

November 11, 2014

General Manager,
Listing Department,
BSE Limited,
P.J. Tower, Dalal Street,
Mumbai 400 001
Fax Nos: 022- 22722037/39/41/61
022-23121/3719/1278/1557/3354
/3577

Scrip Code No. 533177

Vice President,
Listing Department,
National Stock Exchange of India Limited
'Exchange Plaza', Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051
Fax Nos. 022-26598237/38,
022-26598347/48

Scrip Code No. IL&FSTRANS EQ

Dear Sirs,

Re: Financial Results for the quarter and half year ended September 30, 2014


Dear Sirs,

We are enclosing the text of the Financial Results of the Company for the quarter and half year ended September 30, 2014 alongwith the Report issued by the Statutory Auditors, Deloitte Haskins & Sells LLP in terms of Clause 41 of the Listing Agreement, which was approved by the Board of Directors at their meeting held today for your information and records

Thank you

Yours faithfully,

For IL&FS Transportation Networks Limited


Krishna Ghag
Vice President &
Company Secretary

Encl: As above

Deloitte Haskins & Sells LLP

Chartered Accountants
Indiabulls Finance Centre
Tower 3, 27th - 32nd Floor
Senapati Bapat Marg
Elphinstone Road (West)
Mumbai - 400 013
Maharashtra, India

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INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF IL&FS TRANSPORTATION NETWORKS LIMITED

1. We have audited the accompanying Statement of Standalone Financial Results and the related Notes thereon, of **IL&FS TRANSPORTATION NETWORKS LIMITED** ("the Company") for the quarter and half year ended September 30, 2014 ("the Statement"), being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select Information referred to in paragraph 6 below. This Statement has been prepared on the basis of the related interim financial statements, which is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to express an opinion on the Statement, based on our audit of the related interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS-25) on Interim Financial Reporting specified under the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India.
2. We conducted our audit of the Statement in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the Statement. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall Statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. Attention is invited to Note 9 of the Statement regarding figures for the quarter ended September 30, 2014 being balancing figures arrived at as the difference between the audited figures of half year ended September 30, 2014 and the published year to date audited figures for three months ended June 30, 2014.
4. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - (i) is presented in accordance with the requirements of Clause 41 of the Listing Agreements with the Stock Exchanges; and

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(ii) gives a true and fair view in conformity with the accounting principles generally accepted in India of the net profit and other financial information of the Company for the quarter and half year ended September 30, 2014.

5. Attention is invited to Note 14 regarding an amount of Rs.23,527 lakhs included in the Income from Operations for the quarter and half year ended September 30, 2014 on account of compensation claimed by ITNL from two Special Purpose Vehicles ("SPVs") for the incremental work and related claims arising from delays due to handing over of the land for project execution and the Company has been legally advised that such claims are contractually admissible under the Service Concession Agreements entered into with Concession Granting Authorities.

Our opinion is not qualified in this regard.

6. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged / encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding, in terms of Clause 35 of the Listing Agreements with the Stock Exchanges from the details furnished by the Management and the particulars relating to the investor complaints from the details furnished by the Registrars as disclosed in Part II - Select Information for the quarter and half year ended September 30, 2014 of the Statement.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Kalpesh J. Mehta
Partner
(Membership No. 48791)

MUMBAI, November 11, 2014
KJM / NDU

IL&FS TRANSPORTATION NETWORKS LIMITED

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

Part I : Statement of Standalone Results for the Quarter and Half Year Ended September 30, 2014

(' in Lakhs)

	Particulars	Quarter ended			Half year ended		Year Ended
		September 30, 2014 (Audited) (Refer Note 9)	June 30, 2014 (Audited) (Refer Note 9)	September 30, 2013 (Unaudited) (Refer Note 9)	September 30, 2014 (Audited)	September 30, 2013 (Audited)	March 31, 2014 (Audited)
1	Income from operations						
	(a) Income from operations	77,823	71,061	68,757	1,48,884	1,37,951	3,40,458
	(b) Other operating income (Refer Note 7)	-	22,871	-	22,871	-	-
	Total income from operations	77,823	93,932	68,757	1,71,755	1,37,951	3,40,458
2	Expenses						
	(a) Construction Contract Cost	43,029	53,788	41,781	96,817	77,634	2,41,574
	(b) Employee benefits expense	2,038	1,910	2,165	3,948	3,877	6,178
	(c) Depreciation and amortisation expense	107	169	302	276	559	1,093
	(d) Other expenses	6,443	6,864	6,553	13,307	12,047	34,095
	Total expenses	51,617	62,731	50,801	1,14,348	94,117	2,82,940
3	Profit from operations before other income, finance costs and exceptional items (1-2)	26,206	31,201	17,956	57,407	43,834	57,518
4	Other income	8,410	5,871	4,743	14,281	9,297	26,738
5	Profit from ordinary activities before finance costs and exceptional items (3 + 4)	34,616	37,072	22,699	71,688	53,131	84,256
6	Finance costs	17,537	15,475	12,926	33,012	24,766	51,965
7	Profit from ordinary activities after finance costs but before exceptional items (5 - 6)	17,079	21,597	9,773	38,676	28,365	32,291
8	Exceptional items	-	-	-	-	-	-
9	Profit from ordinary activities before tax (7 - 8)	17,079	21,597	9,773	38,676	28,365	32,291
10	Tax expense (net) (Refer Note 4)	5,904	2,740	4,158	8,644	12,088	5,698
11	Net Profit from ordinary activities after tax (9 - 10)	11,175	18,857	5,615	30,032	16,277	26,603
12	Extraordinary Items (net of tax expense ₹ Nil)	-	-	-	-	-	-
13	Net Profit for the period/year (11 - 12)	11,175	18,857	5,615	30,032	16,277	26,603
14.i	Paid-up equity share capital (face value - ₹ 10 per share)	24,672	24,672	19,427	24,672	19,427	19,427
14.ii	Paid-up Debt Capital (face value - ₹ 1,000,000 per unit)	-	-	-	1,28,694	1,00,000	1,09,554
15.i	Reserves excluding Revaluation Reserves	-	-	-	-	-	2,41,144
15.ii	Debenture Redemption Reserve	-	-	-	-	-	9,477
15.iii	Capital Redemption Reserve	-	-	-	-	-	-
15.iv	Net worth (Refer Note 13 below)	-	-	-	-	-	2,98,216
16.i	Earnings per share (before extraordinary items) (of ₹ 10/- each): (Refer Note 3)						
	(a) Basic	*4.53	*7.24	*2.72	*10.69	*7.88	11.02
	(b) Diluted	*4.53	*7.24	*2.72	*10.69	*7.88	11.02
16.ii	Earnings per share (after extraordinary items) (of ₹ 10/- each): (Refer Note 3)						
	(a) Basic	*4.53	*7.24	*2.72	*10.69	*7.88	11.02
	(b) Diluted	*4.53	*7.24	*2.72	*10.69	*7.88	11.02
	* Not Annualised						
17	Ratios (Refer Note 8 below)						
	(a) Debt Equity ratio (number of times)	Not Applicable	Not Applicable	Not Applicable	1.71	1.65	1.77
	(b) Debt Service Coverage ratio (DSCR) (number of times)	Not Applicable	Not Applicable	Not Applicable	0.39	0.50	0.23
	(c) Interest Service Coverage ratio (ISCR) (number of times)	Not Applicable	Not Applicable	Not Applicable	2.17	2.15	1.62
	See accompanying notes 1 to 15 to the financial results						



Part II : Select Information for the Quarter and Half Year Ended September 30, 2014

	Particulars	Quarter ended			Half year ended		Year Ended
		September 30, 2014	June 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013	March 31, 2014
A	PARTICULARS OF SHAREHOLDING						
1	Public shareholding						
	- Number of shares	7,20,70,244	7,20,70,244	5,35,04,729	7,20,70,244	5,35,04,729	5,35,04,729
	- Percentage of shareholding	29.21%	29.21%	27.54%	29.21%	27.54%	27.54%
2	Promoters and Promoter Group Shareholding						
a)	Pledged / Encumbered						
	- Number of shares	13,50,00,000	13,50,00,000	13,50,00,000	13,50,00,000	13,50,00,000	13,50,00,000
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	77.30%	77.30%	95.91%	77.30%	95.91%	95.91%
	- Percentage of shares (as a % of the total share capital of the company)	54.72%	54.72%	69.49%	54.72%	69.49%	69.49%
b)	Non - encumbered						
	- Number of shares	3,96,49,776	3,96,49,776	57,63,003	3,96,49,776	57,63,003	57,63,003
	- Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	22.70%	22.70%	4.09%	22.70%	4.09%	4.09%
	- Percentage of shares (as a % of the total share capital of the company)	16.07%	16.07%	2.97%	16.07%	2.97%	2.97%

Particulars	Quarter ended September 30, 2014
B	
INVESTOR COMPLAINTS	
Pending at the beginning of the quarter	Nil
Received during the quarter	23
Disposed off during the quarter	23
Remaining unresolved at the end of the quarter	Nil

NOTES

1 Standalone Statement of Assots and Liabilities:

Particulars	₹ in Lakhs	
	As at September 30, 2014 (Audited)	As at March 31, 2014 (Audited)
A		
EQUITY AND LIABILITIES		
1 Shareholders' funds		
(a) Share capital	62,317	57,072
(b) Reserves and surplus	3,12,852	2,41,144
Sub-total - Shareholders' funds	3,74,969	2,98,216
2 Non-current liabilities		
(a) Long-term borrowings	3,58,316	2,69,078
(b) Deferred tax liabilities (net)	379	2,076
(c) Other long-term liabilities	36,958	40,323
(d) Long-term provisions	648	391
Sub-total - Non-current liabilities	3,96,301	3,11,868
3 Current liabilities		
(a) Current maturities of long-term debt	99,652	1,10,675
(b) Short-term borrowings	1,20,189	82,652
(c) Trade payables	72,470	1,02,950
(d) Other current liabilities	62,480	49,436
(e) Short-term provisions	10,744	16,903
Sub-total - Current liabilities	3,65,535	3,62,616
TOTAL - EQUITY AND LIABILITIES	11,36,805	9,72,700
B		
ASSETS		
1 Non-current assets		
(a) Fixed assets (net)	12,793	3,115
(c) Non-current investments (net)	4,55,698	3,99,917
(d) Long-term loans and advances	1,44,256	1,34,408
(e) Other non-current assets	52,729	40,420
Sub-total - Non-current assets	6,65,475	5,77,860
2 Current assets		
(b) Trade receivables (net)	2,22,491	2,49,533
(c) Cash and cash equivalents	6,191	1,114
(d) Short-term loans and advances	1,84,572	1,18,554
(e) Other current assets	58,076	25,639
Sub-total - Current assets	4,71,330	3,94,840
TOTAL - ASSETS	11,36,805	9,72,700

2 The above results have been reviewed by the Audit Committee on November 10, 2014 and thereafter approved by the Board of Directors at its meeting held on November 11, 2014 and the results for the quarter and half year ended September 30, 2014 have been subjected to an audit by the statutory auditors of the Company.



- 3 During the half year ended September 30, 2014, the Company issued 52,452,288 equity shares on rights basis in the ratio of 27:100. The record date for this purpose was March 14, 2014. The offer was open from April 28, 2014 to May 12, 2014 to all eligible equity shareholders. As at the end of the offer date i.e. May 12, 2014 the Company had received applications for 66,313,105 shares aggregating ₹ 66,313 lakhs from the eligible shareholders and accordingly the Company issued 52,452,288 shares to all eligible equity shareholders on May 22, 2014. The Earnings per share has been accordingly adjusted to give effect of the Rights Issue for the quarters ended June 30, 2014, September 30, 2013, half years ended September 30, 2014, September 30, 2013 and year ended March 31, 2014.
- 4 During the financial year ended March 31, 2014, the Company had changed the estimates used to compute current tax, based on the High Court judgment relating to disallowance of expenses under Section 14A of the Income Tax Act, 1961 and accordingly recomputed the current tax as applicable to the Company the years ended March 31, 2012 and March 31, 2013 on the aforesaid basis and filed the income tax return for March 31, 2013 and a revised return for March 31, 2012 with the Income Tax department. Due to the above the current tax charge for the year ended March 31, 2014 is after considering reversal of provision for the current tax of ₹ 2,312 lakhs pertaining to the year ended March 31, 2012 and ₹ 2,480 lakhs pertaining to the year ended March 31, 2013.
- 5 Consequent to the enactment of the Companies Act, 2013 and its applicability for accounting periods commencing on or after April 1, 2014, the Company reviewed its method of providing for depreciation on its tangible fixed assets and also reassessed the useful lives of such assets. On and from April 1, 2014, the Company has changed its method of providing for depreciation from the Written Down Value Method to the Straight Line Method to depreciate all classes of tangible fixed assets. Previously, the Company used the Straight Line Method for depreciating Buildings, Data processing equipments, Specialised office equipments, Assets provided to employees and Leasehold improvement costs while other tangible fixed assets were being depreciated using the Written Down Value method. The revised useful lives, as assessed by the Management, match those specified in Part C of Schedule II to the Companies Act, 2013, for all classes of assets other than Data Processing Equipments – Server and Networking equipments, Mobile Phones and Ipads / Tablets, Specialised office equipments, Cars purchased by the company for employees, Assets provided to employees and Leasehold improvement costs where the estimated useful lives are lower than those specified in Part C of Schedule II. The Management believes that the revised useful lives of the assets reflect the lives over which these assets are expected to be used.
- As a result of the change, the charge on account of Depreciation for the six months ended September 30, 2014, is lower by ₹ 193.84 lakhs compared to the method used and useful lives estimated in earlier periods.
- 6 The Company has only a single reportable primary (business) segment viz. Surface Transportation Business. Therefore segment information is provided only on a consolidated basis for the Company, its subsidiaries and jointly controlled entities / jointly controlled operations in the consolidated results.
- 7 Other operating income for the quarter ended June 30, 2014 represents gain on sale of 23,187,155 equity shares (representing 41.80% shareholding) in one of the subsidiary company. The Company now holds 41.81% of the shareholding in that entity as at September 30, 2014. During the current quarter the Company has diluted its control over the Board of that entity from August 8, 2014, consequently that entity has been considered as an associate of the Company.
- 8 Formulae used for the computation of the Ratios:
a) Debt/Equity Ratio = Debt / (Equity Share Capital + Reserves & Surplus)
b) Debt Service Coverage Ratio (DSCR) = Earnings before Finance costs and Tax/ (Finance costs + Principal Repayment during the year)
c) Interest Service Coverage Ratio (ISCR) = Earnings before Finance costs and Tax/ Finance costs
d) Debt = Aggregate of Long-term borrowings, Current maturities of Long-term borrowings and Short-term borrowings
- 9 The figures for the quarter ended September 30, 2014 are balancing figures arrived at as the difference between the audited figures of half year ended September 30, 2014 and the published year to date audited figures for three months ended June 30, 2014 and figures for the quarter ended September 30, 2013 are balancing figures arrived at as the difference between the audited figures of half year ended September 30, 2013 and the published year to date unaudited figures for three months ended June 30, 2013, which were subjected to a limited review.
- 10 During the Quarter ended September 30, 2014, the Company has issued 2000 ITNL, 11.50%, 2024 Rated, Unsecured Redeemable, Non-Convertible Debentures ("NCDs") of the face value of ₹ 10,00,000 per unit issued at a discount of ₹ 45,000 per NCD on a private placement basis and which has been subsequently listed as detailed below:

Particulars	Number of NCDs	Allotment Date	Amount (₹ in Lakhs)
ITNL, 11.50%, 2024	2,000	July 22, 2014	20,000

- 11 The details of utilisation of proceeds of the above NCDs is given below :

Particulars	(₹ in Lakhs)
Face value of NCDs	20,000
Less: Discount on NCDs	900
Amount received from the issue	19,100
Utilisation :	
For repayment of loans	1,000
For working capital payments	7,560
Loans to subsidiaries	4,950
Investment in subsidiaries	5,590
Total utilisation	19,100
Balance amount unutilised as on September 30, 2014	-

- 12 Additional disclosure as per Clause 2 of Part A of the Listing agreement for Non-convertible Redeemable Preference Shares :

Particulars	As at September 30, 2014		As at March 31, 2014	
	Number of Shares	₹ in Lakhs	Number of Shares	₹ in Lakhs
Listed :				
10.40% Rated Listed Fully Paid-Up Cumulative Non-Convertible Compulsorily Redeemable Preference Shares of ₹ 10/- each ("CNCRPS") ("10.40% ITNL CNCRPS 2017")	10,72,50,000	10,725	10,72,50,000	10,725
10.50% Rated Listed Fully Paid-Up Cumulative Non-Convertible Compulsorily Redeemable Preference Shares of ₹ 10/- each ("10.50% ITNL CNCRPS 2018")	1,92,00,000	1,920	1,92,00,000	1,920
Sub-total	12,64,50,000	12,645	12,64,50,000	12,645
Unlisted :				
20.50% Cumulative Redeemable Preference Shares of ₹ 10/- each fully paid ("20.50% CRPS")	20,00,00,000	20,000	20,00,00,000	20,000
11% Rated Unlisted Fully Paid-Up Cumulative Non-Convertible Compulsorily Redeemable Preference Shares of ₹ 10/- each ("11% ITNL CNCRPS 2021")	5,00,00,000	5,000	5,00,00,000	5,000
Sub-total	25,00,00,000	25,000	25,00,00,000	25,000
Total	37,64,50,000	37,645	37,64,50,000	37,645



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- 13 Net worth as per Listing agreement for Non-convertible Redeemable Preference Shares :
"Net worth" means the aggregate of the paid up equity share capital, paid up preference share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance in the Statement of Profit and Loss.
- 14 Income from Operations for the quarter and half year ended September 30, 2014 Includes an amount of ₹ 23,527 lakhs on account of compensation claimed by ITNL from two Special Purpose Vehicles ("SPVs") for the incremental work and related claims arising from delays due to handing over of the land for project execution. The compensation is based on the provisions in the Service Concession Agreements and is supported by the Extension of Time granted by the Independent Engineers. The claims made by ITNL on the SPVs have been based on legal opinions obtained by the SPVs, that such claims are contractually admissible under the Service Concession Agreements entered into with Concession Granting Authority. Costs in connection with the foregoing have been considered in recognising the above income
- 15 The figures for the year ended March 31, 2014, half year ended September 30, 2013, Quarter ended June 30, 2014 and Quarter ended September 30, 2013 have been regrouped and / or re-arranged wherever necessary to conform to the classification adopted in the current half year ended September 30, 2014.

On behalf of the Board



K Ramchand
Managing Director

Place: New Delhi
Date: November 11, 2014



Deloitte Haskins & Sells LLP

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INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF IL&FS TRANSPORTATION NETWORKS LIMITED

1. We have audited the accompanying Statement of Consolidated Financial Results and the related Notes thereon, of **IL&FS TRANSPORTATION NETWORKS LIMITED** ("the Company"), its subsidiaries and jointly controlled entities/operations (the Company, its subsidiaries and jointly controlled entities/operations constitute "the Group") and its share of the profit/(loss) of its associates for the quarter and half year ended September 30, 2014 ("the Statement"), being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select Information referred to in paragraph 10 below. This Statement has been prepared on the basis of the related interim consolidated financial statements, which is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to express an opinion on the Statement, based on our audit of the related interim consolidated financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS-25) on Interim Financial Reporting specified under the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India.
2. We conducted our audit of the Statement in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the Statement. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall Statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. Attention is invited to Note 11 of the Statement regarding the figures for the Quarter ended September 30, 2014 being balancing figures between the audited figures for the half year ended September 30, 2014 and the published audited figures for the quarter ended June 30, 2014.



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4. We did not audit the financial statements of :

- a. Forty six subsidiaries whose financial statements reflect total assets of Rs.1,817,559 lakhs as at September 30, 2014, total revenues of Rs.116,514 lakhs and Profit after Tax (Net) of Rs.3,601 lakhs for the half year ended on that date, as considered in the consolidated financial results.
- b. Eight jointly controlled entities which reflects the Group's share of total assets of Rs.337,479 lakhs, total revenues of Rs.15,303 lakhs and Profit after tax (Net) of Rs.4,533 lakhs for the half year ended on that date, as considered in the consolidated financial results.
- c. Eleven associates in which the Group's share of Profit (net) of Rs.57 lakhs for the half year ended on that date, as considered in the consolidated financial results.

The financial statements of these Sixty Five entities have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

5. The consolidated financial results for the half year ended September 30, 2014 includes the Group's share of profit after tax of Rs.164 lakhs, as considered in the consolidated financial results, in respect of one associate, based on the unaudited financial information. Our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this associate, is based solely on such unaudited financial information provided by the Management.

Our opinion is not qualified in respect of this matter.

6. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors referred to in paragraph 4 above and the unaudited financial statement of one associate as mentioned in paragraph 5 above and read together with our comments in paragraphs 7, 8 and 9 below, the Statement:

- a. includes the results of the entities listed in the attached Annexure;
- b. is presented in accordance with the requirements of Clause 41 of the Listing Agreements with the Stock Exchanges; and

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- c. gives a true and fair view in conformity with the accounting principles generally accepted in India of the net profit and other financial information of the Group for the quarter and half year ended September 30, 2014.
7. We draw attention to the fact that the capital employed in the Statement has been determined based on the management estimates (which in turn are based on technical evaluations by independent experts) in respect of specific account balances identified as follow:
- i. Intangible Assets and Intangible Assets under Development covered under service concession arrangements aggregating to carrying value of Rs.1,426,916 lakhs (48.64% of the total assets), the useful lives and the annual amortisation thereof;
 - ii. Provision for Overlay carried at Rs.4,332 lakhs in respect of intangible assets covered under service concession arrangements; and
 - iii. Financial Assets covered under service concession arrangements, included as a part of Receivables against Service Concession Arrangements, carried at Rs.852,599 lakhs (29.06% of the total assets) and revenue recognised thereon based on the effective interest method which in turn is based on evaluations of the future operating and maintenance costs and the overlay / renewal costs and the timing thereof.

Our opinion is not qualified in respect of this matter.

8. We draw attention to Note 9 of the consolidated results, wherein it has been stated that during the current half year an Associate of the Company has received formal communication from the Corporate Debt Restructuring (CDR) Empowered Group with respect to it having formally exited from the CDR system. Consequent to the Associate's exit from the CDR on May 20, 2014, the below mentioned items are subject to discussions :
- i. Settlement of the Advance towards Capital / Debt included as Minority Interest; and
 - ii. Recompense, if any of the amount of sacrifices made by the Deep Discount Bond holders and the Non-Convertible Debenture Holders.

In the view of the Management of the Associate Company, the amounts payable, if any, for the aforesaid items is currently unascertainable and accordingly, no liability/charge has been created in the interim consolidated financial statements. The Associate intends to finalise the foregoing during the current financial year ending March 31, 2015.

Our opinion is not qualified in respect of this matter.

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**Deloitte
Haskins & Sells LLP**

9. Attention is invited to Note 12 regarding an amount of Rs.26,093 lakhs included in the Income from Operations for the quarter and half year ended September 30, 2014 on account of aggregate compensation claimed by ITNL from two Special Purpose Vehicles ("SPVs") and by the two SPV's on the Concession Granting Authorities ("CGA"), for the incremental work and related claims arising from delays due to handing over of the land for project execution and the Company has been legally advised that such claims are contractually admissible under the Service Concession Agreements entered into with CGA.

Our report is not qualified in this regard

10. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged / encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements with the Stock Exchanges from the details furnished by the Management and the particulars relating to investor complaints from the details furnished by the Registrars disclosed in Part II - Select Information for the quarter and half year ended September 30, 2014 of the Statement, from the details furnished by the Registrars.

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



Kalpesh J. Mehta
Partner
(Membership No.48791)

Mumbai, November 11, 2014
KJM/NDU

ANNEXURE TO INDEPENDENT AUDITORS' REPORT
(Referred to in paragraph [6(a)] to our auditors' report)
Re: IL&FS Transportation Networks Limited

Sr. No.	Name of the Entities
	Subsidiaries:
1	Scheme of ITNL Road Investment Trust
2	East Hyderabad Expressway Limited
3	ITNL Road Infrastructure Development Company Limited
4	IL&FS Rail Limited
5	Elsamex S.A. (including Jointly Controlled Operations)
6	ITNL International Pte. Ltd.
7	Vansh Nimay Infraprojects Limited
8	West Gujarat Expressway Limited
9	Hazaribagh Ranchi Expressway Limited
10	Pune Sholapur Road Development Company Limited
11	Moradabad Bareilly Expressway Limited
12	Jharkhand Road Projects Implementation Company Limited
13	Chenani Nashri Tunnelway Limited
14	MP Border Checkpost Development Company Limited
15	Badarpur Tollway Operations Management Limited
16	Futureage Infrastructure India Limited
17	Charminar RoboPark Limited
18	ITNL Offshore Pte. Ltd.
19	Karyavattom Sports Facility Limited
20	Kiratpur Ner Chowk Expressway Limited
21	Baleshwar Kharagpur Expressway Limited
22	Sikar Bikaner Highway Limited
23	Khed Sinnar Expressway Limited
24	Barwa Adda Expressway Limited
25	GIFT Parking Facilities Limited
26	North Karnataka Expressway Limited
27	Atenea Seguridad y Medio Ambiente S.A.
28	Senalizacion Viales e Imagen S.A.U.
29	Elsamex Internacional S.L.
30	Grusamar Ingenieria y Consulting, S.L.U.
31	Elsamex Portugal Engheneria e Sistemas de Gestao S.A.
32	Intevial Gestao Integral Rodoviaria, S.A.
33	Elsamex India Private Limited
34	Yala Construction Co Private Limited
35	Mantenimiento y Conservacion de Vialidades S.A. DE C.V.

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**Deloitte
Haskins & Sells LLP**

Sr. No.	Name of the Entities
36	ESM Mantenimiento Integral, SA DE CV
37	CISEM-INTEVIA, S.A.
38	Control 7, S.A.
39	Grusamar Albania SHPK
40	Rapid MetroRail Gurgaon Limited
41	Area De Servicio Coiros S.L.U.
42	Conservacion De Infraestructuras De Mexico S.A. DE C.V.
43	Alcantarilla Fotovoltaica, S.L.
44	Area De Servicio Punta Umbria, S.L.U.
45	ITNL International JLT
46	Beasolarta S.A.U.
47	Rapid MetroRail Gurgaon South Limited
48	ITNL Africa Projects Ltd.
49	Grusamer India Limited
50	Elsamex Construcao E Manutencao LTDA
51	Sharjah General Services Company LLC
52	IPL USA LLC
53	Andhra Pradesh Expressway Limited
54	Elsamex Maintenance Services Limited
55	Elsamex LLC
56	Grusumar Engenharia Y Consultoria Brasil LTDA
57	Elsamex Brazil LTDA
	Jointly Controlled Entities:
1	Noida Toll Bridge Company Limited
2	N.A.M. Expressway Limited
3	Jorabat Shillong Expressway Limited
4	Chongqing Yuhe Expressway Co. Ltd.
5	Geotecnia Y Control De Qualitat, S.A.
6	Consortio De Obras Civiles S.R.L
7	Vias Y Construcciones S. R. L.
8	ITNL Elsamex JVCA
	Associates:
1	Gujarat Road and Infrastructure Company Limited
2	Thiruvananthapuram Road Development Company Limited
3	ITNL Toll Management Services Limited
4	Warora Chandrapur Ballarpur Toll Road Limited
5	CGI 8 S.A.
6	Elsamex Road Technology Company Limited

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**Deloitte
Haskins & Sells LLP**

Sr. No.	Name of the Entities
7	Sociedad Concesionaria Autovía A-4 Madrid S.A
8	Srinagar Sonamarg Tunnelway Limited
9	VCS-Enterprises Limited
10	Ramky Elsamex Ring Road Limited, Hyderabad
11	Emprsas Pame sa De CV
12	Zheijang Elsamex Road Technology Co. Ltd.
13	Zheijang Elsamex Road Construction Equipment Co. Ltd.

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Part I : Statement of Consolidated Results for the Quarter and Half Year ended September 30, 2014

(₹ in Lakhs)

Particulars	Quarter ended			Half Year ended		Year ended
	September 30, 2014 (Audited) (Refer Note 11)	June 30, 2014 (Audited)	September 30, 2013 (Unaudited) (Refer Note 11)	September 30, 2014 (Audited)	September 30, 2013 (Audited)	March 31, 2014 (Audited)
1 Income from operations						
(a) Income from operations	1,50,156	1,42,004	1,34,070	2,92,160	2,79,180	6,58,699
(b) Other operating income (net) (Refer note 8)	13	14,412	1	14,425	2	5
Total income from operations (net)	1,50,169	1,56,416	1,34,071	3,06,585	2,79,182	6,58,704
2 Expenses						
(a) Cost of materials consumed	3,452	2,401	3,035	5,853	5,887	21,922
(b) Purchases of stock-in-trade	-	97	113	97	381	681
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(49)	116	18	67	20	124
(d) Employee benefits expense	11,842	11,289	10,506	23,131	20,109	41,415
(e) Depreciation and amortisation expense	4,322	4,759	2,761	9,081	5,362	15,102
(f) Construction Contract Cost	49,945	62,424	47,896	1,12,369	1,10,103	2,98,364
(g) Other expenses	23,406	23,682	22,598	47,088	40,740	1,07,230
Total expenses	92,918	1,04,768	86,927	1,97,686	1,82,602	4,84,838
3 Profit from operations before other income, finance costs and exceptional items (1-2)	57,251	51,648	47,144	1,08,899	96,580	1,73,866
4 Other income	7,115	8,386	2,670	15,501	5,540	21,544
5 Profit from ordinary activities before finance costs and exceptional items (3 + 4)	64,366	60,034	49,814	1,24,400	1,02,120	1,95,410
6 Finance costs	49,396	45,249	36,261	94,645	68,728	1,47,096
7 Profit from ordinary activities after finance costs but before exceptional items (5 - 6)	14,970	14,785	13,553	29,755	33,392	48,314
8 Exceptional items	-	-	-	-	-	-
9 Profit from ordinary activities before tax (7 - 8)	14,970	14,785	13,553	29,755	33,392	48,314
10 Tax expense (net) (Refer Note 6)	6,159	1,988	2,196	8,147	8,975	2,655
11 Net Profit from ordinary activities after tax (9 - 10)	8,811	12,797	11,357	21,608	24,417	45,659
12 Extraordinary Items (net of tax expense ₹ Nil)	-	-	-	-	-	-
13 Net Profit for the period / year (11 - 12)	8,811	12,797	11,357	21,608	24,417	45,659
14 Share of profit of associates (net)	316	95	157	411	36	507
15 Share of (loss) / profit transferred to minority (net)	(767)	(883)	387	(1,650)	873	(139)
16 Net Profit after taxes, minority interest and share of profit / (loss) of associates (13 +14 - 15)	9,894	13,775	11,127	23,669	23,580	46,305
17 Paid-up equity share capital (face value - ₹ 10 per share)	24,672	24,672	19,427	24,672	19,427	19,427
18 Reserves excluding Revaluation Reserves						4,43,311
19.i Earnings per share (before extraordinary items) (of ₹ 10/- each) : (Refer Note 5)						
(a) Basic	*3.2	*5.01	*5.35	*8.01	*11.36	20.49
(b) Diluted	*3.2	*5.01	*5.35	*8.01	*11.36	20.49
19.ii Earnings per share (after extraordinary items) (of ₹ 10/- each) : (Refer Note 5)						
(a) Basic	*3.2	*5.01	*5.35	*8.01	*11.36	20.49
(b) Diluted	*3.2	*5.01	*5.35	*8.01	*11.36	20.49
* Not annualised						
See accompanying notes 1 to 13 to the financial results						



Part II : Select Information for the Quarter and Half Year ended September 30, 2014

Particulars	Quarter ended			Half Year ended		Year ended
	September 30, 2014	June 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013	March 31, 2014
A PARTICULARS OF SHAREHOLDING						
1 Public shareholding						
- Number of shares	7,20,70,244	7,20,70,244	5,35,04,729	7,20,70,244	5,35,04,729	5,35,04,729
- Percentage of shareholding	29.21%	29.21%	27.54%	29.21%	27.54%	27.54%
2 Promoters and Promoter Group Shareholding						
a) Pledged / Encumbered						
- Number of shares	13,50,00,000	13,50,00,000	13,50,00,000	13,50,00,000	13,50,00,000	13,50,00,000
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	77.30%	77.30%	95.91%	77.30%	95.91%	95.91%
- Percentage of shares (as a % of the total share capital of the company)	54.72%	54.72%	69.49%	54.72%	69.49%	69.49%
b) Non - encumbered						
- Number of shares	3,96,49,776	3,96,49,776	57,63,003	3,96,49,776	57,63,003	57,63,003
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	22.70%	22.70%	4.09%	22.70%	4.09%	4.09%
- Percentage of shares (as a % of the total share capital of the company)	16.07%	16.07%	2.97%	16.07%	2.97%	2.97%

Particulars	Quarter ended September 30, 2014
B INVESTOR COMPLAINTS	
Pending at the beginning of the quarter	Nil
Received during the quarter	23
Disposed off during the quarter	23
Remaining unresolved at the end of the quarter	Nil

NOTES

1 Consolidated Statement of Assets and Liabilities

Particulars	₹ in Lakhs	
	As at September 30, 2014 (Audited)	As at March 31, 2014 (Audited)
A EQUITY AND LIABILITIES		
i Shareholders' funds		
(a) Share capital	62,317	57,072
(b) Reserves and surplus	5,12,885	4,43,311
Sub-total - Shareholders' funds	5,75,202	5,00,383
ii Minority interest	29,326	45,875
iii Non-current liabilities		
(a) Long-term borrowings	17,46,787	16,26,676
(b) Deferred tax liabilities (net)	11,245	19,904
(c) Other long-term liabilities	39,660	50,232
(d) Long-term provisions	5,334	5,266
Sub-total - Non-current liabilities	18,03,026	17,02,078
iv Current liabilities		
(a) Current maturities of long-term debt	2,17,370	1,52,358
(b) Short-term borrowings	1,53,573	1,02,619
(c) Trade payables	1,06,310	1,52,740
(d) Other current liabilities	33,412	32,761
(e) Short-term provisions	15,471	24,462
Sub-total - Current liabilities	5,26,136	4,64,940
TOTAL - EQUITY AND LIABILITIES	29,33,690	27,13,276
B ASSETS		
i Non-current assets		
(a) Fixed assets (net)	14,58,259	13,53,656
(b) Goodwill on consolidation (net)	58,059	57,532
(c) Non-current investments (net)	60,684	46,757
(d) Deferred tax assets (net)	2,041	1,800
(e) Long-term loans and advances	1,02,604	1,12,039
(f) Other non-current assets	8,58,109	8,34,385
Sub-total - Non-current assets	25,39,756	24,06,169
ii Current assets		
(a) Current investments	410	153
(b) Inventories	1,363	1,715
(c) Trade receivables (net)	1,00,585	98,754
(d) Cash and cash equivalents	76,205	67,128
(e) Short-term loans and advances	1,26,022	95,304
(f) Other current assets	89,349	44,053
Sub-total - Current assets	3,93,934	3,07,107
TOTAL - ASSETS	29,33,690	27,13,276



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2 Segmentwise Revenue, Results and Capital Employed under Clause 41 of the Listing Agreement
The Company has only a single reportable primary (business) segment viz. Surface Transportation Business.

(₹ in Lakhs)

Particulars	Quarter ended			Half Year ended		Year ended
	September 30, 2014 (Audited) (Refer Note 11)	June 30, 2014 (Audited)	September 30, 2013 (Unaudited) (Refer Note 11)	September 30, 2014 (Audited)	September 30, 2013 (Audited)	March 31, 2014 (Audited)
i Segment Revenue						
(a) Surface Transportation	1,47,103	1,34,127	1,22,991	2,81,230	2,64,530	6,26,495
(b) Others	3,066	22,289	11,080	25,355	14,652	32,209
Total	1,50,169	1,56,416	1,34,071	3,06,585	2,79,182	6,58,704
Less: Intersegment Revenue	-	-	-	-	-	-
Net Sales/Income From Operations	1,50,169	1,56,416	1,34,071	3,06,585	2,79,182	6,58,704
ii Segment Results, Profit before tax and Interest from each segment						
(a) Surface Transportation Business	59,733	55,255	48,344	1,14,988	99,116	1,80,890
(b) Others	640	3,023	738	3,663	1,286	5,997
Total	60,373	58,278	49,082	1,18,651	1,00,402	1,86,887
Less: Unallocated expenses						
(i) Interest	49,396	45,249	36,261	94,645	68,728	1,47,096
(ii) Others	3,121	6,630	1,938	9,751	3,822	13,021
Add:						
(i) Unallocable income	7,115	8,386	2,670	15,501	5,540	21,544
Total Profit Before Tax	14,971	14,785	13,553	29,756	33,392	48,314
iii Capital employed (Segment assets - Segment liabilities)						
(a) Surface Transportation Business	24,43,273	23,35,868	19,79,089	24,43,273	19,79,089	22,42,701
(b) Others	17,598	30,600	13,366	17,598	13,366	9,281
(c) Unallocated assets net of (liabilities)	(18,56,343)	(17,44,391)	(14,96,557)	(18,56,343)	(14,96,557)	(17,05,724)
Total	6,04,528	6,22,077	4,95,898	6,04,528	4,95,898	5,46,258

3 The Consolidated Financial Results of the Company for the quarter and half year ended September 30, 2014 have been prepared in accordance with the principles and procedures as set out in AS-21 on 'Consolidated Financial Statements', AS-23 on 'Accounting for Investments in Associates in Consolidated Financial Statements' and AS-27 on 'Financial Reporting of Interests in Joint Ventures' and is hereinafter referred to as the "Group".

4 Stand-alone Information

(₹ in Lakhs)

Particulars	Quarter ended			Half Year ended		Year ended
	September 30, 2014 (Audited) (Refer Note 11)	June 30, 2014	September 30, 2013 (Unaudited) (Refer Note 11)	September 30, 2014 (Audited)	September 30, 2013 (Audited)	March 31, 2014 (Audited)
Total Income from operations	77,823	93,932	68,757	1,71,755	1,37,951	3,40,458
Profit Before Tax	17,079	21,597	9,773	38,676	28,365	32,291
Profit After Tax	11,175	18,857	5,615	30,032	16,277	28,603

b During the Quarter ended September 30, 2014, the Company has issued 2000 ITNL, 11.50%, 2024 Rated, Unsecured Redeemable, Non-Convertible Debentures ("NCDs") of the face value of ₹ 1,000,000 per unit issued at a discount of ₹ 45,000 per NCD on a private placement basis which has been subsequently listed as detailed below:

Particulars	Number of NCDs	Allotment Date	Amount (₹ in Lakhs)
ITNL, 11.50%, 2024	2,000	July 22, 2014	20,000

c The details of utilisation of proceeds of above NCDs is given below :

Particulars	(₹ in Lakhs)
Face value of NCDs	20,000
Less: Discount on NCDs	900
Amount received from the issue	19,100
Utilisation :	
For repayment of loans	1,000
For working capital payments	7,560
Loans to related party	4,950
Investment in related party	5,590
Total utilisation	19,100
Balance amount unutilised as on September 30, 2014	-

d Additional disclosure on a standalone basis pursuant to debt listing agreement

(₹ in Lakhs)

Particulars	Quarter ended			Half Year ended		Year ended
	September 30, 2014 (Audited) (Refer Note 11)	June 30, 2014	September 30, 2013 (Unaudited) (Refer Note 11)	September 30, 2014 (Audited)	September 30, 2013 (Audited)	March 31, 2014 (Audited)
Paid-up debt capital (face value - ₹ 1,000,000 per unit)				1,28,694	1,00,000	1,09,554
Debenture Redemption Reserve						9,477
Ratios:						
(i) Debt Equity ratio (number of times)	Not Applicable	Not Applicable	Not Applicable	1.71	1.65	1.77
(ii) Debt Service Coverage ratio (DSCR) (number of times)	Not Applicable	Not Applicable	Not Applicable	0.39	0.50	0.23
(iii) Interest Service Coverage ratio (ISCR) (number of times)	Not Applicable	Not Applicable	Not Applicable	2.17	2.15	1.62

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Formulas used for the computation of the Ratios:

- i) Debt/Equity Ratio = Debt / (Equity Share Capital + Reserves & Surplus).
- ii) Debt Service Coverage Ratio (DSCR) = Earnings before Finance costs and Tax/ (Finance costs + Principal Repayment during the period / year).
- iii) Interest Service Coverage Ratio (ISCR) = Earnings before Finance costs and Tax/ Finance costs.
- iv) Debt = Aggregate of Long term borrowings, Current maturities for Long term borrowings and Short term borrowings.

e Additional disclosure as per Clause 2 of Part A of the Listing agreement for Non-convertible Redeemable Preference Shares :

Particulars	As at September 30, 2014		As at March 31, 2014	
	Number of Shares	₹ in Lakhs	Number of Shares	₹ in Lakhs
Listed :				
10.40% Rated Listed Fully Paid-Up Cumulative Non-Convertible Compulsorily Redeemable Preference Shares of ₹ 10/- each ("10.40% ITNL CNCRPS 2017")	10,72,50,000	10,725	10,72,50,000	10,725
10.50% Rated Listed Fully Paid-Up Cumulative Non-Convertible Compulsorily Redeemable Preference Shares of ₹ 10/- each ("10.50% ITNL CNCRPS 2018")	1,92,00,000	1,920	1,92,00,000	1,920
Sub-total	12,64,50,000	12,645	12,64,50,000	12,645
Unlisted :				
20.50% Cumulative Redeemable Preference Shares of ₹ 10/- each fully paid ("20.50% CRPS")	20,00,00,000	20,000	20,00,00,000	20,000
11% Rated Unlisted Fully Paid-Up Cumulative Non-Convertible Compulsorily Redeemable Preference Shares of ₹ 10/- each ("11% ITNL CNCRPS 2021")	5,00,00,000	5,000	5,00,00,000	5,000
Sub-total	25,00,00,000	25,000	25,00,00,000	25,000
Total	37,64,50,000	37,645	37,64,50,000	37,645
Net worth*		3,74,969		2,98,216
Capital Redemption Reserve				

"Net worth" as per Listing agreement for Non-convertible Redeemable Preference Shares :

* "Net worth" means the aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance in the statement of the profit and loss.

Investors can view the standalone results of the Company on the Company's website (www.itnlindia.com) or on the BSE website (www.bseindia.com) or NSE website (www.nseindia.com).

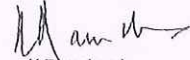
- 5 During the half year ended September 30, 2014, the Company issued 52,452,288 equity shares on rights basis in the ratio of 27:100. The record date for this purpose was March 14, 2014. The offer was open from April 28, 2014 to May 12, 2014 to all eligible equity shareholders. As at the end of the offer date i.e. May 12, 2014 the Company had received applications for 66,313,105 shares aggregating ₹ 66,313 lakhs from the eligible shareholders and accordingly the Company issued 52,452,288 shares to all eligible equity shareholders on May 22, 2014. The Earnings per share has been accordingly adjusted to give effect of the Rights Issue for the quarters ended June 30, 2014, September 30, 2013, half years ended September 30, 2014, September 30, 2013 and year ended March 31, 2014.
- 6 During the financial year ended March 31, 2014, the Company had changed the estimates used to compute current tax, based on the High Court judgment relating to disallowance of expenses under Section 14A of the Income Tax Act, 1961 and accordingly recomputed the current tax as applicable to the Company for the years ended March 31, 2012 and March 31, 2013 on the aforesaid basis and filed the income tax return for March 31, 2013 and a revised return for March 31, 2012 with the Income Tax department. Due to the above the current tax charge for the year ended March 31, 2014 is after considering reversal of provision for current tax of ₹ 2,312 lakhs pertaining to the year ended March 31, 2012 and ₹ 2,480 lakhs pertaining to the year ended March 31, 2013.
- 7 Consequent to the enactment of the Companies Act, 2013 and its applicability for accounting periods commencing on or after April 1, 2014, the Group reviewed its method of providing for depreciation on its tangible fixed assets and also reassessed the useful lives of such assets. On and from April 1, 2014, the Group has changed its method of providing for depreciation from the Written Down Value Method to the Straight Line Method to depreciate all classes of tangible fixed assets. Previously, the Group used the Straight Line Method for depreciating Buildings, Data processing equipments, Specialised office equipments, Assets provided to employees and Leasehold improvement costs while other tangible fixed assets were being depreciated using the Written Down Value Method. The revised useful lives, as assessed by the Group, match those specified in Part C of Schedule II to the Companies Act, 2013, for all classes of assets other than Data Processing Equipments – Server and Networking equipments, Mobile Phones and Ipads / Tablets, Specialised office equipments, Cars purchased by the Group for employees, Assets provided to employees and Leasehold improvement costs where the estimated useful lives are lower than those specified in Part C of Schedule II. The Group believes that the revised useful lives of the assets reflect the lives over which these assets are expected to be used. As a result of the change, the charge on account of Depreciation for the six months ended September 30, 2014, is higher by ₹ 10.25 lakhs compared to the method used and useful lives estimated in earlier periods.
- 8 Other operating income for the quarter ended June 30, 2014 and half year ended September 30, 2014 represents gain on sale of 23,187,155 equity shares (representing 41.80% shareholding) in one of the subsidiary company. The Company now holds 41.81% of the shareholding in that entity as at September 30, 2014. During the current quarter the Company has diluted its control over the Board from August 8, 2014, consequently the financials of the entity have been consolidated as an associate.
- 9 During the half year ended September 30, 2014 an associate company (subsidiary upto August 7, 2014) received a formal communication from the Corporate Debt Restructuring (CDR) Empowered Group with respect to it having formally exited from the CDR system. The interim financial statements of the associate reflect, contribution by one of the Promoters amounting to ₹ 4,500 lakhs as advance towards preference capital, liabilities towards Non-convertible Debentures aggregating ₹ 2,000 lakhs and Deep Discount Bonds aggregating ₹ 15,460 lakhs for which the consequential repayment/conversion, recompense, if any, for the reduction in interest rates are pending pursuant to decisions taken by the CDR cell and High Court of Gujarat. Consequent to the associate's exit from the CDR on May 20, 2014, the below mentioned items are subject to discussions:
 - a. Settlement of the Advance towards Capital / Debt ; and
 - b. Recompense, if any of the amount of sacrifices made by the Deep Discount Bond holders and the Non-Convertible Debenture Holders.

In the view of the Management of the associate company, the amounts payable, if any, for the aforesaid items is currently unascertainable and accordingly, no liability/charge has been created in its interim financial statements. The associate company intends to finalise the foregoing during the current financial year ending March 31, 2015.



- 10 The figures for the year ended March 31, 2014, half year ended September 30, 2013, quarter ended June 30, 2014 and quarter ended September 30, 2013 have been regrouped and / or re-arranged wherever necessary to conform to the classification adopted in the half year ended September 30, 2014.
- 11 The figures for the quarter ended September 30, 2014 are balancing figures arrived at as the difference between the audited figures of the half year ended September 30, 2014 and the published audited figures for the quarter ended June 30, 2014.
The figures for the quarters ended September 30, 2013 are balancing figures arrived at as the difference between the audited figures of the half year ended September 30, 2013 and the published unaudited figures for the quarter ended June 30, 2013, which was subjected to a limited review.
- 12 Income from Operations for the quarter and half year ended September 30, 2014 includes an amount of ₹ 26,093 lakhs on account of aggregate compensation claimed by ITNL from two Special Purpose Vehicles ("SPVs") and by the two SPVs on the Concession Granting Authority ("CGA"), for the incremental work and related claims arising from delays due to handing over of the land CGA for project execution. The compensation is based on the provisions in the Service Concession Agreements and is supported by the Extension of Time granted by the Independent Engineers. The SPVs have been legally advised that they are contractually entitled to such claims under the Service Concession Agreements. Costs in connection with the foregoing have been considered in recognising the above income
- 13 The above results have been reviewed by the Audit Committee on November 10, 2014 and thereafter approved by the Board of Directors at its meeting held on November 11, 2014 and the results for the quarter and half year ended September 30, 2014 have been subjected to an audit by the statutory auditors of the Company.

On behalf of the Board



K Ramchand
Managing Director

Place: New Delhi

Date: November 11, 2014

