-	-	0.00
	-	<b>154.12</b>	-	<b>0.00</b>	-	-	<b>154.12</b>
<b>Remuneration (refer note below)</b>							
K Ramchand (net of excess remuneration to be recovered)	-	-	-	-	-	0.76	0.76
Mukund Sapre (net of excess remuneration to be recovered)	-	-	-	-	-	0.92	0.92
Shaivali Parekh	-	-	-	-	-	0.10	0.10
Dilip Bhatia	-	-	-	-	-	-	-
Short term employee benefits	-	-	-	-	-	1.12	1.12
Post employment benefits	-	-	-	-	-	0.08	0.08
Other long term benefits	-	-	-	-	-	-	-
Termination benefits	-	-	-	-	-	-	-
Share based payment	-	-	-	-	-	-	-
<b>Sub Total</b>	-	-	-	-	-	<b>1.20</b>	<b>1.20</b>
Krishna Ghag	-	-	-	-	-	-	-
Short term employee benefits	-	-	-	-	-	0.63	0.63
Post employment benefits	-	-	-	-	-	-	-
Other long term benefits	-	-	-	-	-	-	-
Termination benefits	-	-	-	-	-	-	-
Share based payment	-	-	-	-	-	-	-
<b>Sub Total</b>	-	-	-	-	-	<b>0.63</b>	<b>0.63</b>
<b>Total</b>	-	-	-	-	-	<b>3.60</b>	<b>3.60</b>
<b>Director's Sitting Fees</b>							
R.C. Sinha	-	-	-	-	-	0.07	0.07
Deepak Dasgupta	-	-	-	-	-	0.06	0.06
Arun K Saha	-	-	-	-	-	0.05	0.05
H.P. Jamdar	-	-	-	-	-	0.05	0.05
Neeru Singh	-	-	-	-	-	0.04	0.04
Hari Sankaran	-	-	-	-	-	0.03	0.03
Others	-	-	-	-	-	0.02	0.02
	-	-	-	-	-	<b>0.32</b>	<b>0.32</b>
<b>Finance Cost (including opening unamortized borrowing cost written off)</b>							
IFIN	-	-	52.51	-	-	-	52.51
ILFS	15.00	-	-	-	-	-	15.00
IGFSPL	-	-	10.70	-	-	-	10.70
Others	-	5.89	8.39	-	-	-	14.28
	<b>15.00</b>	<b>5.89</b>	<b>71.60</b>	-	-	-	<b>92.49</b>
<b>Interest Expense</b>							
ILFS	161.28	-	-	-	-	-	161.28
Others	-	1.80	1.57	-	-	-	3.37
	<b>161.28</b>	<b>1.80</b>	<b>1.57</b>	-	-	-	<b>164.65</b>
<b>Provision for Onerous Contract</b>							
WGEL	-	5.53	-	-	-	-	5.53
	-	<b>5.53</b>	-	-	-	-	<b>5.53</b>
<b>Other Expenses</b>							
ILFS	22.41	-	-	-	-	-	22.41
Others	-	0.60	1.19	0.12	-	1.12	3.03
	<b>22.41</b>	<b>0.60</b>	<b>1.19</b>	<b>0.12</b>	-	<b>1.12</b>	<b>25.44</b>
<b>Recovery of other Expenses</b>							
CNTL	-	3.57	-	-	-	-	3.57
Others	-	0.95	0.17	-	-	-	1.12
	-	<b>4.52</b>	<b>0.17</b>	-	-	-	<b>4.69</b>

**IL&FS TRANSPORTATION NETWORKS LIMITED**
**Notes to the Standalone Financial Statements for the period ended March 31, 2019**
**Note 41. Related Party Disclosures (Continue...)**

(b) transactions/ balances with above mentioned related parties (Current Year)

₹ in crore							
Particulars	Holding Company	Subsidiaries	Other related parties	Joint Ventures	Associates	KMP and their relatives	Total
<b>Employee Benefit Expenses (Deputation cost recovery)</b>							
MBEL	-	0.54	-	-	-	-	0.54
JRPICL	-	0.52	-	-	-	-	0.52
HREL	-	0.39	-	-	-	-	0.39
Others	-	1.23	-	-	-	-	1.23
	-	<b>2.68</b>	-	-	-	-	<b>2.68</b>
<b>Reimbursement of Other Expenses</b>							
RIDCOR	-	-	-	0.54	-	-	0.54
	-	-	-	<b>0.54</b>	-	-	<b>0.54</b>
<b>note: Includes Deputation cost of ₹ 1.77 crores charged by Holding Company "IL&amp;FS"</b>							
Mr K Ramchand-Managing Director (Resigned w.e.f. October 29, 2018)	-	-	-	-	-	0.76	0.76
Mr Mukund Sapre-Executive Director (Resigned w.e.f. November 02, 2018)	-	-	-	-	-	0.92	0.92
Ms. Shaivali Parekh - CFO (Appointed w.e.f. December 13, 2018 and resigned w.e.f January 31, 2020)	-	-	-	-	-	0.10	0.10
						<b>1.77</b>	<b>1.77</b>

**IL&FS TRANSPORTATION NETWORKS LIMITED**

**Notes to the Standalone Financial Statements for the year ended March 31, 2019**

**Note 41. Related Party Disclosures (Continue...)**

**Previous year March 31, 2018**

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

<b>Nature of Relationship</b>	<b>Name of Entity</b>	<b>Abbreviation used</b>	
Holding Company	Infrastructure Leasing & Financial Services Limited	ILFS	
Subsidiaries - Direct	Amravati Chikhli Expressway Ltd	ACEL	
	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 India Private Limited	ELSAIND	
	Elsamex Maintenance Services Limited	EMSL	
	Fagne Songadh Expressway Ltd	FSEL	
	Futureage Infrastructure India Limited	FIIL	
	GRICL Rail Bridge Development Company Limited	GRBDCL	
	Gift Parking Facilities Limited (upto 15th September 2016)	GPFL	
	Grusamar India Limited	GIL	
	Hazaribagh Ranchi Expressway Limited	HREL	
	IL&FS Rail Limited	IRL	
	ITNL KMBJV		
	ITNL International Pte Ltd	IIPL	
	ITNL Offshore Pte Ltd	IOPL	
	ITNL Offshore Three Pte Ltd	IO3PL	
	ITNL Offshore Two Pte Ltd	IO2PL	
	ITNL Road Infrastructure Development Company Limited	IRIDCL	
	Jharkhand Infrastructure Implementation Company Limited	JIICL	
	Jharkhand Road Projects Implementation Company Limited	JRPICL	
	Karyavattom Sports Facilities Limited	KSFL	
	Khed Sinnar Expressway Limited	KSEL	
	Kiratpur Ner Chowk Expressway Limited	KNCEL	
	Moradabad Bareilly Expressway Limited	MBEL	
	MP Border Checkposts Development Company Limited	MPBCDCL	
	Pune Sholapur Road Development Company Limited	PSRDCL	
	Rajasthan Land Holdings Limited (Upto June 30, 2017)	RLHL	
	Ranchi Muri Road Development Limited (since August 25, 2017)	RMRDL	
	Scheme of ITNL Road Investment Trust	IRIT	
	Sikar Bikaner Highways Limited	SBHL	
	Srinagar Sonmarg Tunnelway Limited	SSTL	
	Vansh Nimay Infraprojects Limited	VNIL	
	West Gujarat Expressway Limited	WGEL	
	Yala Construction Company Private Limited	YCCPL	
	ITNL IECCCL JV		
	Subsidiaries - Indirect	Alcantarilla Fotovoltaica SA, Sociedad Unipersonal	
		Andhra Pradesh Expressway Limited (upto March 10, 2017)	
		Area De Servicio Coiros S.L.U.	
		Area De Servicio Punta Umbria S.L.U.	
Atenea Seguridad Y Medico Ambiente S.A.			
Beasolarta S.L.			
Chattisgarh Highways Development Company Limited		CHDCL	
Chirayu Kath Real Estate Private Limited (upto June 29, 2017)			
CIESM-INTEVIA S.A. Sociedad Unipersonal			
Conservacion de Infraestructuras De Mexico SA DE CV			
Control 7, S. A			
Devika Buildestate Private Limited (upto June 29, 2017)			
Elsamex Colombia SAS			
Elsamex Construcao E Manutencao LTDA, Brazil			
Elsamex Internacional, S.L, Sociedad Unipersonal			
Elsamex Portugal-Engenharia E Sistemas De Gestao, S.A		EPE	
Elsamex Vietnam Joint Stock Company (since May 18, 2016)			
IIPL LAOS Pte. Ltd. (since April 18, 2017)			
Park Line LLC (since May 04, 2016)			
Elsamex S.A. LLC (upto April 18, 2016)			
Elsamex S.A.		ESA	
ESM Mantenimiento Integral DE S.A DE C.V			
Flamingo Landbase Private Limited			
Grusamar Albania SHPK			
Grusamar Engenharia & Consultoria Brasil LTDA			
Grusamar Ingenieria Y Consulting Colombia SAS			
Grusamar Ingenieria Y Consulting, SL Sociedad Unipersonal			
IIPL USA LLC			

**IL&FS TRANSPORTATION NETWORKS LIMITED**

**Notes to the Standalone Financial Statements for the year ended March 31, 2019**

**Note 41. Related Party Disclosures (Continue...)**

**Previous year March 31, 2018**

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

<b>Nature of Relationship</b>	<b>Name of Entity</b>	<b>Abbreviation used</b>
Subsidiaries - Indirect	Inteval Gestao Integral Rodoviaria, S.A	
	ITNL Africa Projects Limited	IAPL
	ITNL International Developer LLC	
	ITNL International DMCC, Dubai (Formerly known as ITNL International JLT, Dubai)	IJLT
	Mantenimiento Y Conservacion De Vialidades, S.A. de C.V.	
	ITNL Elsamex JVCA, Botswana	EIJVCA
	North Karnataka Expressway Limited	NKEL
	Rapid MetroRail Gurgaon Limited	RMGL
	Rapid MetroRail Gurgaon South Limited	RMGSL
	Senalizacion Viales E Imagen, S.V.	
Sharjah General Services Company LLC		
Other related parties (including fellow subsidiaries) (Only with whom there have been transaction during the period/ there was balance outstanding at the Nine Months year end)	Apptex Marketing Services & Solutions Limited	APMSSL
	Bhopal E-Governance Limited	B EGL
	Gujarat Integrated Maritime Complex Private Limited	GIMCL
	IL&FS Airport Limited	IAL
	IL&FS Cluster Development Initiative Limited	ICDI
	IL&FS Education & Technologies Services Limited	IETS
	IL&FS Energy Development Company Limited	IEDCL
	IL&FS Environment Infrastructure & Services Limited	IEISL
	IL&FS Financial Services Limited	IFIN
	IL&FS Global Financial Services (UK) Ltd.	IGFSLUK
	IL&FS Global Financial Services Pte. Ltd.	IGFSL
	IL&FS Maritime Infrastructure Company Limited	IMICL
	IL&FS Renewable Energy Limited	IREL
	IL&FS Securities Services Limited	ISSL
	IL&FS Skills Development Corporation Limited	ISDC
	IL&FS Technologies Ltd.	ITL
	IL&FS Township & Urban Assets Limited	ITUAL
	IL&FS Tamil Nadu Power Company Limited	ITPCL
	IL&FS Water Limited	IWL
	IL&FS Wind Power Services Limited	IWPSL
	IL&FS Infra Assets Management Limited	IIAML
	Kanak Resources Management Limited	KRML
	Livia India Limited	LIL
	Mota Layja Gas Power Company Limited	MLGPCL
	Nana Layja Power Company Limited	NLGPCL
	PT Mantimin Coal Mining	PTMCM
	Rohtas Bio Energy Limited	RBEL
	Sabarmati Capital One Limited	SCOL
	IL&FS Urban Infrastructure Managers Limited	IUIM
	IIML Asset Advisors Limited	IAAL
	IL&FS Asian Infrastructure Managers Limited	ISIM
	IL&FS Investment Managers Limited	IIML
	Sabarmati Capital Two Limited	SCTL
Skill Training Assessment Management Partners Limited	STAMP	
Tierra Enviro Limited	TEL	
IL&FS Engineering & Construction Company limited	IECCL	
Unique Waste Processing Company Limited	UWPCL	
Associates	ITNL Toll Management Services Limited	ITMSL
	Gujarat Road and Infrastructure Company Limited	GRICL
	Noida Toll Bridge Company Limited	NTBCL
	Geotecnia y Control De Qualitat, S.A.	
	Consorcio De Obras Civiles, Conciviles, S.R.L	
	Vias Y Construcciones, Viacon, S. R. L.	
	CGI 8 S.A.	CGI-8
	Pario Developers Private Limited (since June 30, 2017)	PDPL
	Elsamex Infrastructure Company WLL	EICWLL
	Elsamex Road Technology Company Limited	ERT(China)
	Ramky Elsamex Ring Road Limited, Hyderabad	REHRR
	Rajasthan Land Holdings Limited #	RLHL
	Sociedad Concesionaria Autovía A-4 Madrid S.A	A4 CONCESSION
Joint Ventures	Jorabat Shillong Expressway Limited	JSEL
	Road Infrastructure Development Company of Rajasthan Limited	RIDCOR
	Jharkhand Accelerated Road Development Company Limited	JARDCL
	Thiruvananthpuram Road Development Company Limited	TRDCL
	Warora Chandrapur Ballarpur Toll Road Limited	WCBTRL
	N.A.M. Expressway Limited	NAMEL
	Chongqing Yuhe Expressway Co. Ltd.	
	RIDCOR Infra Projects Limited (Subsidiary of RIDCOR)	RIPL

**IL&FS TRANSPORTATION NETWORKS LIMITED**

Notes to the Standalone Financial Statements for the year ended March 31, 2019

**Note 41. Related Party Disclosures (Continue...)**

Previous year March 31, 2018

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

<b>Nature of Relationship</b>	<b>Name of Entity</b>	<b>Abbreviation used</b>
Key Management Personnel ("KMP")	Mr K Ramchand-Managing Director	
	Mr Mukund Sapre-Executive Director	
	Mr Krishna Ghag, Company Secretary	
	Mr Dilip Bhatia, Chief Financial Officer	
	Mr Deepak Dasgupta-Non-Executive Director	
	Mr R.C. Sinha-Non-Executive Director	
	Mr H.P Jamdar-Non-Executive Director	
	Mr Ravi Parthasarathy-Non-Executive Director	
	Mr Hari Sankaran-Non-Executive Director	
	Mr Arun K Saha-Non-Executive Director	
	Mr Pradeep Puri-Non-Executive Director (upto November 20, 2017)	
	Ms Neeru Singh-Non-Executive Director	
Relatives of KMP	Mrs Rita Ramchand (wife of Mr K Ramchand)	
	Mrs Sangeeta Sapre (wife of Mr Mukund Sapre)	
	Mrs Vishpala Parthasarathy (wife of Mr Ravi Parthasarathy)	

# the Company is considered an Associate under Ind AS 110 since the same is wholly owned subsidiary of Pario Developers Private Limited which is as associate of the Company.



**IL&FS TRANSPORTATION NETWORKS LIMITED**
**Notes to the Standalone Financial Statements for the period ended March 31, 2019**
**Note 41. Related Party Disclosures (Continue...)**

(b) transactions/ balances with above mentioned related parties (previous year)

₹ in crore

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Joint Venture	KMP and their relatives	Total
<b>Balances as at March 31, 2018</b>							
<b>Equity share Capital</b>							
ILFS	236.58	-	-	-	-	-	236.58
Others	-	-	4.27	-	-	-	4.27
	<b>236.58</b>	-	<b>4.27</b>	-	-	-	<b>240.85</b>
<b>Advances recoverable considered doubtful</b>							
IAL	-	-	22.06	-	-	-	22.06
	-	-	<b>22.06</b>	-	-	-	<b>22.06</b>
<b>Unbilled revenue</b>							
BAEL	-	275.04	-	-	-	-	275.04
KNCEL	-	318.71	-	-	-	-	318.71
Others	-	229.57	-	-	20.42	-	249.99
	-	<b>823.33</b>	-	-	<b>20.42</b>	-	<b>843.74</b>
<b>Unearned revenue</b>							
IRIDCL	-	22.66	-	-	-	-	22.66
MBEL	-	13.10	-	-	-	-	13.10
SSTL	-	76.82	-	-	-	-	76.82
Others	-	0.00	-	-	-	-	0.00
	-	<b>112.58</b>	-	-	-	-	<b>112.58</b>
<b>Investments</b>							
I IPL	-	779.92	-	-	-	-	779.92
Others	-	4,159.05	-	341.65	407.39	-	4,908.10
	-	<b>4,938.98</b>	-	<b>341.65</b>	<b>407.39</b>	-	<b>5,688.02</b>
<b>Investment assets held for sale</b>							
PSRDCL	-	362.86	-	-	-	-	362.86
IRL	-	338.94	-	-	-	-	338.94
	-	<b>701.80</b>	-	-	-	-	<b>701.80</b>
<b>Fair Valuation of Investments - Increase</b>							
BAEL	-	221.00	-	-	-	-	221.00
PSRDCL	-	202.86	-	-	-	-	202.86
	-	<b>423.86</b>	-	-	-	-	<b>423.86</b>
<b>Fair Valuation of Investments - Decrease</b>							
HREL	-	136.26	-	-	-	-	136.26
JRPICL	-	259.45	-	-	-	-	259.45
MPBCDCL	-	110.28	-	-	-	-	110.28
Others	-	101.53	-	29.29	43.04	-	173.86
	-	<b>607.52</b>	-	<b>29.29</b>	<b>43.04</b>	-	<b>679.85</b>
<b>Retention Money Receivable</b>							
JSEL	-	-	-	-	50.47	-	50.47
KSEL	-	72.76	-	-	-	-	72.76
PSRDCL	-	48.68	-	-	-	-	48.68
SBHL	-	36.33	-	-	-	-	36.33
Others	-	27.42	-	-	-	-	27.42
	-	<b>185.18</b>	-	-	<b>50.47</b>	-	<b>235.65</b>
<b>Retention Money Payable</b>							
EMSL	-	6.83	-	-	-	-	6.83
IECCL	-	-	22.92	-	-	-	22.92
Others	-	1.80	1.58	-	-	-	3.38
	-	<b>8.63</b>	<b>24.49</b>	-	-	-	<b>33.12</b>
<b>Mobilisation Advance paid</b>							
IECCL	-	-	42.90	-	-	-	42.90
Others	-	0.59	4.00	-	-	-	4.59
	-	<b>0.59</b>	<b>46.90</b>	-	-	-	<b>47.49</b>

IL&FS TRANSPORTATION NETWORKS LIMITED							
Notes to the Standalone Financial Statements for the period ended March 31, 2019							
Note 41. Related Party Disclosures (Continue...)							
(b) transactions/ balances with above mentioned related parties (previous year)							₹ in crore
Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Joint Venture	KMP and their relatives	Total
<b>Unamortised Borrowing Cost</b>							
ILFS	0.90	-	-	-	-	-	0.90
IGFSL	-	-	10.70	-	-	-	10.70
IFIN	-	-	49.20	-	-	-	49.20
Others	-	0.06	4.27	-	-	-	4.32
	<b>0.90</b>	<b>0.06</b>	<b>64.16</b>	-	-	-	<b>65.12</b>
<b>Prepaid Expenses</b>							
ILFS	0.26	-	-	-	-	-	0.26
	<b>0.26</b>	-	-	-	-	-	<b>0.26</b>
<b>Investment Commitment</b>							
ACEL	-	285.85	-	-	-	-	285.85
FSEL	-	222.25	-	-	-	-	222.25
IRIDCL	-	401.00	-	-	-	-	401.00
RMRDL	-	129.95	-	-	-	-	129.95
Others	-	250.48	-	-	-	-	250.48
	-	<b>1,289.53</b>	-	-	-	-	<b>1,289.53</b>
<b>Sub debt Commitment</b>							
ACEL	-	266.31	-	-	-	-	266.31
IRIDCL	-	144.22	-	-	-	-	144.22
SSTL	-	315.83	-	-	-	-	315.83
Others	-	23.64	-	-	21.86	-	45.50
	-	<b>750.00</b>	-	-	<b>21.86</b>	-	<b>771.86</b>
<b>Rent Deposit</b>							
Mr K Ramchand-Managing Director	-	-	-	-	-	0.10	0.10
Mr Mukund Sapre-Executive Director	-	-	-	-	-	0.05	0.05
Mrs Rita Ramchand ( Wife of Mr K Ramchand)	-	-	-	-	-	0.05	0.05
Mrs Sangeeta Sapre (wife of Mr Mukund Sapre)	-	-	-	-	-	0.05	0.05
	-	-	-	-	-	<b>0.25</b>	<b>0.25</b>
<b>Interest on trade receivables from related parties</b>							
BAEL	-	78.21	-	-	-	-	78.21
FSEL	-	25.97	-	-	-	-	25.97
KSEL	-	79.55	-	-	-	-	79.55
Others	-	18.80	-	-	-	-	18.80
	-	<b>202.53</b>	-	-	-	-	<b>202.53</b>
<b>Provision for diminution in the value of Investments</b>							
VNIL	-	14.50	-	-	-	-	14.50
Others	-	0.05	-	-	-	-	0.05
	-	<b>14.55</b>	-	-	-	-	<b>14.55</b>
<b>Trade Receivables.</b>							
CNTL	-	440.82	-	-	-	-	440.82
FSEL	-	401.70	-	-	-	-	401.70
KSEL	-	412.50	-	-	-	-	412.50
SSTL	-	645.90	-	-	-	-	645.90
Others	-	1,095.54	6.59	0.35	219.83	-	1,322.30
	-	<b>2,996.46</b>	<b>6.59</b>	<b>0.35</b>	<b>219.83</b>	-	<b>3,223.22</b>
<b>Fair Valuation of Investments - Increase</b>							
PDPL	-	-	-	8.37	-	-	8.37
	-	-	-	<b>8.37</b>	-	-	<b>8.37</b>
<b>Preconstruction and Mobilisation advance paid to contractors and other advances</b>							
ILFS	1.19	-	-	-	-	-	1.19
IECCL	-	-	91.64	-	-	-	91.64
Others	-	-	10.07	-	-	-	10.07
	<b>1.19</b>	-	<b>101.71</b>	-	-	-	<b>102.90</b>

IL&FS TRANSPORTATION NETWORKS LIMITED							
Notes to the Standalone Financial Statements for the period ended March 31, 2019							
Note 41. Related Party Disclosures (Continue...)							
(b) transactions/ balances with above mentioned related parties (previous year)							₹ in crore
Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Joint Venture	KMP and their relatives	Total
<b>Trade payables other than MSME</b>							
ILFS	7.31	-	-	-	-	-	7.31
IRL	-	36.23	-	-	-	-	36.23
EMSL	-	54.55	-	-	-	-	54.55
IECCL	-	-	94.42	-	-	-	94.42
IFIN	-	-	28.86	-	-	-	28.86
Others	-	8.02	23.80	0.00	2.89	0.05	34.77
	<b>7.31</b>	<b>98.81</b>	<b>147.07</b>	<b>0.00</b>	<b>2.89</b>	<b>0.05</b>	<b>256.14</b>
<b>Short-term Borrowings</b>							
GIMCL	-	-	12.43	-	-	-	12.43
NKEL	-	6.73	-	-	-	-	6.73
IIML	-	-	5.00	-	-	-	5.00
IUIM	-	-	6.00	-	-	-	6.00
IAAL	-	-	7.50	-	-	-	7.50
Others	-	-	7.90	-	-	-	7.90
	-	<b>6.73</b>	<b>38.83</b>	-	-	-	<b>45.56</b>
<b>Mobilisation Advances Received (Long-term)</b>							
IRIDCL	-	57.90	-	-	-	-	57.90
SSTL	-	64.85	-	-	-	-	64.85
Others	-	9.71	-	-	2.46	-	12.18
	-	<b>132.46</b>	-	-	<b>2.46</b>	-	<b>134.92</b>
<b>Mobilisation Advances Received (Short-term)</b>							
BAEL	-	51.25	-	-	-	-	51.25
SSTL	-	12.73	-	-	-	-	12.73
KNCEL	-	31.97	-	-	-	-	31.97
Others	-	3.99	-	-	-	-	3.99
	-	<b>99.94</b>	-	-	-	-	<b>99.94</b>
<b>Long-Term Borrowings</b>							
IFIN	-	-	206.46	-	-	-	206.46
IMICL	-	-	206.46	-	-	-	206.46
	-	-	<b>412.92</b>	-	-	-	<b>412.92</b>
<b>Loans given - Non current</b>							
BAEL	-	854.53	-	-	-	-	854.53
JRPICL	-	752.82	-	-	-	-	752.82
Others	-	2,209.80	-	75.83	149.53	-	2,435.16
	-	<b>3,817.15</b>	-	<b>75.83</b>	<b>149.53</b>	-	<b>4,042.51</b>
<b>Loans given - Current</b>							
MBEL	-	369.72	-	-	-	-	369.72
MPBCDCL	-	364.19	-	-	-	-	364.19
PSRDCL	-	237.50	-	-	-	-	237.50
Others	-	376.48	103.81	81.07	210.37	2.50	774.24
	-	<b>1,347.89</b>	<b>103.81</b>	<b>81.07</b>	<b>210.37</b>	<b>2.50</b>	<b>1,745.64</b>
<b>Interest accrued but not due on borrowings</b>							
NKEL	-	0.14	-	-	-	-	0.14
Others	-	-	0.03	-	-	-	0.03
	-	<b>0.14</b>	<b>0.03</b>	-	-	-	<b>0.17</b>
<b>Allowance for Expected Credit Loss on non current Loans</b>							
BAEL	-	30.53	-	-	-	-	30.53
JSEL	-	-	-	-	33.64	-	33.64
MPBCDCL	-	57.99	-	-	-	-	57.99
VNIL	-	29.10	-	-	-	-	29.10
TRDCL	-	-	-	-	61.15	-	61.15
Others	-	4.27	-	7.75	3.29	-	15.31
	-	<b>121.90</b>	-	<b>7.75</b>	<b>98.08</b>	-	<b>227.72</b>

IL&FS TRANSPORTATION NETWORKS LIMITED							
Notes to the Standalone Financial Statements for the period ended March 31, 2019							
Note 41. Related Party Disclosures (Continue...)							
(b) transactions/ balances with above mentioned related parties (previous year)							₹ in crore
Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Joint Venture	KMP and their relatives	Total
<b>Provision for Doubtful Assets</b>							
VNIL	-	83.80	-	-	-	-	83.80
Others	-	-	1.82	-	-	-	1.82
	-	<b>83.80</b>	<b>1.82</b>	-	-	-	<b>85.62</b>
<b>Dividend receivable</b>							
IRIT	-	6.48	-	-	-	-	6.48
	-	<b>6.48</b>	-	-	-	-	<b>6.48</b>
<b>Allowance for Expected Credit Loss on Receivable</b>							
MPBCDCL	-	28.49	-	-	-	-	28.49
WGEL	-	43.34	-	-	-	-	43.34
Others	-	46.87	-	-	18.91	-	65.78
	-	<b>118.71</b>	-	-	<b>18.91</b>	-	<b>137.62</b>
<b>Advances Recoverable</b>							
ILFS	0.41	-	-	-	-	-	0.41
CNTL	-	43.35	-	-	-	-	43.35
PTMCM	-	-	18.36	-	-	-	18.36
JAL	-	-	27.61	-	-	-	27.61
Others	-	75.34	2.10	-	5.07	0.14	82.65
	<b>0.41</b>	<b>118.69</b>	<b>48.07</b>	-	<b>5.07</b>	<b>0.14</b>	<b>172.37</b>
<b>Allowance for Expected Credit Loss on Advances Recoverables</b>							
PTMCM	-	-	1.99	-	-	-	1.99
	-	-	<b>1.99</b>	-	-	-	<b>1.99</b>
<b>Fair Valuation of Deemed Investments - Decrease</b>							
HREL	-	175.11	-	-	-	-	175.11
JRPICL	-	118.17	-	-	-	-	118.17
SBHL	-	109.45	-	-	-	-	109.45
	-	<b>402.74</b>	-	-	-	-	<b>402.74</b>
<b>Letter of awareness issued to IFIN on behalf of Group companies</b>							
RIDCOR	-	-	-	250.00	-	-	250.00
MBEL	-	140.00	-	-	-	-	140.00
	-	<b>140.00</b>	-	<b>250.00</b>	-	-	<b>390.00</b>
<b>Letter of awareness issued to Group companies on behalf of outsiders</b>							
IFIN	-	-	1,860.00	-	-	-	1,860.00
	-	-	<b>1,860.00</b>	-	-	-	<b>1,860.00</b>
<b>Letter of awareness issued to outsiders and a group company on behalf of group companies</b>							
CNTL	-	750.00	-	-	-	-	750.00
IIDL	-	356.64	-	-	-	-	356.64
ESA	-	282.18	-	-	-	-	282.18
Others	-	780.19	-	35.50	60.00	-	875.69
	-	<b>2,169.01</b>	-	<b>35.50</b>	<b>60.00</b>	-	<b>2,264.51</b>
<b>Deemed Investment</b>							
HREL	-	175.11	-	-	-	-	175.11
JRPICL	-	118.17	-	-	-	-	118.17
SBHL	-	109.45	-	-	-	-	109.45
Others	-	29.15	-	-	-	-	29.15
	-	<b>431.89</b>	-	-	-	-	<b>431.89</b>
<b>Guarantees received in respect of Group Companies</b>							
ILFS	1,500.00	-	-	-	-	-	1,500.00
	<b>1,500.00</b>	-	-	-	-	-	<b>1,500.00</b>

IL&FS TRANSPORTATION NETWORKS LIMITED							
Notes to the Standalone Financial Statements for the period ended March 31, 2019							
Note 41. Related Party Disclosures (Continue...)							
(b) transactions/ balances with above mentioned related parties (previous year)							₹ in crore
Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Joint Venture	KMP and their relatives	Total
<b>Guarantees issued to outsider in respect of Group Companies</b>							
IIPL	-	617.92	-	-	-	-	617.92
EIJVCA	-	-	-	-	211.96	-	211.96
IO2PL	-	777.99	-	-	-	-	777.99
IO3PL	-	298.30	-	-	-	-	298.30
Others	-	78.07	1.41	-	58.83	-	138.31
	-	<b>1,772.28</b>	<b>1.41</b>	-	<b>270.80</b>	-	<b>2,044.49</b>
<b>Transaction</b>							
<b>Expected Credit loss on Loans</b>							
BAEL	-	13.97	-	-	-	-	13.97
FSEL	-	12.16	-	-	-	-	12.16
JSEL	-	-	-	-	33.64	-	33.64
VNIL	-	13.75	-	-	-	-	13.75
Others	-	27.48	-	2.03	2.99	-	32.50
	-	<b>67.36</b>	-	<b>2.03</b>	<b>36.63</b>	-	<b>106.02</b>
<b>Interest Income on Financial Assets</b>							
BAEL	-	90.41	-	-	-	-	90.41
JRPICL	-	76.12	-	-	-	-	76.12
Others	-	482.10	17.97	13.45	35.35	-	548.87
	-	<b>648.63</b>	<b>17.97</b>	<b>13.45</b>	<b>35.35</b>	-	<b>715.40</b>
<b>Reversal of Expected Credit loss on Loans</b>							
JRPICL	-	144.97	-	-	-	-	144.97
MPBCDCL	-	118.73	-	-	-	-	118.73
SBHL	-	137.57	-	-	-	-	137.57
Others	-	16.95	-	-	16.72	-	33.67
	-	<b>418.22</b>	-	-	<b>16.72</b>	-	<b>434.94</b>
<b>Remuneration to director / KMP*</b>							
Mr Dilip Bhatia-Chief Financial Officer	-	-	-	-	-	2.45	2.45
Mr K Ramchand-Managing Director	-	-	-	-	-	4.19	4.19
Mr Mukund Sapre-Executive Director	-	-	-	-	-	2.88	2.88
Others	-	-	-	-	-	1.95	1.95
	-	-	-	-	-	<b>11.48</b>	<b>11.48</b>
<b>Rent Expense</b>							
Mr K Ramchand-Managing Director	-	-	-	-	-	0.34	0.34
Mr Mukund Sapre-Executive Director	-	-	-	-	-	0.16	0.16
Mrs Rita Ramchand ( Wife of Mr K Ramchand)	-	-	-	-	-	0.49	0.49
Mrs Sangeeta Sapre (wife of Mr Mukund Sapre)	-	-	-	-	-	0.16	0.16
Others	-	-	-	-	-	0.09	0.09
	-	-	-	-	-	<b>1.25</b>	<b>1.25</b>
<b>Revenue from operations</b>							
BAEL	-	598.75	-	-	-	-	598.75
FSEL	-	847.71	-	-	-	-	847.71
KNCEL	-	368.15	-	-	-	-	368.15
Others	-	1,173.66	-	-	103.03	-	1,276.69
	-	<b>2,988.28</b>	-	-	<b>103.03</b>	-	<b>3,091.31</b>
<b>Borrowings</b>							
ILFS	4,364.35	-	-	-	-	-	4,364.35
Others	-	-	1,159.93	-	-	-	1,159.93
	<b>4,364.35</b>	-	<b>1,159.93</b>	-	-	-	<b>5,524.28</b>
<b>Repayment of borrowings</b>							
ILFS	4,365.18	-	-	-	-	-	4,365.18
Others	-	21.42	1,124.10	-	75.00	-	1,220.52
	<b>4,365.18</b>	<b>21.42</b>	<b>1,124.10</b>	-	<b>75.00</b>	-	<b>5,585.70</b>

IL&FS TRANSPORTATION NETWORKS LIMITED							
Notes to the Standalone Financial Statements for the period ended March 31, 2019							
Note 41. Related Party Disclosures (Continue...)							
(b) transactions/ balances with above mentioned related parties (previous year)							₹ in crore
Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Joint Venture	KMP and their relatives	Total
<b>Fair Valuation of Investments - Decrease</b>							
CNTL	-	44.26	-	-	-	-	44.26
JSEL	-	-	-	-	26.01	-	26.01
Others	-	0.05	-	-	-	-	0.05
	-	<b>44.31</b>	-	-	<b>26.01</b>	-	<b>70.32</b>
<b>Miscellaneous Income</b>							
Elsamex SA	-	3.18	-	-	-	-	3.18
IECCL	-	-	23.06	-	-	-	23.06
Others	-	-	0.60	-	-	-	0.60
	-	<b>3.18</b>	<b>23.66</b>	-	-	-	<b>26.84</b>
<b>Dividend</b>							
IRIT	-	20.03	-	-	-	-	20.03
NKEL	-	4.70	-	-	-	-	4.70
	-	<b>24.73</b>	-	-	-	-	<b>24.73</b>
<b>Finance Charges</b>							
ILFS	12.72	-	-	-	-	-	12.72
IFIN	-	-	47.74	-	-	-	47.74
Others	-	1.08	7.33	-	-	-	8.41
	<b>12.72</b>	<b>1.08</b>	<b>55.07</b>	-	-	-	<b>68.87</b>
<b>Expected Credit Loss on Other Financial Assets</b>							
BAEL	-	2.20	-	-	-	-	2.20
KSEL	-	1.35	-	-	-	-	1.35
Others	-	-	0.13	-	-	-	0.13
	-	<b>3.55</b>	<b>0.13</b>	-	-	-	<b>3.68</b>
<b>Interest on loans (Expense)</b>							
ILFS	101.51	-	-	-	-	-	101.51
Others	-	2.02	79.74	-	11.97	-	93.72
	<b>101.51</b>	<b>2.02</b>	<b>79.74</b>	-	<b>11.97</b>	-	<b>195.23</b>
<b>Reversal of Expected Credit Loss on Receivables</b>							
CNTL	-	117.07	-	-	-	-	117.07
Others	-	49.69	-	-	8.71	-	58.40
	-	<b>166.76</b>	-	-	<b>8.71</b>	-	<b>175.47</b>
<b>Settlement of Liabilities on behalf of Group companies</b>							
IECCL	-	-	29.49	-	-	-	29.49
	-	-	<b>29.49</b>	-	-	-	<b>29.49</b>
<b>Repayment of loans given</b>							
CNTL	-	2,095.00	-	-	-	-	2,095.00
MBEL	-	1,281.75	-	-	-	-	1,281.75
PSRDCL	-	894.05	-	-	-	-	894.05
Others	-	3,009.22	181.47	2.42	788.26	-	3,981.36
	-	<b>7,280.02</b>	<b>181.47</b>	<b>2.42</b>	<b>788.26</b>	-	<b>8,252.17</b>
<b>Operating Expenses (Other than Construction Cost)</b>							
EMSL	-	138.21	-	-	-	-	138.21
	-	<b>138.21</b>	-	-	-	-	<b>138.21</b>
<b>Loans given</b>							
CNTL	-	1,895.34	-	-	-	-	1,895.34
MBEL	-	1,035.69	-	-	-	-	1,035.69
Others	-	4,448.36	185.39	22.63	671.42	2.50	5,330.30
	-	<b>7,379.39</b>	<b>185.39</b>	<b>22.63</b>	<b>671.42</b>	<b>2.50</b>	<b>8,261.33</b>
<b>Sale of Investment</b>							
IFIN	-	-	157.80	-	-	-	157.80
	-	-	<b>157.80</b>	-	-	-	<b>157.80</b>

**IL&FS TRANSPORTATION NETWORKS LIMITED**
**Notes to the Standalone Financial Statements for the period ended March 31, 2019**
**Note 41. Related Party Disclosures (Continue...)**

(b) transactions/ balances with above mentioned related parties (previous year)

₹ in crore

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Joint Venture	KMP and their relatives	Total
<b>Investment made/ purchased</b>							
ACEL	-	101.10	-	-	-	-	101.10
BAEL	-	125.50	-	-	-	-	125.50
Elsamex SA		116.55					116.55
FSEL		248.35					248.35
PDPL	-	-	-	150.00	-	-	150.00
Others	-	25.96	-	-	-	-	25.96
	-	<b>617.46</b>	-	<b>150.00</b>	-	-	<b>767.46</b>
<b>Fair Valuation of Deemed Investments - Decrease</b>							
HREL	-	175.11	-	-	-	-	175.11
JRPICL	-	118.17	-	-	-	-	118.17
SBHL	-	109.45	-	-	-	-	109.45
	-	<b>402.74</b>	-	-	-	-	<b>402.74</b>
<b>Guarantee Fees Income</b>							
I IPL	-	3.62	-	-	-	-	3.62
EIJVCA	-	-	-	-	2.91	-	2.91
IO2PL	-	7.48	-	-	-	-	7.48
IO3PL	-	2.85	-	-	-	-	2.85
Others	-	0.40	-	-	-	-	0.40
	-	<b>14.35</b>	-	-	<b>2.91</b>	-	<b>17.25</b>
<b>Expected Credit Loss on Receivables.</b>							
KSEL	-	9.73	-	-	-	-	9.73
Others	-	2.48	-	-	0.69	-	3.17
	-	<b>12.21</b>	-	-	<b>0.69</b>	-	<b>12.89</b>
<b>Construction Cost</b>							
IRL	-	58.70	-	-	-	-	58.70
EMSL	-	42.08	-	-	-	-	42.08
IECCL	-	-	265.56	-	-	-	265.56
	-	<b>100.78</b>	<b>265.56</b>	-	-	-	<b>366.34</b>
<b>Fair Valuation of Investments - Increase.</b>							
PDPL				8.37			8.37
	-	-	-	<b>8.37</b>	-	-	<b>8.37</b>
<b>Administrative and general expenses</b>							
ILFS	25.97	-	-	-	-	-	25.97
IMICL	-	-	10.05	-	-	-	10.05
Others	-	0.08	1.49	-	-	-	1.57
	<b>25.97</b>	<b>0.08</b>	<b>11.54</b>	-	-	-	<b>37.59</b>
Footnote : - * Includes Deputation cost of ₹ 5.63 Crores charged by Holding Company "IL&FS" as mentioned below, but excludes benefits in the nature of gratuity and leave encashment which are created on actuarial basis for Company as a whole and not for the individual employee including KMP.							
Mr K Ramchand-Managing Director							3.47
Mr Mukund Sapre-Executive Director							2.16
							<b>5.63</b>

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Note 42: Disclosure of Loans and advances in the nature of loans to subsidiaries and associates and Investments by the loanee in the shares of parent company and subsidiary company, where the Company has made a loan or advance in the nature of loan in accordance with Para A of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

A. Disclosure of Loans and advances in the nature of loans given to subsidiaries

Name of the Company	March 31, 2019		March 31, 2018	
	Amount as at March 31, 2019	Maximum amount outstanding during the year	Amount as at March 31, 2018	Maximum amount outstanding during the year
	₹ in crore			
East Hyderabad Expressway Limited	30.66	35.97	17.12	71.19
ITNL Road Infrastructure Development Company Limited	613.00	613.00	362.57	448.07
Vansh Nimay Infraprojects Limited	113.03	113.03	112.90	112.90
West Gujarat Expressway Limited	86.59	86.59	54.24	80.71
Hazaribagh Ranchi Expressway Limited	152.82	152.82	324.47	328.73
Jharkhand Road Projects Implementation Company Limited	697.81	697.81	805.13	811.69
MP Border Checkposts Development Company Limited	490.98	490.98	330.68	515.32
Pune Sholapur Road Development Company Limited	365.54	365.54	233.52	539.16
Moradabad Bareilly Expressway Limited	13.16	257.98	257.98	728.51
Sikar Bikaner Highway Limited	29.43	29.43	135.01	162.00
Baleshwar Kharagpur Expressway Limited	78.27	78.27	63.41	159.14
Barwa Adda Expressway Limited	681.36	685.65	675.65	675.65
Khed Sinnar Expressway Limited	390.81	390.81	366.28	366.28
Chenani Nashri Tunnelway Limited	223.21	223.21	59.58	508.22
Kiratpur Ner Chowk Expressway Limited	472.25	472.25	304.69	304.69
Karyavattom Sports Facility Limited	51.08	51.08	48.56	48.56
Rapid MetroRail Gurgaon Limited	24.76	24.76	5.30	126.64
Rapid MetroRail Gurgaon South Limited	228.96	238.63	36.05	114.92
Jharkhand Infrastructure Implementation Company Limited	79.75	79.75	58.50	58.50
ITNL International Pte Ltd.	45.31	45.31	8.12	580.09
Srinagar Sonmarg Tunnelway Limited	373.22	667.70	197.67	197.67
Amravati Chikhli Expressway Ltd	463.42	463.42	70.20	70.20
Chattisgarh Highways Development Company Limited	0.91	0.91	0.85	0.85
Futureage Infrastructure India Limited	0.05	0.05	0.05	0.05
Fagne Songadh Expressway Ltd	458.19	499.69	331.51	331.51
Noida Toll Bridge Company Limited	17.80	17.80	17.38	17.38
Road Infrastructure Development Company of Rajasthan Limited	94.99	122.40	122.40	122.40
Thiruvananthapuram Road Dev. Co. Ltd.	51.79	51.79	43.43	135.15
Rajasthan Land Holdings Limited	124.48	124.48	124.48	124.48
Paro Developers Private Limited	1.60	1.60	1.60	1.60
Jorabat Shillong Expressway Limited	197.84	197.84	115.18	456.52
Warora Chandrapur Ballarpur Toll Road Limited	5.75	5.75	5.75	5.75

Note: Outstanding balance and Maximum balance as indicated above is excluding Interest accrued.

B. Disclosure of Investments by the loanee in the shares of parent company and subsidiary company, when the Company has made a loan or advance in the nature of loan

The above loanees have not made any investment in the shares of the Company or subsidiaries, except ITNL International Pte Ltd., Noida Toll Bridge Co Ltd and Paro Developers Private Ltd for which disclosure is given below:

Particulars	March 31, 2019		March 31, 2018	
	Amount as at March 31, 2019	Maximum amount outstanding during the year	Amount as at March 31, 2018	Maximum amount outstanding during the year
	₹ in crore			
<b>Subsidiaries of ITNL International Pte Ltd. \$</b>				
Elsamex S.A.	559.73	559.73	526.33	526.33
ITNL Africa Projects Limited	19.02	19.02	17.89	17.89
ITNL Intenational DMCC	65.88	65.88	61.95	61.95
Sharjah General Services Co. LLC	0.35	0.35	0.33	0.33
IPL US LLC	100.99	100.99	94.96	94.96
ITNL Infrastructure Developer LLC	6.68	6.68	6.28	6.28
Elsamex Vietnam Joint Stock Company	4.50	4.50	4.23	4.23
<b>Subsidiaries of Noida Toll Bridge Co Limited</b>				
ITNL Toll Management Services Limited	2.55	2.55	2.55	2.55
<b>Subsidiaries of Paro Developers Private Limited \$</b>				
Rajasthan Land Holdings Limited	1.50	1.50	1.50	1.50

\$ Balance outstanding as of March 31, 2019 and maximum amount outstanding during the year is considered based on management accounts.



**IL&FS TRANSPORTATION NETWORKS LIMITED**  
**Notes forming part of the standalone financial statements**

**Note 43: 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 Indian Accounting Standard 108 on Operating Segment are not applicable.

**Note 44: Approval of Financial Statements**

The financial statements were approved for issue by the Board of Directors on June 04, 2020.

**Note 45:** The Company has evaluated its March 31, 2019 standalone financial statements for subsequent events through the date of the standalone financial statements were issued. As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact the timing of Claim Receivable by the SPVs and asset monetisation, which may result in to additional impairment of Investments, Trade Receivables, Loans and other receivables. Other financial impact could also occur though such potential impact is unknown.

**Note 46:** The Company is a developer, operator and facilitator of surface transportation infrastructure projects, taking projects from conceptualization through commissioning to operations and maintenance under public to private partnership on build-operate transfer ("BOT") basis in India. Income from construction activities carried out by the Company in respects of Infrastructure projects taken by it has been the primary source of revenue of the Company since many years

As fully described in note 24.1, the Company due to the reasons mentioned in that note, has not recognized any Revenue from Construction activities during the year. At the same time, Company has recognized revenue from interest and dividend from loans provided and investments made in various project SPVs As a result, for the year ended March 31, 2019, the Company's from financial assets is more than 50% of aggregate revenue for the year. Due to this technical matter, the Company falls in the category of Non Banking Financial Company (NBFC) under Section 45 (IA) of RBI Act, 1945. The Company is in the process of communicating and taking necessary action with RBI in this regard.

**Note 47:** The figures for the year ended March 31, 2018 have been regrouped and/ or re-arranged wherever necessary to conform to the classification adopted in the year ended March 31, 2019.

As per our Report of even date

**For S R B C & CO LLP**  
*Chartered Accountants*  
(Firm's Registration No. 324982E/E300003)

**Sd/-**  
**per Suresh Yadav**  
*Partner*  
Membership No. 119878

Date: June 04, 2020  
Place : Mumbai

For and on behalf of the Board

<b>Sd/-</b> <b>C S Rajan</b> <i>Chairman</i> (DIN: 00126063)	<b>Sd/-</b> <b>Vineet Nayyar</b> <i>Director</i> (DIN: 00018243)	<b>Sd/-</b> <b>Bijay Kumar</b> <i>Director</i> (DIN: 07262627)
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<b>Sd/-</b> <b>Nand Kishore</b> <i>Director</i> (DIN: 08267502)	<b>Sd/-</b> <b>Mohit Bhasin</b> <i>Chief Financial officer</i>	<b>Sd/-</b> <b>Dilip Bhatia</b> <i>Chief Executive Officer</i>
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**Sd/-**  
**Krishna Ghag**  
*Company Secretary*

Date: June 04, 2020  
Place : Mumbai

## IL&FS Transportation Networks Limited

Statement on Impact of Audit Qualifications for the financial year ended March 31, 2019 [See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016:

I	Sr. no.	Particulars	Audited figures (as reported before adjusting for qualifications) ₹ in crore	Audited figures (as reported after adjusting for qualifications) ₹ in crore
	1	Turnover/ Total Income	786.24	Not determinable
	2	Total expenditure	17,354.96	
	3	Net Loss	(17,000.32)	
	4	Earnings per share	(516.79)	
	5	Total Assets	3,415.63	
	6	Total Liabilities	17,300.04	
	7	Net worth	(13,884.41)	
	8	Any other financial item(s) (as felt appropriate by the management)	None	

### II. Audit qualifications (each qualification separately)

Sr. no.	Particulars	Remark
1	Details of qualifications	<p>As mentioned in note 5 to the accompanying standalone financial results, on January 1, 2019, the Company, its Holding Company (Infrastructure Leasing &amp; Financial Services Limited) and its fellow subsidiary (IL&amp;FS Financial Services Limited) received orders from the National Company Law Tribunal for the reopening and recasting of their accounts in respect of financial years 2013-14 to 2017-18, under Section 130 of the Companies Act 2013. Such process of reopening and recasting of prior years' accounts is currently in progress.</p> <p>As mentioned in note 6 to the accompanying standalone financial results as at March 31, 2019, the Board of Directors of Holding Company have initiated a third-party forensic examination of various matters for the period April 2013 to September 2018, which is currently ongoing.</p> <p>As mentioned in note 7 to the accompanying standalone financial results as at March 31, 2019, there are ongoing investigations by various regulatory authorities on the Company including investigation in respect of borrowings obtained from the third parties having outstanding balance amounting to ₹ 1,181.33 crores as at March 31, 2019 as fully described in note 23 to the accompanying standalone financial results.</p> <p>As mentioned in note 8 to the accompanying standalone financial results as at March 31, 2019, management is in the process of reconciling claims received with its books of account.</p>

Sr. no.	Particulars	Remark
		Consequently, the accompanying standalone financial results do not include any possible adjustments arising from the aforesaid matters, including to the extent these may affect prior period comparatives presented therein.
		<p>As mentioned in note 12 and note 13 to the accompanying standalone financial results as at March 31, 2019, which explains the uncertainties involved in determining the recoverable value considered for determining provision for impairment and expected credit loss on investments, loans, trade and other receivables respectively (collectively referred to as "Receivable Balances") during the current year:</p> <p>a) The recoverable amount is subject to finalisation of the claim management process of subsidiaries and joint ventures and their audited financial statements. Further, the distribution mechanism applied for determining recoverable amount is not in accordance with distribution mechanism approved by National Company Law Appellate Tribunal ('NCLAT') vide its order dated March 12, 2020;</p> <p>b) Recoverable amount considered in case of certain Receivable Balances is based on binding financial proposals approved by the Board of Directors and are subject to requisite approvals and acceptance of the Letter of Intent by the successful bidder;</p> <p>c) Recoverable amount for certain Receivable Balances is based on Fair Valuation, which is subject to various internal and external factors including significant assumptions/ estimates/ judgement, as at September 30, 2018 and does not consider any adjustment to the present value of the cash flows / working capital up to March 31, 2019;</p> <p>d) As further explained in Note 12, the recoverable amount for certain Receivable Balances does not consider the requirement of the relevant standards due to non-availability of the necessary and/or complete information in respect thereof. Further, recoverable amount in respect of under construction projects is subject to finalisation / acceptance/ disbursement of settlement amount by the respective authorities.</p> <p>e) As mentioned in the Note 12 to the accompanying standalone financial results, during the previous year, the Company had not considered latest traffic study report for impairment assessment of a project and in the current year the impairment provision has been recognised basis the said latest traffic study report. In the absence of the revised impairment assessment basis the latest traffic study report including its consequential impact on other significant assumptions, we are unable to comment on the impairment provision required in the previous year for the said project and its consequential impact accounted in the current year, if any.</p>

Sr. no.	Particulars	Remark
		<p>In view of the above uncertainties involved and absence of sufficient appropriate audit evidence to support the assumptions/ estimates/ judgements used in determination of recoverable amount for computing the impairment / expected credit loss, we are unable to comment on the possible effects of changes, on account of aforesaid factors, on these standalone financial results.</p>
		<p>As mentioned in note 11 to the accompanying standalone financial results as at March 31, 2019, the Company is in the process of reconciling the completeness and status of financial guarantees, performance guarantees, letter of awareness, letter of comfort, letter of assurance, sponsor guarantees, other arrangements and corporate guarantees extended by it to/ on behalf of its group (including overseas subsidiaries)/ third parties in the period prior to September 30, 2018, pending which, the Company has not recognised any resultant liabilities, if any, in the accompanying standalone financial results. Consequently, the accompanying standalone financial results do not include any possible adjustments in this regard.</p>
		<p>With respect to following transactions, we are unable to obtain sufficient and appropriate evidence about the underlying commercial substance and rationale of such transactions and consequential impact on the accompanying standalone financial results as at March 31, 2019:</p> <p>a) Amounts paid during the year to certain related parties which are classified as loans amounting to ₹ 7.50 Crores have been fully impaired during the year as fully described in Note 24 (b) to the accompanying standalone financial results.</p> <p>b) Construction cost and other direct expenses incurred/debited to statements of profit and loss during the year, verified by us on a test check basis, amounting to ₹ 52.26 Crores (refer note 26) in respect Miscellaneous expenses amounting to ₹ 3.50 crores as fully described in (refer note 27).</p>
		<p>As fully described in the note 25 (a) to the accompanying standalone financial results as at March 31, 2019, the Company has invested ₹ 172.60 crores in the units of Real Estate Assets Performance Fund – I, a SEBI registered fund, measured at fair value amounting to ₹ 63.73 crore as at March 31, 2019. We have not been provided with the commercial substance and rationale of the said investment including related expenses and the audited financial statements of the said Fund as at March 31, 2019. Hence, we are unable to comment on the fair value of the said investment and other impact on the standalone financial results, if any.</p>

Sr. no.	Particulars	Remark
		<p>As mentioned in note 5 to the accompanying standalone financial results and further stated above, the following transactions/matters will be considered by management along with the process of reopening / recasting of accounts in respect of financial years 2013-14 to 2017-18 pending which the comparative information has not been restated:</p> <p>(a) Sale of equity shares of Moradabad Barely Expressway Limited (MBEL) and Gujarat Road Infrastructure Company Limited (GRICL) which had resulted in gain amounting to ₹ 126 Crores in the previous year and subsequently during the current year these investments were acquired by Real Estate Assets Performance Fund and the investment was made by the Company in units of the said Fund, as fully described in Note 25 (a) to the accompanying standalone financial results.</p> <p>(b) Transfer of equity shares of wholly owned subsidiary Rajasthan Land Holdings Limited (RLHL) to Pario Developers Private Limited ('Pario') (which was treated as an associate) in exchange for Preference Shares issued by Pario which had resulted in gain amounting to ₹ 147.50 Crores in the previous year as fully described in Note 25 (b) to the accompanying standalone financial results.</p> <p>Consequently, during the year ended March 31, 2019, the Company has recorded charge on account of impairment/fair valuation of aforementioned investment in units and preference shares amounting to ₹ 223.54 Crores.</p>
		<p>As mentioned in note 24 (c) to the accompanying standalone financial results as at March 31, 2019, the Company had assigned Loans given to its subsidiaries and joint ventures to a Bank on a Recourse basis and derecognized the said financial asset from the balance sheet amounting to ₹ 1,000 Crores which is not in accordance with Ind AS 109. Accordingly, financial assets and financial liabilities included in these financial results for the current year and previous year are understated by the said amount.</p>
		<p>We have not received audit evidence as follows:</p> <p>a) Reconciliation of differences with banks mentioned in Note 17 to the accompanying standalone financial results aggregating ₹ 426.34 crore, which management believes represents unauthorised adjustments made by the bank in the Company's bank account and unreconciled differences in bank reconciliation statements including direct debits by banks aggregating ₹ 420.13 crore, for which the management is not aware of its nature and the same are in the process of being reconciled by the Company.</p> <p>b) Reconciliation with vendors/ sub-contractors as mentioned in Note 19 to the accompanying standalone financial results.</p>

Sr. no.	Particulars	Remark
		Accordingly, we are unable to comment on the consequential effects of the above, on the accompanying standalone financial results.
		As mentioned in Note 26 of the accompanying standalone financial results as at March 31, 2019, a third-party forensic audit, in respect of construction cost and other operating expenses incurred in respect of various projects is currently ongoing. Hence, we are unable to comment on any possible impact on the construction cost and other operating expenses and other consequential impact on the accompanying standalone financial results if any.
		As mentioned in note 18 to accompanying standalone financial results as at March 31, 2019, the Company has not carried out analysis for determination of recoverable value as per Ind AS 36 'Impairment of assets' and net realisable value as per Ind AS 2 'Inventories' of its Property and plant and equipment and Inventories respectively. Further, no physical verification for inventories has been carried out. Consequently, the accompanying standalone financial results do not include any possible adjustments in this regard.
		As mentioned in note 20 to accompanying financial results as at March 31, 2019, the Company has valued its investment property as per ready reckoner rate as notified by the Maharashtra State Government and which is not in accordance with relevant Ind AS.
		As mentioned in note 10 to the accompanying standalone financial results as at March 31, 2019, pending management's determination of the financial and other consequences of the litigations stated in the said note, no adjustments have been made to the accompanying standalone financial results in this regard.
		As mentioned in note 9 to the accompanying standalone financial results as at March 31, 2019, the Company is not in compliance with certain requirements/ provisions of applicable laws and regulations as more fully stated in that note. Pending final determination by management of the financial and other consequences arising from such non-compliances, no adjustments have been made to the accompanying standalone financial results.
		As mentioned in note 14 to the accompanying financial results as at March 31, 2019, pending completion of audit of financial statements of various subsidiaries, associates and joint ventures as at and for the year ended March 31, 2019/ December 31, 2018, and/or the related completion of the inter-company balances reconciliation process, we are unable to comment on the adjustments that may be required and the consequential effects on the standalone financial results.

Sr. no.	Particulars	Remark
		We have not received responses to our request for such direct balance confirmations towards borrowings of ₹ 4,489 Crores, Bank balances of ₹ 62 Crores, certain Trade receivable balances aggregating to ₹ 180 Crores, certain loans and advances aggregating to ₹ 306 Crores and certain trade payables of ₹ 980 Crores and confirmation from banks/ financial institutions in respect of details of securities, lien, collaterals, guarantees etc.
		As mentioned in Note 29 to the accompanying financial results, the Company has not presented the financial information for the quarter ended March 31, 2019, related comparatives for the quarter ended March 31, 2018 and quarter ended 31 December 2018 as required by Regulation 33 read with the Circular.
		<b>Material Uncertainty Related to Going Concern</b> As mentioned in Note 15 to the accompanying standalone financial results, the Company has incurred a loss (including other comprehensive income) of ₹ 16,956.12 crores for the year ended March 31, 2019 and has net liabilities of ₹ 13,884.41 crores as at March 31, 2019. The Company has also suffered consistent downgrades in its credit ratings since September 2018, as a result of which the Company's ability to raise funds has been substantially impaired, with normal business operations being substantially curtailed. These conditions, along with other matters, set forth in that note, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.
2	Type of Audit Qualification: Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Disclaimer of Opinion
3	Frequency of qualification: Whether appeared first time/ repetitive/ since how long continuing	First time
4	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views	Not applicable
5	For Audit Qualification (s) where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification	Not determinable
6	(ii) If management is unable to estimate the impact, reasons for the same:	Not determinable

7	Auditors' Comments on (i) or (ii) above:	Our view remains unchanged considering the matters referred to in paragraph 3.1 to 3.16 in our audit report.
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**For S R B C & CO LLP**

*Chartered Accountants*

(Firm's Registration No. 324982E/E300003)

Sd/-

**per Suresh Yadav**

*Partner*

Membership No. 119878

**For IL&FS Transportation Networks Limited**

Sd/-

**C S Rajan**

*Chairman*

(DIN: 00126063)

Sd/-

**Vineet Nayyar**

*Director*

(DIN: 00018243)

Sd/-

**Nand Kishore**

*Director*

(DIN: 08267502)

Sd/-

**Bijay Kumar**

*Director*

(DIN: 07262627)

Sd/-

**Mohit Bhasin**

*Chief Financial officer*

Sd/-

**Dilip Bhatia**

*Chief Executive Officer*

Date: June 04, 2020

Place: Mumbai

Date: June 04, 2020

Place: Mumbai



## | Transportation

IL&FS Transportation Networks Limited  
The IL&FS Financial Centre  
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