

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF IL&FS RAIL LIMITED
Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **IL&FS RAIL LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to the following matter in the Notes to the financial statements:

We draw attention to note no. 37 of the financial statements relating to application filed by the Company with the Central Government for approval of managerial remuneration paid in excess of the limit laid down in the Companies Act 1956/2013 for the financial year 2013-14 and 2014-15.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.



- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
- e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) 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, 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 financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order/CARO 2016") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 015125N)



(Jitendra Agarwal)
Partner
(Membership No. 87104)



Place: Gurgaon
Date: 3 May, 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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

We have audited the internal financial controls over financial reporting of **IL&FS RAIL LIMITED** ("the Company") as of 31 March, 2016 in conjunction with our audit of the 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. 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 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 based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls Over Financial Reporting

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.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2016, 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.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 015125N)

Jitendra Agarwal

(Jitendra Agarwal)
Partner
(Membership No. 87104)



Place: Gurgaon
Date: 3 May, 2016

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) In respect of its fixed assets :
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us, the Company does not have any immovable properties of freehold or leasehold land and building hence reporting under clause (i)(c) of the CARO 2016 is not applicable.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification. However, the Company is not carrying any inventory at year-end.
- (iii) According to the information and explanations given to us, the Company has granted unsecured loans to companies covered in the Register maintained under Section 189 of the Companies Act, 2013, in respect of which:
 - a. The terms and conditions of the grant of such loans are, in our opinion, *prima facie*, not prejudicial to the Company's interest.
 - b. The schedule of repayment of principal and payment of interest has been stipulated and receipts of principal amounts and interest have been regular as per stipulations.
 - c. There is no overdue amount remaining outstanding as at the year-end.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public and hence reporting under clause (v) of the CARO 2016 is not applicable.
- (vi) According to the information and explanations given to us, the maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for any of the product of the Company.



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(vii) According to the information and explanations given to us, in respect of statutory dues:

- a. The Company has been regular in depositing undisputed statutory dues including Provident Fund, Income-tax, Service Tax, Value Added Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities. We are informed that the provisions of Employees' State Insurance Act, 1948 are not applicable to the Company and that the operations of the Company during the year did not give rise to any liability for Sales Tax and Excise Duty.
- b. There are no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31 March, 2016 for a period of more than six months from the date they became payable.
- c. Details of dues of Income-tax and Service Tax, which have not been deposited as on 31 March, 2016 on account of disputes are given below:

Name of Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (Rs.)
Income Tax Act, 1961	Income Tax demand	Commissioner (Appeals)	Financial year 2010-11	11,811,570
Finance Act, 1994	Service Tax demand	Custom Excise and Service Tax Appellate Tribunal (CESTAT)	Financial year 2009-10 to 2013-14	657,716,724

There are no dues of Sales Tax, Value Added Tax, Customs Duty and Excise Duty which have not been deposited as on 31 March, 2016 on account of disputes.

- (viii) The Company has not taken any loan from banks, financial institutions and government and has not issued any debentures and hence reporting under clause (viii) of the CARO 2016 is not applicable.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instrument) or term loans and hence reporting under clause (ix) of the CARO 2016 is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.



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- (xi) In our opinion and according to the information and explanations given to us, the Company has paid managerial remuneration in excess of the limits and approvals prescribed under section 197 read with Schedule V to the Companies Act, 2013 to the following managerial personnel:

Managerial position	Excess amount of remuneration paid	Financial years ending	Treatment of the excess remuneration in the financial statements	Steps taken by the Company for securing refund
Managing Director	Rs. 78,653,547	31 March, 2014 and 2015	Excess amount paid has been charged to the Statement of Profit and Loss in the respective years	Nil

- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has made private placement of shares during the year under review.

In respect of the above issue, we further report that:

- The requirements of Section 42 of the Companies Act, 2013, as applicable, have been complied with.
 - The amounts raised have been applied by the Company during the year for the purposes for which funds were raised, other than temporary deployment pending application.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.



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- (xvi) The Company is not required to be registered under section 45-IA of the Reserve bank of India Act, 1934.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 015125N)

Jitendra Agarwal

(Jitendra Agarwal)
Partner
(Membership No. 87104)



Place: Gurgaon
Date: 3 May, 2016

IL&FS RAIL LIMITED

BALANCE SHEET AS AT 31 MARCH, 2016

Particulars	Note No.	As at 31 MARCH, 2016 Rupees	As at 31 MARCH, 2015 Rupees
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	6,886,536,500	5,237,995,800
(b) Reserves and surplus	4	<u>758,285,873</u>	<u>267,733,770</u>
		7,644,822,373	5,505,729,570
2 Non-current liabilities			
(a) Long-term provisions	5	<u>918,029</u>	<u>1,996,727</u>
3 Current liabilities			
(a) Short-term borrowings	6	-	1,550,000,000
(b) Trade payables	7		
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,747,400,580	449,233,174
(c) Other current liabilities	8	121,339,715	340,224,902
(d) Short - term Provisions	9	<u>2,171,404</u>	<u>11,255,104</u>
		1,870,911,699	2,350,713,180
Total		<u>9,516,652,101</u>	<u>7,858,439,477</u>
B ASSETS			
1 Non - current assets			
(a) Fixed assets	10		
(i) Tangible assets		6,174,610	11,289,719
(ii) Intangible assets		<u>2,578,141</u>	<u>983,283</u>
		8,752,751	12,273,002
(b) Non-current investments	11	6,021,991,980	5,222,274,400
(c) Deferred tax assets (net)	12	2,231,164	5,627,974
(d) Long-term loans and advances	13	132,275,071	83,363,563
(e) Other non-current assets	14	<u>87,168,916</u>	<u>78,102,505</u>
		6,252,419,882	5,401,641,444
2 Current assets			
(a) Trade receivables	15	1,619,600,497	649,571,146
(b) Cash and cash equivalents	16	15,436,897	6,627,169
(c) Short - term loans and advances	17	1,628,835,318	1,800,599,718
(d) Other current assets	18	<u>359,507</u>	-
		3,264,232,219	2,456,798,033
Total		<u>9,516,652,101</u>	<u>7,858,439,477</u>

See accompanying notes forming part of the financial statements

In terms of our report attached.

For DELOITTE HASKINS & SELLS
Chartered Accountants

Jitendra Agarwal

Jitendra Agarwal
Partner



For and on behalf of the Board of Directors

Rajiv Banga

Rajiv Banga
Managing Director
(DIN-02093324)

Deepak Dasgupta

Deepak Dasgupta
Director
(DIN-00457925)

Jagdish Aggarwal

Jagdish Aggarwal
Chief Financial Officer

Chinky Lavania

Chinky Lavania
Company Secretary

Place: Gurgaon
Date: 03 May, 2016

Place: Gurgaon
Date: 03 May, 2016

IL&FS RAIL LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2016

Particulars	Note No.	For the year ended	For the year
		31 March, 2016	ended 31 March, 2015
		Rupees	Rupees
1 Revenue from operations	19	3,691,565,043	1,179,376,934
2 Other income	20	72,171,702	82,828,170
3 Total revenue (1 + 2)		<u>3,763,736,745</u>	<u>1,262,205,104</u>
4 Expenses:			
(a) Cost of materials consumed	21	258,980,564	141,770,754
(b) Construction cost	22	3,180,757,544	776,804,439
(c) Employee benefits expense	23	117,720,524	137,232,360
(d) Finance costs	24	22,583,739	34,560,274
(e) Depreciation and amortisation expense	10	3,705,304	4,155,488
(f) Other expenses	25	111,482,783	76,334,764
Total expenses		<u>3,695,230,458</u>	<u>1,170,858,079</u>
5 Profit before exceptional items and tax (3-4)		68,506,287	91,347,025
6 Exceptional items (see note 38)		683,257,694	-
7 Profit before tax (5+6)		<u>751,763,981</u>	<u>91,347,025</u>
8 Tax expense:			
(a) Current tax expense		257,815,068	30,288,700
(b) Deferred tax charge/(credit)		3,396,810	(745,962)
		<u>261,211,878</u>	<u>29,542,738</u>
9 Profit for the year (7-8)		490,552,103	61,804,287
10 Earnings per equity share (of Rs. 10 each)	31		
(a) Basic		0.81	0.13
(b) Diluted		0.81	0.13

See accompanying notes forming part of the financial statements

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

Jitendra Agarwal
Partner



For and on behalf of the Board of Directors

Rajiv Banga
Managing Director
(DIN-02093324)

Deepak Dasgupta
Director
(DIN-00457925)

Jagdish Aggarwal
Chief Financial Officer

Chinky Lavania
Company Secretary

Place: Gurgaon
Date: 03 May, 2016

Place: Gurgaon
Date: 03 May, 2016

IL&FS RAIL LIMITED

CASH FLOW STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2016

	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	Rupees	Rupees
A. Cash flow from operating activities		
Net profit before tax	751,763,981	91,347,025
Adjustments for :-		
Interest income	(70,555,998)	(59,962,414)
Profit on sale of Investments	(683,257,694)	-
Finance costs	22,583,739	34,560,274
Depreciation and amortisation expense	3,705,304	4,155,488
(Profit)/loss on sale of fixed assets	(21,146)	(194,999)
Provision for employee benefits	(10,162,398)	(768,293)
Operating profit before working capital changes	14,055,788	69,137,081
Changes in working capital:		
Adjustments for (Increase) / decrease in operating assets:		
Long term loans and advances	(10,987,512)	(11,912,506)
Other non-current assets	(10,000,000)	-
Trade receivables	(970,029,351)	382,207,340
Short term loans and advances	(88,074,581)	(15,215,915)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	1,298,167,406	(298,027,643)
Other current liabilities	(218,885,187)	4,695,573
Cash generated from operations	14,246,563	130,883,930
Net income tax (paid)/refunds	(265,739,064)	(31,990,907)
Net Cash flow from/(used in) operating activities	(A) (251,492,501)	98,893,023
B. Cash flow from Investing activities		
Capital expenditure on fixed assets, including capital advances	(2,712,016)	(3,069,226)
Bank balances not considered as cash and cash equivalents	-	(62,107)
Intercompany deposits received back	1,896,943,844	1,153,818,107
Intercompany deposits given	(1,679,943,844)	(1,339,522,293)
Loans given to related party	(3,667,161,019)	(3,500,000,000)
Loans received back from related party	3,680,000,000	1,950,000,000
Proceeds from sale of fixed assets	2,548,109	195,000
Long-term investments - subsidiaries	(1,775,800,000)	(1,254,500,000)
Proceeds from sale of investments	1,659,340,114	-
Interest received	71,130,080	58,936,253
Net cash flow from/(used in) Investing activities	(B) 184,345,268	(2,934,204,266)
C. Cash flow from financing activities		
Proceeds from Issue of equity shares	1,648,540,700	1,314,995,800
Finance costs paid	(22,583,739)	(34,560,274)
Proceeds from short-term borrowings	-	3,500,000,000
Repayment of short-term borrowings	(1,550,000,000)	(1,950,000,000)
Net Cash flow from/(used in) financing activities	(C) 75,956,961	2,830,435,526
Net Increase/(decrease) in cash and cash equivalents during the year (A+B+C)	8,809,728	(4,875,717)
Cash and Cash Equivalent at the beginning of the year	6,627,169	11,502,886
Cash and Cash Equivalent at the end of the year	15,436,897	6,627,169
Note:		
Cash and cash equivalents at the end of the year comprises		
(a) Cash on hand	27,891	2,140
(b) Balances with banks		
-in current accounts	15,409,006	6,625,029
	15,436,897	6,627,169

See accompanying notes forming part of the financial statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants


Jitendra Agarwal
Partner



For and on behalf of the Board of Directors


Rajiv Banga
Managing Director
(DIN-02093324)


Deepak Dasgupta
Director
(DIN-00457925)


Jagdish Aggarwal
Chief Financial Officer


Chinky Lavania
Company Secretary

Place: Gurgaon
Date: 03 May, 2016

Place: Gurgaon
Date: 03 May, 2016

IL&FS RAIL LIMITED

Notes forming part of the financial statement

Note No. 1 - Background

The Company was incorporated as a Joint Venture between IL&FS Transportation Networks Limited (ITNL), ENSO Limited and Mr. Sanjiv Rai vide a joint venture agreement dated February 4, 2008 to undertake activities under the said agreement.

The Company was incorporated under the Companies Act, 1956 on February 19, 2008 and the Registrar of Companies has issued a "Certificate of Commencement of Business" dated April 10, 2008. During the year ended 31 March, 2012 the name of the Company was changed to IL&FS Rail Limited and a fresh certificate of incorporation was issued by the Registrar of Companies, NCT of Delhi and Haryana on 06 February, 2012.

The Company has been set up for the development of urban and Inter urban mass and freight transport infrastructure projects. The Company along with a consortium of IL&FS Transportation Networks Limited and DLF Limited had been awarded a Metrorail Project in Gurgaon by Haryana Urban Development Authority which has been executed through Rapid Metrorail Gurgaon Limited (RMGL), a special purpose entity. The Company along with a consortium of IL&FS Transportation Networks Limited had been awarded an extension of Metrorail Project in Gurgaon by Haryana Urban Development Authority which is being executed through Rapid Metrorail Gurgaon South Limited (RMGSL) a special purpose entity. The Company has been awarded a construction contract by ITNL for development of a Metro rail Project.

Note No. 2 - Significant accounting policies

I Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

II Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

III Fixed assets (Tangible / Intangible)

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.



IV Depreciation and amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

A. Tangible assets

- (i) Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, 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, manufacturers warranties and maintenance support, etc.:

Asset type	Useful life (in years)
Data processing equipment – server and networking equipment	4
Specialised office equipment	3
Cars purchased by the company for employees	5
Assets provided to employees	3

- (ii) All categories of assets costing less than Rs. 5,000 each, Mobile Phones and Ipad / Tablets are fully depreciated in the year of purchase.

- (iii) The residual value of all the assets is retained at Rs. 1 each.

B. Intangible assets

Asset type	Useful life
Software	4 years

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

V. Impairment of assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following Intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

- (a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss.

VI. Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

VII. Foreign currency transactionsInitial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement at the balance sheet date

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

Treatment of exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

Accounting for forward contracts

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made.



VIII Revenue recognition**Revenue from construction contracts**

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the percentage of completion of the contract activity at the reporting date. The percentage of completion of a contract is determined considering the proportion that contract costs incurred for work performed upto the reporting date bear to the estimated total contract costs.

For the purposes of recognising revenue, contract revenue comprises the initial amount of revenue agreed in the contract, the variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured

The percentage of completion method is applied on a cumulative basis in each accounting period to the current estimates of contract revenue and contract costs. The effect of a change in the estimate of contract revenue or contract costs, or the effect of a change in the estimate of the outcome of a contract, is accounted for as a change in accounting estimate and the effect of which are recognised in the Statement of Profit and Loss in the period in which the change is made and in subsequent periods.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred of which recovery is probable and the related contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense in the Statement of Profit and Loss in the period in which such probability occurs.

IX Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

X Employee benefits

Employee benefits include provident fund, superannuation fund, gratuity fund and compensated absences.

Defined contribution plans

The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under :

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.



XI Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

XII Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

XIII Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

XIV Borrowing costs

Borrowing costs include interest and amortisation of ancillary costs incurred. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets.

XV Earnings Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.



XVI Leases

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

XVII Cash and cash equivalents (for purposes of cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

XVIII Cash flow statement

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

IX Derivative contracts

The Company enters into derivative contracts in the nature of foreign currency swaps and forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions in foreign currency. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for foreign currency transactions and translations. Derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss.

XX Preliminary expenses

Preliminary expenses incurred on incorporation are written off fully in the period of commencement of the business.

XXI Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

XXII Operating cycle

Based on the nature of services/ activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.



IL&FS RAIL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No. 3 - Share capital

Particulars	As at 31 March, 2016		As at 31 March, 2015	
	Number	Rupees	Number	Rupees
(a) Authorised				
Equity Shares of Rs. 10 each with voting rights	860,000,000	8,600,000,000	660,000,000	6,600,000,000
	860,000,000	8,600,000,000	660,000,000	6,600,000,000
(b) Issued, subscribed and fully paid up				
Equity Shares of Rs. 10 each with voting rights	688,653,650	6,886,536,500	523,799,580	5,237,995,800
Total	688,653,650	6,886,536,500	523,799,580	5,237,995,800

See notes (i) to (iv) below

Notes:

(i) Rights, preferences and restrictions attached to shares

The Company has issued one class of equity shares having face value of Rs. 10 each. Each shareholder is entitled to one vote per share. Dividend if proposed by the board of directors is subject to approval of the shareholders in Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(ii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

Particulars	For the year ended 31 March , 2016		For the year ended 31 March, 2015	
	Number	Rupees	Number	Rupees
EQUITY SHARES WITH VOTING RIGHTS				
Shares outstanding at the beginning of the year	523,799,580	5,237,995,800	392,300,000	3,923,000,000
Shares Issued during the year	164,854,070	1,648,540,700	131,499,580	1,314,995,800
Shares outstanding at the end of the year	688,653,650	6,886,536,500	523,799,580	5,237,995,800

(iii) Details of Shares held by the holding company, ultimate holding Company, their subsidiaries and associates:

Particulars	As at 31 March, 2016		As At March 31, 2015	
	Number	Rupees	Number	Rupees
EQUITY SHARES HELD BY:				
IL & FS Transportation Networks Limited, the holding company	550,139,142	5,501,391,420	411,485,072	4,114,850,720

(iv) Details of shares held by each Shareholder holding more than 5% shares:

Particulars	As at 31 March, 2016		As At March 31, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares				
IL & FS Transportation Networks Limited	550,139,142	79.89%	411,485,072	78.56%
Enso Infrastructures Private Limited	125,929,368	18.29%	99,729,368	19.04%



IL&FS RAIL LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****Note No. 4 - Reserves and surplus**

Particulars	As at 31 March, 2016 Rupees	As at 31 March, 2015 Rupees
(a) Surplus in Statement of Profit and Loss		
Opening balance	267,733,770	205,929,483
Add: Profit for the year	490,552,103	61,804,287
Closing balance	758,285,873	267,733,770

Note No. 5 - Long term provisions

Particulars	As at 31 March, 2016 Rupees	As at 31 March, 2015 Rupees
(a) Provision for employee benefits		
For Compensated absences	918,029	1,996,727
	918,029	1,996,727



IL&FS RAIL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No. 6 - Short term borrowings

Particulars	As at 31 March, 2016 Rupees	As at 31 March, 2015 Rupees
Unsecured		
Short term loan from fellow subsidiary	-	1,550,000,000
	-	1,550,000,000

Note No. 7 - Trade payables

Particulars	As at 31 March, 2016 Rupees	As at 31 March, 2015 Rupees
Other than acceptances		
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	1,747,400,580	449,233,174
Total	1,747,400,580	449,233,174

Note:

The amount due to Micro and Small Enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 has been disclosed to the extent of information available with the Company from vendors regarding their status. As per the information available with the Company, no interest is paid/payable under the Act.

Note No. 8 - Other current liabilities

Particulars	As at 31 March, 2016 Rupees	As at 31 March, 2015 Rupees
(a) Income received in advance (unearned revenue)	105,575,033	329,894,268
(b) Other payables		
- Statutory dues (contribution to Provident Fund, withholding taxes, VAT etc.)	15,764,682	10,330,634
	121,339,715	340,224,902

Note No. 9- Short-term provisions

Particulars	As at 31 March, 2016 Rupees	As at 31 March, 2015 Rupees
(a) Provision for employee benefits		
(i) For compensated absences	2,171,404	11,255,104
	2,171,404	11,255,104



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No. 10 - Fixed assets

Particulars	Gross block				Accumulated depreciation/amortisation			Net block		
	Balance as at 1 April, 2015	Additions	Disposals	Balance as at 31 March, 2016	Balance as at 1 April, 2015	Eliminated on disposal of assets	Balance as at 31 March, 2016	Balance as at 31 March, 2015	Balance as at 31 March, 2015	
	1 April, 2015	31 March, 2016	1 April, 2015	31 March, 2016	31 March, 2016	31 March, 2016	31 March, 2016	31 March, 2015	31 March, 2015	
A. Tangible assets										
(a) Plant and equipment (Previous year)	71,738 (71,738)	-	-	71,738 (71,738)	15,045 (21,773)	-	4,785 (-5,128)	20,830 (16,045)	50,908 (55,693)	55,693 (50,565)
(b) Furniture and fixtures (Previous year)	1,145,700 (1,147,399)	103,732 (74,831)	349,674 (76,530)	899,758 (1,145,700)	385,687 (335,537)	207,447 (76,530)	174,905 (123,680)	353,145 (385,687)	546,613 (760,013)	760,013 (808,862)
(c) Vehicles (Previous year)	17,658,560 (17,103,192)	-	5,872,188 (1,251,932)	11,786,372 (17,658,560)	7,961,202 (6,596,368)	3,532,739 (1,251,931)	2,242,147 (2,616,765)	6,670,610 (7,961,202)	5,115,762 (9,697,358)	9,697,358 (10,506,824)
(d) Office equipment (Previous year)	1,575,902 (1,758,181)	80,840 (224,900)	423,779 (407,179)	1,232,963 (1,575,902)	1,349,591 (1,253,322)	378,499 (407,179)	192,843 (503,448)	1,163,935 (1,349,591)	69,028 (226,311)	226,311 (504,859)
(e) Data processing equipment (Previous year)	3,690,541 (3,952,035)	289,724 (81,950)	584,661 (343,444)	3,395,604 (3,690,541)	3,140,197 (2,675,395)	584,654 (343,444)	447,762 (808,246)	3,003,305 (3,140,197)	392,299 (550,344)	550,344 (1,276,640)
Total (A)	24,142,441	474,296	7,230,302	17,386,435	12,852,722	4,703,339	3,062,442	11,211,825	6,174,610	11,289,719
(Previous year)	(24,032,545)	(2,188,981)	(2,079,085)	(24,142,441)	(10,884,795)	(2,079,084)	(4,047,011)	(12,852,722)	(11,289,719)	(13,147,750)
B. Intangible assets										
(a) Software	1,271,018	2,237,720	-	3,508,738	287,735	-	642,862	930,597	2,578,141	983,283
Total (B)	1,271,018	2,237,720	-	3,508,738	287,735	-	642,862	930,597	2,578,141	983,283
(Previous year)	(390,773)	(880,245)	-	(1,271,018)	(179,258)	-	(108,477)	(287,735)	(983,283)	(211,515)
Total (A+B)	25,413,459	2,712,016	7,230,302	20,895,173	13,140,457	4,703,339	3,705,304	12,142,422	8,752,751	12,273,002
(Previous year)	(24,423,318)	(3,069,226)	(2,079,085)	(25,413,459)	(11,064,053)	(2,079,084)	(4,155,488)	(13,140,457)	(12,273,002)	(13,359,265)
Total depreciation and amortisation										
Tangible assets	3,062,442									
Intangible assets	642,862									
	3,705,304									

Total depreciation and amortisation
Tangible assets
Intangible assets
3,705,304



IL&FS RAIL LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No. 11 - Non - current investments

Particulars	As at 31 March, 2016 Rupees	As at 31 March, 2015 Rupees
Investments (at cost):		
Trade		
Investments in Equity Instruments (Unquoted, fully paid up)		
(A) Subsidiaries		
a. Rapid Metrorail Gurgaon South Limited 289,672,440 (Previous year 163,182,440) equity shares of Rs. 10/- each, fully paid-up	2,896,724,400	1,631,824,400
b. Rapid Metrorail Gurgaon Limited Nil (Previous year 359,045,000) equity shares of Rs. 10/- each	-	3,590,450,000
(B) Fellow subsidiary		
a. Rapid Metrorail Gurgaon Limited 312,526,758 (Previous year nil) equity shares of Rs. 10/- each	3,125,267,580	-
Total	6,021,991,980	5,222,274,400

Note:

Rapid Metrorail Gurgaon Limited ceased to be a subsidiary Company with effect from 29 December, 2015

Note No. 12 - Deferred tax assets

In compliance with the Accounting Standard relating to "Accounting for Taxes on Income" (AS- 22), the Company has recognised deferred tax asset arising on account of timing differences. Major components of deferred tax assets arising on account of timing differences are:

	As at 31 March, 2016 Rupees	As at 31 March, 2015 Rupees
<u>Tax effect of items constituting deferred tax assets</u>		
On difference between book balance and tax balance of fixed assets	1,209,705	1,328,417
Provision for compensated absences, gratuity and other employee benefits	1,021,459	4,299,557
Deferred tax assets	2,231,164	5,627,974



IL&FS RAIL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No. 13 - Long - term loans and advances

Particulars	As at 31 March, 2016 Rupees	As at 31 March, 2015 Rupees
<u>Unsecured, considered good</u>		
(a) Loans and advances to a related party	30,000,000	-
(b) Security deposits:		
Other than related parties	706,000	706,000
(c) Loans and advances to employees	1,311,845	3,089,551
(d) Prepaid expenses	47,462,653	34,697,435
(e) Advance income tax (net of provision for tax Rs. 410,972,605; Previous year -Rs.153,157,537)	52,794,573	44,870,577
	<u>132,275,071</u>	<u>83,363,563</u>
Note:		
Long term loans and advances include amounts due from:		
(i) Officers of the Company	<u>122,343</u>	<u>1,073,752</u>

Note No. 14 - Other non - current assets

Particulars	As at 31 March, 2016 Rupees	As at 31 March, 2015 Rupees
<u>Unsecured, considered good</u>		
(a) Fixed deposit with bank held as margin money or security against borrowings and other commitments	85,262,107	75,262,107
(b) Interest accrued on deposits	1,906,809	2,840,398
	<u>87,168,916</u>	<u>78,102,505</u>



IL&FS RAIL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No. 15 - Trade receivables

Particulars	As at 31 March, 2016 Rupees	As at 31 March, 2015 Rupees
Unsecured, considered good		
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment	45,715,151	25,623,386
(b) Other trade receivables	1,573,885,346	623,947,760
	1,619,600,497	649,571,146

Note No. 16 - Cash and cash equivalents

Particulars	As at 31 March, 2016 Rupees	As at 31 March, 2015 Rupees
(a) Cash on hand	27,891	2,140
(b) Balances with banks -In current accounts	15,409,006	6,625,029
	15,436,897	6,627,169
Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 Cash Flow Statement	15,436,897	6,627,169

Note No. 17 - Short - term loans and advances

Particulars	As at 31 March, 2016 Rupees	As at 31 March, 2015 Rupees
Unsecured, considered good		
(a) Short-term loans and advances given to related party	1,507,161,019	1,550,000,000
(b) Inter corporate deposit to related parties	-	217,000,000
(c) Loans and advances to employees	1,113,187	1,623,614
(d) Advances to vendors	118,668,145	28,962,823
(e) Prepaid expenses	677,060	1,037,501
Balances with government authorities		
- Service tax credit receivable	-	224,409
(f) Advance gratuity	1,215,907	1,751,371
	1,628,835,318	1,800,599,718
Note: Short term loans and advances include amounts due from:		
(i) Officers of the Company	288,851	592,807

Note No. 18 - Other current assets

Particulars	As at 31 March, 2016 Rupees	As at 31 March, 2015 Rupees
Unsecured, considered good		
(a) Interest accrued but not due on loans and advances	359,507	-
	359,507	-



IL&FS RAIL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No. 19 - Revenue from operations

Particulars	For the year ended March 31, 2016 Rupees	For the year ended March 31, 2015 Rupees
(a) Sale of services		
Construction contract income	3,691,565,043	1,179,376,934
	<u>3,691,565,043</u>	<u>1,179,376,934</u>

Note No. 20 - Other income

Particulars	For the year ended March 31, 2016 Rupees	For the year ended March 31, 2015 Rupees
(a) Interest income		
- On intercorporate deposits	15,560,713	15,923,423
- On bank deposits	10,205,231	8,293,876
- On short term loan	44,790,054	35,745,115
- Others	121,485	166,940
(b) Other non-operating income:		
Profit on sale of fixed assets	21,146	194,999
Recovery of managerial remuneration	-	22,432,024
Miscellaneous Income	1,473,073	71,793
	<u>72,171,702</u>	<u>82,828,170</u>

Note No. 21 - Cost of materials consumed

Particulars	For the year ended March 31, 2016 Rupees	For the year ended March 31, 2015 Rupees
(a) Material and components	258,980,564	141,770,754
	<u>258,980,564</u>	<u>141,770,754</u>

Note No. 22 - Construction cost

Particulars	For the year ended March 31, 2016 Rupees	For the year ended March 31, 2015 Rupees
(a) Sub-contractors charges for civil construction and other related works	3,180,757,544	776,804,439
	<u>3,180,757,544</u>	<u>776,804,439</u>

Note No. 23 - Employee benefits expense

Particulars	For the year ended March 31, 2016 Rupees	For the year ended March 31, 2015 Rupees
(a) Salaries and wages	102,324,509	116,982,942
(b) Contribution to provident and other funds	11,889,513	16,421,186
(c) Staff welfare expenses	3,506,502	3,828,232
	<u>117,720,524</u>	<u>137,232,360</u>



IL&FS RAIL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No. 24 - Finance costs

Particulars	For the year ended March 31, 2016 Rupees	For the year ended March 31, 2015 Rupees
(a) Interest expenses		
Interest on borrowings	22,583,739	34,560,274
	22,583,739	34,560,274

Note No. 25 - Other expenses

Particulars	For the year ended March 31, 2016 Rupees	For the year ended March 31, 2015 Rupees
(a) Legal and professional charges	17,986,996	12,502,896
(b) Travelling and conveyance	11,826,809	9,097,324
(c) Rent	18,258,065	19,257,205
(d) Registration expenses	1,979,979	1,132,757
(e) Rates and taxes	64,644	47,722
(f) Repair and maintenance- others	1,914,410	1,766,603
(g) Office maintenance	7,420,448	7,341,086
(h) Communication expenses	974,140	2,189,200
(i) Insurance charges	2,394,083	3,436,648
(j) Power and fuel	1,363,202	1,491,268
(k) Vehicle running and maintenance expenses	1,229,331	1,076,806
(l) Auditor's remuneration (Refer Note (i) below)	1,827,720	1,590,775
(m) Directors' fees	1,571,820	1,303,376
(n) Business promotion expenses	997,701	1,203,177
(o) Expenditure on corporate social responsibility	2,525,684	2,600,000
(p) Donations	40,000	230,000
(q) Net loss on foreign currency transactions/translation	26,958,549	2,982,693
(r) Royalty expenses	6,485,869	3,474,320
(t) Bank charges	449,507	2,029,345
(u) Miscellaneous expenses	5,213,826	1,581,563
	111,482,783	76,334,764

Notes:

(i) Auditors' remuneration comprises:

a. Statutory audit fee	1,600,000	1,400,000
b. Out of pocket expenses	-	15,784
c. Service Tax	227,720	174,991
	1,827,720	1,590,775



IL&FS RAIL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No. 26 - Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at 31 March, 2016	As at 31 March, 2015
	Rupees	Rupees
(a) Contingent Liabilities		
(I) Income tax demand (see note a below)	11,811,570	11,811,570
(II) Service tax (see note b below)	657,716,724	-
(III) Guarantees/counter guarantees (non-financial) Issued In respect of a subsidiary Company	500,000,000	500,000,000

Notes:

- a. The Company has received Income tax Assessment Order for the Financial Year 2010-11 on 31 March, 2014. The tax authorities have recomputed the revenue for that year based on certain assumptions and has raised the above demand. The Company has filed a appeal with the Income Tax Appellate Tribunal (ITAT) on 8 March, 2016. Based on consultation with the tax experts, the Company does not expect any tax liability to remain post appeal. Accordingly no provision is considered necessary.
- b. The Service Tax Authorities had conducted audits for the years 2009-10 to 2013-14 pursuant to which the Company has received demand cum show cause notices from the office of Commissioner of Service Tax asking the Company as to why it should not pay service tax plus interest and penalty. The Company has filed an appeal to the CESTAT against the said order including the application for stay of demand. No provision has been made in the books of account as the Company is of the view that based on the facts of the case it is unlikely that any liability would arise on the Company.

Note No. 27 - Value of imports calculated on CIF basis

	For the Year ended 31 March, 2016	For the year ended 31 March, 2015
	Rupees	Rupees
(a) Material and components	258,980,564	141,770,754

Note No. 28 - Expenditure in foreign currency

	For the Year ended 31 March, 2016	For the year ended 31 March, 2015
	Rupees	Rupees
(a) Travelling	1,272,216	1,242,662
(b) Construction costs	1,766,128,073	270,793,730
	1,767,400,289	272,036,392

Note No 29 - Consumption of Imported and indigenous material

	As at 31 March, 2016	As at 31 March, 2014
	Rupees	Rupees
(a) Imported	258,980,564	141,770,754
(b) Indigenous	-	-
	258,980,564	141,770,754
	Percentage	Percentage
(a) Imported	100.00	100.00
(b) Indigenous	-	-
	100.00	100.00

Note No. 30 - Foreign currency exposure

The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise is as under:

	As at 31 March, 2016	As at 31 March, 2015
	Rupees	Rupees
Payables		
Foreign currency - Euro	6,766,704	573,983
Indian Rupee equivalent	508,149,020	38,749,822
Foreign currency - USD	9,040,207	2,538,481
Indian Rupee equivalent	599,663,147	158,885,557



IL&FS RAIL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No. 31 - Earnings per equity share

Particulars	Unit	For the Year ended March 31, 2016	For the Year ended March 31, 2015
Net profit after tax	Rupees	490,552,103	61,804,287
Weighted average number of equity shares outstanding during the year	Numbers	603,700,113	466,897,387
Nominal value of equity shares	Rupees	10.00	10.00
Basic earnings per share	Rupees	0.81	0.13
Equity shares used to compute diluted earnings per share	Numbers	603,700,113	466,897,387
Diluted earnings per share	Rupees	0.81	0.13

Note No. 32 - Construction contracts

In accordance with the Accounting Standard 7 on 'Construction Contracts', the break-up of the contracts in progress at the reporting date is as under:

Particulars	For the Year ended March 31, 2016	For the Year ended March 31, 2015
Details of contract revenue and costs		
1 Revenue recognised during the year	3,691,565,043	1,179,376,934
2 Aggregate of contract costs incurred and recognised profits upto the reporting date	6,307,376,952	2,615,811,909
3 Advances received	-	-
4 Gross amount due from customers for contract work	1,619,600,497	570,091,289

Note No. 33 - Segment reporting

The Company is engaged in Infrastructure development and thus operates in a single business segment. The Company operates in a single geographic segment. In the absence of separate reportable business or geographic segments the disclosures required under the Accounting Standard (AS) 17 on "Segment Reporting" have not been made.

Note No. 34 - Leasing arrangements

The Company has entered into operating lease arrangements of business center. The minimum future lease payments during non-cancellable periods under the foregoing arrangements in the aggregate for each of the following periods is as follows:

	As at 31 March, 2016	As at 31 March, 2015
	Rupees	Rupees
(i) not later than one year	1,482,498	8,894,988
(ii) later than one year and not later than 5 years	-	1,482,498
(iii) later than five years	-	-

Lease payments recognised in the statement of Profit and Loss is Rs. 18,258,065 (Previous year Rs. Rs. 19,257,205).



Note No. 35 - Employee benefits**(a) Defined-Contribution Plans**

The Company offers its employees defined contribution plan in the form of provident fund and superannuation fund. Provident fund and superannuation fund cover 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, the 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 Company recognised Rs. 3,291,966 (previous year Rs. 6,493,533) for Provident Fund contributions, Rs. 3,566,314 (previous year Rs. 6,723,646) for superannuation fund contributions and Rs. 12,960 (previous year Rs. nil) for labour welfare fund contributions in the Statement of Profit and Loss.

(b) Defined-Benefits Plans

The Company offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount). Benefits under the defined benefit plans are based on years of service and the employee's compensation (immediately before separation). The gratuity scheme covers all regular employees. In the case of the gratuity scheme, the Company contributes to a trust administered by HDFC Standard Life Insurance. Commitments are actuarially determined at year-end.

i. Change in benefit obligation

	As at March 31, 2016	As at March 31, 2015
	Rupees	Rupees
Present value of obligation at the beginning of the year	21,363,055	16,466,607
Current service cost	1,717,547	4,923,581
Interest expenses	867,327	1,304,382
Actuarial (gain) / loss	3,160,369	(1,007,861)
Benefits paid	(18,353,140)	(323,654)
Benefits paid directly by the Company	(1,845,001)	-
Present value of obligations at the end of the year	6,910,157	21,363,055

ii. Fair value of Plan assets

	As at March 31, 2016	As at March 31, 2015
	Rupees	Rupees
Fair value of plan assets at the beginning of the year	23,114,426	16,218,815
Expected return on plan assets	1,249,620	1,573,330
Contributions by the Company	2,637,807	5,203,170
Benefits paid	(18,353,140)	(323,654)
Actuarial (gain) / loss	(522,649)	442,765
Fair value of plan assets at the end of the year	8,126,064	23,114,426

iii. Return on Plan assets

	Year Ended March 31, 2016	Year Ended March 31, 2015
	Rupees	Rupees
Expected return on plan assets	1,249,620	1,573,330
Actuarial gain/(loss)	(522,649)	442,765
Actual return on plan assets	726,971	2,016,095

iv. Amount recognised in the Balance Sheet

	As at March 31, 2016	As at March 31, 2015
	Rupees	Rupees
Present value of defined benefit obligations	6,910,157	21,363,055
Fair value of Plan Assets	8,126,064	23,114,426
Net liability/(asset) recognised in the balance sheet	(1,215,907)	(1,751,371)

v. Expenses recognised in Statement of Profit and Loss

	Year Ended March 31, 2016	Year Ended March 31, 2015
	Rupees	Rupees
Current service costs	1,717,547	4,923,581
Interest expense	867,327	1,304,382
Expected return on investment	(1,249,620)	(1,573,330)
Net actuarial gain/(loss) recognised during the year	3,683,018	(1,450,627)
Expenditure recognised in statement of Profit and Loss	5,018,272	3,204,007

vi. Balance Sheet reconciliation

	As at March 31, 2016	As at March 31, 2015
	Rupees	Rupees
Net liability/(asset) at the beginning of the year	(1,751,371)	247,792
Expenses as above	5,018,272	3,204,007
Benefits paid directly by the Company	(1,845,001)	-
Contribution paid	(2,637,807)	(5,203,170)
Net liability/(asset) at the end of the year	(1,215,907)	(1,751,371)

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 expense.



IL&FS RAIL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

vii. Principal actuarial assumptions

	Year Ended March 31, 2016	Year Ended March 31, 2015
Rate for discounting liabilities	7.70% p.a.	8.00% p.a.
Expected salary increase rate	6.50% p.a.	6.50% p.a.
Expected return on scheme assets	8.00% p.a.	8.00% p.a.
Attrition rate	2.00% p.a.	2.00% p.a.
Mortality table used	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

viii. Experience adjustment

	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
	Rupees	Rupees	Rupees	Rupees	Rupees
Present value of DBO	(6,910,157)	(21,363,055)	(16,466,607)	(12,144,295)	7,723,386
Fair value of plan assets	8,126,064	23,114,426	16,218,815	12,254,018	7,419,652
Funded status [Surplus / (Deficit)]	1,215,907	1,751,371	(247,792)	109,723	303,734
On obligations - (Gain) / Loss	3,160,369	(1,007,861)	676,168	342,117	577,280
On plan asset - Gain / (Loss)	(522,649)	442,765	(65,380)	25,996	(119,296)

The Employer's best estimate of the contributions expected to be paid to the plan during the next 12 months Rs. 2,278,328
(Previous year Rs. 4,880,818)

The entire amount is funded with the HDFC Standard Life Insurance

The plan assets are managed by the HDFC Standard Life Insurance and the Company does not have details as to the investment pattern.

The estimates of future salary increases, considered in the actuarial valuation, take into account inflation, seniority, promotion and other relevant factors.

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

Principal actuarial assumptions for Compensate absences

	Year ended March 31, 2016	Year ended March 31, 2015
Rate for discounting liabilities	7.70% p.a.	8.00% p.a.
Expected salary increase rate	6.50% p.a.	6.50% p.a.
Expected return on scheme assets	8.00% p.a.	8.00% p.a.
Attrition rate	2.00% p.a.	2.00% p.a.
Mortality table used	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate



IL&FS RAIL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No. 36 - Related party transactions

Disclosures as required by the Accounting Standard (AS) 18 - "Related Party"

A. Name of the related parties and nature of relationship (With whom the Company has transactions during the year):

Ultimate Holding Company:	Infrastructure Leasing & Financial Services Limited
Holding Company:	IL&FS Transportation Networks Limited
Fellow Subsidiaries:	IL&FS Financial Services Limited IL&FS Security Services Limited Rapid Metrorail Gurgaon Limited (from 30 December, 2015) Jharkhand Road Project Implementation Company Limited IL&FS Trust Limited IL&FS Education & Technology Services Limited
Subsidiary:	Rapid Metrorail Gurgaon South Limited Rapid Metrorail Gurgaon Limited (upto 29 December, 2015)
Associates:	IL&FS Engineering and Construction Company Limited IL&FS Technologies Limited Livla India Limited (w.e.f. 30 January, 2015)
Companies with ability to exercise significant influence	ENSO Infrastructure Private Limited
Key Management Person (KMP):	Mr. Sanjiv Rai (Managing Director and CEO till 31 March, 2015) Mr. Rajiv Banga (From 1 April, 2016)

Particulars	Holding / Ultimate Holding Company	Subsidiary/ Fellow subsidiary	Associates	Companies Having Significant Influence	Key Managerial Personnel
B. Transactions during the year					
Shares capital issued*					
IL&FS Transportation Networks Limited	1,648,540,700 (1,314,995,800)	(-)	(-)	(-)	(-)
*Includes equity shares of Rs. 262,000,000 transferred by IL&FS Transportation Networks Limited to Enso Infrastructure Private Limited					
Long term investments made					
Rapid Metrorail Gurgaon Limited	(-)	510,900,000 (676,000,000)	(-)	(-)	(-)
Rapid Metrorail Gurgaon South Limited	(-)	1,264,900,000 (578,500,000)	(-)	(-)	(-)
Sale of long term investment					
Infrastructure Leasing & Financial Services Limited	1,659,340,114 (-)	(-)	(-)	(-)	(-)
Construction Income (Including advance billing)					
Rapid Metrorail Gurgaon Limited	(-)	(104,097,420)	(-)	(-)	(-)
IL&FS Transportation Networks Limited	3,467,245,808 (1,053,254,273)	(-)	(-)	(-)	(-)
Operating expenses					
Infrastructure Leasing & Financial Services Limited	30,974,895 (12,385,424)	(-)	(-)	(-)	(-)
IL&FS Technologies Limited	(-)	(-)	34,096,659 (303,822)	(-)	(-)
Livla India Limited	(-)	(-)	1,489,128 (360,454)	(-)	(-)



Particulars	Holding / Ultimate Holding Company	Subsidiary/ Fellow subsidiary	Associates	Companies Having Significant Influence	Key Managerial Personnel
Rapid Metrorail Gurgaon Limited	- (-)	23,904,816 (24,786,583)	- (-)	- (-)	- (-)
IL&FS Education & Technology Services Limited	- (-)	16,893 (-)	- (-)	- (-)	- (-)
IL&FS Security Services Limited	- (-)	510,062 (-)	- (-)	- (-)	- (-)
IL&FS Trust Limited	- (-)	156,750 (-)	- (-)	- (-)	- (-)
Reimbursement of expenses					
Rapid Metrorail Gurgaon South Limited	- (-)	5,668,372 (450,972)	- (-)	- (-)	- (-)
Managerial remuneration					
Mr. Sanjiv Rai	- (-)	- (-)	- (-)	- (-)	(37,689,202)
Mr. Rajiv Banga	- (-)	- (-)	- (-)	- (-)	19,553,818 (-)
Inter corporate deposits placed					
Infrastructure Leasing & Financial Services Limited	(31,678,088)	- (-)	- (-)	- (-)	- (-)
IL&FS Financial Services Limited	- (-)	1,679,943,844 (1,307,844,205)	- (-)	- (-)	- (-)
Inter corporate deposits received back					
Infrastructure Leasing & Financial Services Limited	(52,973,902)	- (-)	- (-)	- (-)	- (-)
IL&FS Financial Services Limited	- (-)	1,896,943,844 (1,100,844,205)	- (-)	- (-)	- (-)
Interest income					
Infrastructure Leasing & Financial Services Limited	(257,880)	- (-)	- (-)	- (-)	- (-)
IL&FS Transportation Networks Limited	44,020,739 (34,369,178)	- (-)	- (-)	- (-)	- (-)
IL&FS Financial Services Limited	- (-)	15,560,713 (15,665,541)	- (-)	- (-)	- (-)
Jharkhand Road Project Implementation Company Limited	- (-)	769,315 (-)	- (-)	- (-)	- (-)
Interest expense					
IL&FS Financial Services Limited	- (-)	22,379,451 (33,560,274)	- (-)	- (-)	- (-)
Long term loan given					
IL&FS Transportation Networks Limited	1,660,000,000 (-)	- (-)	- (-)	- (-)	- (-)
Long term loan received back					
IL&FS Transportation Networks Limited	1,630,000,000 (-)	- (-)	- (-)	- (-)	- (-)
Short term loan given					
Jharkhand Road Project Implementation Company Limited	- (-)	1,500,000,000 (-)	- (-)	- (-)	- (-)
IL&FS Transportation Networks Limited	500,000,000 (3,500,000,000)	- (-)	- (-)	- (-)	- (-)
Short term loan taken					
IL&FS Financial Services Limited	- (-)	500,000,000 (3,500,000,000)	- (-)	- (-)	- (-)
Short term loan received back					
IL&FS Transportation Networks Limited	2,050,000,000 (1,950,000,000)	- (-)	- (-)	- (-)	- (-)
Short term loan re-paid					
IL&FS Financial Services Limited	- (-)	2,050,000,000 (1,950,000,000)	- (-)	- (-)	- (-)

Notes:

1. Amount in brackets represent previous year figures.



Particulars	Holding / Ultimate Holding Company	Subsidiary/ Fellow subsidiary	Associates	Companies Having Significant Influence	Key Managerial Personnel
C. Balances at year end					
Trade payables					
Infrastructure Leasing & Financial Services Limited	9,427,488 (92,732)	- (-)	- (-)	- (-)	- (-)
IL&FS Engineering and Construction Company Limited	- (-)	- (-)	1,477,494 (1,477,494)	- (-)	- (-)
IL&FS Technologies Limited	- (-)	- (-)	34,096,659 (17,879,915)	- (-)	- (-)
IL&FS Financial Services Limited	- (-)	- (1,332)	- (-)	- (-)	- (-)
IL&FS Security Services Limited	- (-)	510,062 (-)	- (-)	- (-)	- (-)
Livia India Limited	- (-)	- (-)	129,677 (1,081,363)	- (-)	- (-)
Short-term loans and advances (asset)					
IL&FS Transportation Networks Limited	- (1,550,000,000)	- (-)	- (-)	- (-)	- (-)
Rapid Metrorail Gurgaon South Limited	- (-)	7,161,019 (-)	- (-)	- (-)	- (-)
Jharkhand Road Project Implementation Company Limited	- (-)	1,500,000,000 (-)	- (-)	- (-)	- (-)
Long-term loans and advances (asset)					
IL&FS Transportation Networks Limited	30,000,000 (-)	- (-)	- (-)	- (-)	- (-)
Interest accrued but not due					
IL&FS Transportation Networks Limited	359,507 (-)	- (-)	- (-)	- (-)	- (-)
Short term borrowings					
IL&FS Financial Services Limited	- (-)	- (1,550,000,000)	- (-)	- (-)	- (-)
Trade receivables					
Rapid Metrorail Gurgaon Limited	- (-)	45,715,151 (79,479,857)	- (-)	- (-)	- (-)
IL&FS Transportation Networks Limited	1,573,885,346 (570,091,289)	- (-)	- (-)	- (-)	- (-)
Inter corporate deposits (asset)					
IL&FS Financial Services Limited	- (-)	- (217,000,000)	- (-)	- (-)	- (-)
Long term investments					
Rapid Metrorail Gurgaon Limited	- (-)	3,125,267,580 (3,590,450,000)	- (-)	- (-)	- (-)
Rapid Metrorail Gurgaon South Limited	- (-)	2,896,724,400 (1,631,824,400)	- (-)	- (-)	- (-)
Guarantees issued					
Rapid Metrorail Gurgaon South Limited	- (-)	500,000,000 (500,000,000)	- (-)	- (-)	- (-)

Amount in brackets represent balances as on March 31, 2015



IL&FS RAIL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No. 37 - Managerial remuneration

The remuneration paid to the Managing Director for the financial years 2013-14 and 2014-15 is in excess of the limit laid down in the Companies Act, 1956/2013. The Company has applied to the Central Government for approval of managerial remuneration for the aforesaid financial years and the approval is awaited. Recovery of excess remuneration, if any will be made on receipt of approval from the Central government and will be accounted for accordingly.

Note No. 38 - Exceptional item

During the year the Company has sold its long term investment of 97,608,242 equity shares held in Rapid Metro Rail Gurgaon Limited at a profit of Rs. 7 per share. The Profit on sale of investment amounting to Rs. 683,257,694 has been shown as an 'Exceptional Item'.

Note No. 39 - Disclosure as required by sub-section 4 of section 186 of the Companies Act, 2013

Detail of loans and advances in the nature of loans given by the Company are as below:

Name of Party	Amount of loan outstanding Rupees	Terms	Purpose
IL&FS Transportation Networks Limited	30,000,000	24 Months from date of disbursement at rate of interest of 10.30% (1.50% p.a. above base rate of SBI which is currently 9.30%)	Funds provided would be utilised for any of the below specified purposes: (i) Working capital requirements (ii) Extending loans and advances to group companies (iii) Repayment/prepayment of existing loans (iv) General Corporate purposes
Jharkhand Road Project Implementation Company Limited	1,500,000,000	12 Months from date of disbursement at rate of interest of 10.30% (1.50% p.a. above base rate of SBI which is currently 9.30%)	Funds provided would be utilised for any of the below specified purposes: (i) Working capital requirements (ii) Extending loans and advances to group companies (iii) Repayment/prepayment of existing loans (iv) General Corporate purposes

Note No. 40 - Expenditure on Corporate Social Responsibility (CSR)

	Year ended 31 March, 2016 Rupees	Year ended 31 March, 2015 Rupees
(a) Gross amount required to be spent during the year	2,525,684	2,600,000
(b) Amount spent during the year	2,525,684	2,600,000
(c) Detail of related party payments	-	-

Note No. 41

Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

For and on behalf of the Board of Directors



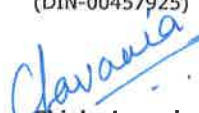
Rajiv Banga
Managing Director
(DIN-02093324)



Deepak Dasgupta
Director
(DIN-00457925)



Jagdish Aggarwal
Chief Financial Officer



Chinky Lavania
Company Secretary

Place: Gurgaon
Date: 03 May, 2016

