

**RECAST STANDALONE FINANCIAL STATEMENTS FOR THE YEAR  
ENDED MARCH 31, 2014**

**IL&FS FINANCIAL SERVICES LTD.**

**Registered Office**

The IL&FS Financial Centre, Plot C 22, G Block  
Bandra Kurla Road, Bandra East, Mumbai 400 051

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

Corporate Identity Number – U65990MH1995PLC093241

**INDEPENDENT AUDITOR'S REPORT**

To the Members of  
**IL&FS FINANCIAL SERVICES LIMITED**

**Report on Recast Standalone Financial Statements**

We have been appointed as statutory auditor of **IL&FS FINANCIAL SERVICES LIMITED** ('IFIN' or the 'Company') by the Company pursuant to the order of Hon'ble National Company Law Tribunal (NCLT) dated August 9, 2019 to carry out audit of Financial Statements as recast by another firm of Chartered Accountants ('Recasting Accountants') appointed under section 130 of Companies Act, 2013 by NCLT. We also draw attention to Note 1(b) regarding Significant developments and 1(g) regarding NCLT Order for Recast of Financial Statements and developments thereon of the recast financial statements (hereinafter referred as 'financial statements') which describes in detail the significant developments which has resulted in reopening and recasting of the financial statements.

We have audited the accompanying financial statements of the Company, which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss for the period ended March 31, 2014 and Cash Flow Statement for the year then ended, and notes to the financial statements attached thereto.

We refer to Note No. 1.2 Other Notes of the recast financial statements wherein the impact of the recasting adjustments has been stated. The said note also includes possible other adjustments which may have an impact on the recast financial statements. Our report has to be read in conjunction with those disclosures.

**Management's Responsibility for the Financial Statements**

As mentioned in Note No. 1(b) and 1(c) along with Note No. 1.1(a) regarding Basis for preparation of financial statements and 1.1(b) regarding Significant judgments, estimates and assumptions for preparation of recast financial statements as disclosed in the financial statements, the Board of Directors appointed by newly constituted Board of Infrastructure Leasing & Financial Services Limited ('IL&FS') pursuant to NCLT order dated October 9, 2018 along with recasting Accountants are responsible for the preparation of these 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act') read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for

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preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal controls, for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the accompanying financial statements that give true and fair view and free from material misstatements, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI'). 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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 financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of profit and loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash flow statement, of the cash flows for the year ended on that date.

### **Emphasis of Matter**

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

- (a) Note No. 1.1(b)(i) of the financial statements regarding the Basis of preparation of financial statements, wherein it is stated that that all events that occurred upto the date of approval of the original financial statements along with the relevant references / information from the report of various regulatory authorities, forensic report of third parties have been considered for the preparation of these financial statements;
- (b) Note No. 1.1(b)(iii) of the financial statements which describes the principals/assumptions adopted for assessment of diminution in value of Non-Current Investments;
- (c) Note No. 1.1(b)(iii) of the financial statements which describe the management judgment for the purpose of determining the provision towards the investment in IL&FS Transportation Networks Limited (ITNL) as on March 31, 2014;
- (d) Note No. 1.2(b) of the financial statements, as per which dividend proposed for financial year 2013-14 by the Board of Directors in their meeting held on May 8, 2014 and approved by shareholders at the Annual General Meeting held on June 23, 2014 of Rs.1,461.17 mn. is not in compliance with Section 205A of the Act read with Companies (Declaration of Dividend out of Reserves) Rule 1975;
- (e) Note No. 1.2(c) of the financial statements, as per which the Company has paid remuneration to the erstwhile Managing Director & CEO, Joint Managing Director and Deputy Managing Director, aggregating to Rs. 147.47 mn. which is in excess of the limits prescribed under Section 198 of the Act by Rs. 36.87 mn. The same is currently considered as recoverable from the parties;
- (f) Note No. 1.2(d) of the financial statements the Company has recomputed the current tax and deferred tax based on the recast financial statements, the Company is yet to assess the probability of filing revised return with Income Tax department for such adjustments;
- (g) Note 1.2(a) and 1.2(e) of the financial statement, wherein it is stated that the Net-Owned Funds (NOF) as computed u/s 45IA (1)(b) of the RBI Act, 1934 as on 31<sup>st</sup> March, 2014 has breached the minimum requirement of NOF which is an essential condition for holding a certificate of registration as a Non – banking Financial Company. Further, as mentioned in the said note, the Company has also breached the minimum requirement of maintaining the capital adequacy ratio as required under Non-Banking Financial (Non - Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 These conditions along with the fact that the Company has incurred loss of Rs. 1,930.91 mn. for the financial year 2013-14, indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a Going Concern;

Our opinion is not modified in respect of the matters mentioned above.

## **Other Matter**

We draw attention to the following:

- (a) The financial statements of the Company as at and for the year ended March 31, 2013 were audited by the previous auditors Deloitte Haskins & Sells LLP, whose report dated May 21, 2013, expressed an unmodified opinion on those financial statements. The balances as at March 31, 2013 as per the audited financial statements have been considered without regrouping or reclassification;
- (b) We have carried out the process of obtaining external confirmation for the parties selected by us for the purpose of checking the correctness of the outstanding balances. Such confirmations have been received from very few parties. We have relied upon the balances as per books in cases where either we have not received the responses or where the responses are received but the reconciliation between the balances confirmed by the parties and outstanding balances as per books of accounts are not provided;
- (c) As represented to us by the management appropriate entries for the recast adjustments will be passed in the books of accounts on receipt of the order from NCLT.

## **Report on Other Legal and Regulatory Requirements**

1. We have been appointed as statutory auditor of the Company pursuant to the order of Hon'ble National Company Law Tribunal (NCLT) dated August 9, 2019 to carry out audit of recast financial statements prepared under section 130 of the Companies Act 2013 and as given to understand, we are not required to comment on the reporting required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Section 227(4A) of the Act.

2. As required by Section 227(1A) of the Act, we report that:

Based on the examination of books of accounts, report submitted by Serious Fraud Investigation Officer (SFIO) and forensic audit reports, we report that the loan aggregating to Rs.15,306 mn. had been disbursed for funding for the repayments of overdue principal and interest which is prejudicial to the interests of the Company.

3. As required by section 227 (3) of the Act, we report that:

- a) Except as mentioned in matters reported in Emphasis of Matter and Other Matter paragraphs, we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion, except as mentioned in matters reported in Other Matter paragraph, proper books of accounts as required by law have been kept by the Company so far as it appears from examination of those books;

- c) Except as mentioned in matters reported in Other Matter paragraph, the balance sheet, statement of profit and loss, and cash flow statement dealt with by this Report are in agreement with the books of accounts;
- d) In our opinion, the balance sheet, statement of profit and loss, and cash flow statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act read with the General Circular 15/2013 dated September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
- e) In view of the fact that new board of directors have appointed by newly constituted Board of Infrastructure Leasing & Financial Services Limited ('IL&FS') pursuant to NCLT order dated October 9, 2018, we have been informed that no directors are disqualified under section 274(1)(g) of the Companies Act, 1956.

**For C N K & Associates LLP**

**Chartered Accountants**

Firm Registration No. 101961W/W-100036

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**Himanshu Kishnadwala**

Partner

Membership No: 037391

UDIN: 23037391BGULWZ7896

Place: Mumbai

Date: June 21, 2023

**ACCOUNTANT'S COMPILATION REPORT ON RECAST FINANCIAL STATEMENTS**

Re: ILFS/Fin Recast/FY13-14/CovLtr/0623  
June 21, 2023

To,  
The Honourable Members,  
The National Company Law Tribunal

And

The Members,  
The Board of Directors  
IL&FS Financial Services Limited  
Mumbai

Dear Sir,

**Re: Report on compilation of Recast Financial Statements for FY 2013-14**

The Honourable National Company Law Tribunal ("NCLT") Order dated 1<sup>st</sup> January 2019 allowed a petition filed by the Union of India for re-opening of the books of accounts and recasting the financial statements of IL&FS Financial Services Limited ("IFIN" or the "Company") for the financial years 2013-14 to 2017-18 (the "Period"), under Section 130 of the Companies Act, 2013. Thereafter in terms of the NCLT order dated 9<sup>th</sup> August 2019, our Firm – M/s Borkar & Muzumdar Chartered Accountants (the "Firm" or "B&M") was appointed vide Engagement Letter dated 1<sup>st</sup> October 2019, for assisting the Company in re-opening of its books-of-accounts and recasting of its stand-alone Financial Statements for the Period (the "Assignment")

Pursuant to the above, we have compiled the accompanying recast financial statements of IFIN for the financial year 2013-14 comprising the Standalone Balance Sheet of the Company as at 31<sup>st</sup> March 2014, the Standalone Statement of Profit and Loss and Standalone Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information, which inter alia includes basis adopted for preparation and presentation of the recast financial statements (collectively referred to as the "Recast Financial Statements").

Our responsibility as Recasting Accountant is limited to compilation of the Recast Financial Statements, without carrying out any audit thereof or expressing any opinion on the same. The NCLT has appointed a separate firm of Chartered Accountants (the "Recasting Auditors"), to express an Audit Opinion on the Recast Financial Statements.

We performed this engagement in accordance with Standard on Related Services 4410 (Revised), "Compilation Engagement" issued by the Institute of Chartered Accountants of India read with the relevant provisions of the Companies Act, 2013, the aforesaid Order of the NCLT and the terms and conditions contained in our Engagement Letter dated 1<sup>st</sup> October 2019 executed with the Company.

*Borkar & Muzumdar*  
Chartered Accountants

The accuracy and completeness of the information furnished to us for the purposes of compilation of the Recast Financial Statements is the responsibility of the Company's management. As per terms contained in our Engagement letter, the management of the Company is also responsible to inform us of facts that may affect the Company's financial statements, which the management may become aware of during the period from the date of our appointment to the date of completion of the Assignment.

The significant accounting policies as well as judgements, estimates and assumptions used for preparation of the Recast Financial Statements have been detailed under Notes 1.1 and 1.2 thereto. We have applied our expertise in accounting, for identifying and carrying out recasting adjustments while compiling the Recast Financial Statements based on the information made available to us, which have been duly subjected to audit by the Recasting Auditors.

Further, given the special nature of the Assignment, the Firm would not be responsible for the following acts which are responsibility of the Directors of the Company, as specified under section 134(5) of the Companies Act, 2013 -

1. 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 fraud and other irregularities;
2. Laying down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
3. Devising proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Thank you.

For M/s Borkar & Muzumdar,  
Chartered Accountants  
FRN- 101569W

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**Kaushal Muzumdar**  
Partner  
Membership No – 100938  
UDIN- 23100938BGQQRX4930  
Place – Mumbai  
Date – June 21, 2023



**BALANCE SHEET**

(₹ in mn.)

Particulars	Note	As at March 31, 2014 (Recast)	As at March 31, 2014 (Original)	As at March 31, 2013
<b>EQUITY AND LIABILITIES</b>				
<b>SHAREHOLDERS' FUNDS</b>				
Share Capital	2	2,656.68	2,656.68	2,656.68
Reserves and Surplus	2	12,214.47	16,796.12	15,854.84
		<b>14,871.15</b>	<b>19,452.80</b>	<b>18,511.52</b>
<b>NON CURRENT LIABILITIES</b>				
Long- term Borrowings	3	62,590.22	62,590.22	62,947.50
Other Long- term Liabilities	4	129.34	129.34	240.33
Long- Term Provisions	5	6,069.44	4,190.21	3,547.28
		<b>68,789.00</b>	<b>66,909.77</b>	<b>66,735.11</b>
<b>CURRENT LIABILITIES</b>				
Short- term Borrowings	3	21,528.00	21,528.00	16,915.78
Trade Payable	6	189.04	189.04	125.37
Current Maturity of Long- term Borrowings	3	27,810.83	27,810.83	24,044.07
Other Current Liabilities	4	1,623.71	1,724.01	1,332.97
Short- term Provisions	5	6,257.47	3,242.50	2,965.03
		<b>57,409.05</b>	<b>54,494.38</b>	<b>45,383.22</b>
<b>TOTAL</b>		<b>141,069.20</b>	<b>140,856.95</b>	<b>130,629.85</b>
<b>ASSETS</b>				
<b>NON CURRENT ASSETS</b>				
<b>Fixed Assets (Net)</b>				
Tangible Assets	7	57.56	57.56	84.41
Intangible Assets	7	9.48	9.48	6.69
Deferred Tax Assets (net)	8	3,061.81	1,372.80	1,127.80
Non-Current Investments	9	28,759.25	28,759.25	25,841.81
Long -Term Loans and Advances	12	44,865.57	44,536.82	54,665.17
Other Non- Current Assets	15	756.55	973.1	625.58
		<b>77,510.22</b>	<b>75,709.01</b>	<b>82,351.46</b>
<b>CURRENT ASSETS</b>				
Current Maturity of Non-Current Investments	10	2,669.72	2,302.47	2,780.58
Current Maturity of Long- term Loans and Advances	12	28,876.05	28,313.25	21,813.31
Current Investments	11	4,459.03	4,459.03	3,010.65
Trade Receivables (net)	13	1,430.25	1,929.79	1,630.10
Cash and Cash Equivalents	14	4,245.48	5,476.31	1,950.11
Short- term Loans and Advances	12	20,260.49	20,369.68	15,913.94
Other Current Assets	15	1,617.96	2,297.41	1,179.70
		<b>63,558.98</b>	<b>65,147.94</b>	<b>48,278.39</b>
<b>TOTAL</b>		<b>141,069.20</b>	<b>140,856.95</b>	<b>130,629.85</b>

Notes 1 to 29 annexed hereto forms part of Financial Statements

As per our report of even date  
**For CNK & Associates LLP**  
 Chartered Accountants  
 FRN - 101961W/W-100036

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**Himanshu Kishnadwala**  
 Partner  
 M No : 037391  
 Place : Mumbai  
 Date : June 21, 2023

As per our Compilation report of even date  
**For Borkar & Muzumdar**  
 Chartered Accountants  
 FRN - 101569W

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**Kaushal Muzumdar**  
 Partner  
 M No : 100938  
 Place : Mumbai  
 Date : June 21, 2023

For and on behalf of Board  
 CHANDRA  
 SHEKHAR RAJAN

Mr. C. S. Rajan  
 DIN : 00126063

Authorised Signatory

JAYASHREE  
 RAMASWAMY

Ms Jayashree Ramaswamy

Authorised Signatory

KAUSHIK  
 MODAK

Mr Kaushik Modak  
 Authorised Signatory

NAND  
 KISHORE

Mr. Nand Kishore  
 DIN : 08267502

Authorised Signatory

Neelam  
 Jayesh Desai

Ms Neelam Desai

Authorised Signatory

**STATEMENT OF PROFIT AND LOSS**

(₹ in mn.)

Particulars	Note	Year ended March 31, 2014 (Recast)	Year ended March 31, 2014 (Original)	Year ended March 31, 2013
<b>REVENUE</b>				
Revenue from Operations	19	13,825.81	18,059.35	17,529.35
Other Income		90.04	90.51	21.63
		<b>13,915.85</b>	<b>18,149.86</b>	<b>17,550.98</b>
<b>EXPENSES</b>				
Finance Costs	20	11,554.66	11,554.66	11,188.30
Employee Benefit Expenses	21	513.36	550.23	597.22
Operating Expenses	21	876.15	876.15	750.99
Depreciation and Amortisation	7	40.59	40.59	42
<b>Provisions and Contingencies :-</b>	22			
Provision for Loans, Advances and Debtors		3,511.76	592.87	351.06
Provision for diminution on Investment		706.24	434.58	(381.7)
Provision for General Contingency		-	550	500
		<b>17,202.76</b>	<b>14,599.08</b>	<b>13,047.87</b>
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>(3,286.91)</b>	<b>3,550.78</b>	<b>4,503.11</b>
<b>TAX EXPENSES</b>				
Current Tax		578.00	1,145.00	1,563.00
Adjustment for Earlier Years		-	-	(193)
Deferred Tax		(1,934.00)	(245)	(363)
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<b>(1,930.91)</b>	<b>2,650.78</b>	<b>3,496.11</b>
<b>EARNING PER SHARE</b>				
Basic and Diluted	23	(7.27)	9.98	13.16
(Face value per share ₹10)				

Notes 1 to 29 annexed hereto forms part of Financial Statements

As per our report of even date

For CNK & Associates LLP

Chartered Accountants

FRN - 101961W/W-100036

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Himanshu Kishnadwala

Partner

M No : 037391

Place : Mumbai

Date : June 21, 2023

As per our Compilation report of even date

For Borkar & Muzumdar

Chartered Accountants

FRN - 101569W

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Kaushal Muzumdar

Partner

M No : 100938

Place : Mumbai

Date : June 21, 2023

For and on behalf of Board

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Mr. C. S. Rajan

DIN : 00126063

Authorised Signatory

JAYASHREE  
RAMASWAMY

Ms Jayashree Ramaswamy

Authorised Signatory

KAUSHIK  
MODAK

Mr Kaushik Modak

Authorised Signatory

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Mr. Nand Kishore

DIN : 08267502

Authorised Signatory

Neelam  
Jayesh Desai

Ms Neelam Desai

Authorised Signatory

**CASH FLOW STATEMENT**

(₹ in mn.)

Particulars	Year ended March 31, 2014 (Re-cast)	Year ended March 31, 2014 (Original)	Year ended March 31, 2013
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>PROFIT/(LOSS) BEFORE TAX</b>	(3,286.91)	3,550.78	4,503.11
<b>Adjustments for:</b>			
Depreciation and Amortisation	40.59	40.59	42.00
Provision and Contingencies	6,699.30	1,577.45	469.36
Provisions for Employee Benefits (net)	(33.49)	(33.49)	64.08
Loans & Advances written off	402.34	-	30.00
Provision written Back for loans & advances written off	(402.34)	-	-
Provision written Back on other assets	(35.69)	(35.69)	-
Dividend and Pass through Income on Long term Investment	(401.17)	(401.17)	(254.76)
Net Profit on sale of Long Term Investments	(876.48)	(876.48)	(425.16)
Net (Profit)/Loss on Sale of Assets	3.50	3.50	0.35
<b>Operating Profit/(Loss) before Working Capital Changes</b>	<b>2,109.66</b>	<b>3,825.49</b>	<b>4,428.98</b>
<b>Adjustments for changes in:</b>			
(Increase)/Decrease in Current Investments	(1,448.38)	(1,448.38)	2,986.04
(Increase)/Decrease in Long term and Short term Advances	(43.67)	(43.80)	(89.24)
(Increase)/Decrease in Trade Receivables	75.23	(415.93)	(659.42)
Increase/(Decrease) in Trade Payables	63.67	63.67	(420.40)
Proceeds from Short Term Borrowings (net)	4,612.21	4,612.21	2,053.46
(Increase)/Decrease in Other Current and Non-Current Assets	(605.91)	(1,465.23)	(438.00)
Increase/(Decrease) in Other Current and Non-Current Liabilities	265.50	333.81	256.59
	<b>5,028.30</b>	<b>5,461.84</b>	<b>8,118.01</b>
Payment of Advance Tax (net of refund)	(1,255.69)	(1,255.69)	(1,643.57)
	<b>3,772.61</b>	<b>4,206.15</b>	<b>6,474.44</b>
<b>Loan Disbursed (Net)</b>	<b>(1,310.96)</b>	<b>(880.91)</b>	<b>(18,187.20)</b>
<b>Credit Instruments (Net)</b>	<b>(190.19)</b>	<b>177.05</b>	<b>1,683.94</b>
<b>NET CASH GENERATED FROM/ (USED) IN OPERATING ACTIVITIES</b>	<b>2,271.46</b>	<b>3,502.29</b>	<b>(10,028.82)</b>

<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Long Term Investments (including advance towards investments) :			
Subsidiaries, Associates and Joint Ventures	(436.78)	(436.78)	(441.04)
Others	(3,689.65)	(3,689.65)	(2,320.18)
Proceeds from Sale of Long term Investments :			
Others	2,224.62	2,224.62	1,950.81
Dividend Income on Long term Investments	401.17	401.17	132.74
Purchase of Fixed Assets including CWIP	(20.74)	(20.74)	(54.21)
Proceeds from Sale of Fixed Assets	0.72	0.72	0.1
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(1,520.66)</b>	<b>(1,520.66)</b>	<b>(731.78)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from Long Term Borrowings	24,720.15	24,720.15	12,099.70
Repayment of Long Term Borrowings	(27,885.67)	(27,885.67)	(5,298.03)
Proceeds from issue of Tier II Capital	-	-	4,000.00
Proceeds from issue of Debentures	6,575.00	6,575.00	2,500.00
Dividend paid on Equity (including Tax thereon)	(1,864.91)	(1,864.91)	(1,698.21)
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>	<b>1,544.57</b>	<b>1,544.57</b>	<b>11,603.46</b>
<b>(D) NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>2,295.37</b>	<b>3,526.20</b>	<b>842.86</b>
Cash and cash equivalents at beginning of the Year	1,950.11	1,950.11	1,107.25
<b>Cash and cash equivalents at the end of the Year</b>	<b>4,245.48</b>	<b>5,476.31</b>	<b>1,950.11</b>

Notes 1 to 29 annexed hereto forms part of Financial Statements

As per our report of even date  
For CNK & Associates LLP  
Chartered Accountants  
FRN - 101961W/W-100036

Digitally signed by HIMANSHU VASANTLAL KISHNADWALA  
Date: 2023.06.21 21:53:32 +05'30'

Himanshu Kishnadwala  
Partner  
M No : 037391  
Place : Mumbai  
Date : June 21, 2023

As per our Compilation report of even date  
For Borkar & Muzumdar  
Chartered Accountants  
FRN - 101569W

Digitally signed by KAUSHAL DILIP MUZUMDAR  
Date: 2023.06.21 21:15:53 +05'30'

Kaushal Muzumdar  
Partner  
M No : 100938  
Place : Mumbai  
Date : June 21, 2023

For and on behalf of Board

CHANDRA SHEKHAR RAJAN  
Date: 2023.06.21 20:40:27 +05'30'

Mr. C. S. Rajan  
DIN : 00126063

Authorised Signatory

JAYASHREE RAMASWAMY

Ms Jayashree Ramaswamy  
Authorised Signatory

KAUSHIK MODAK

Mr Kaushik Modak  
Authorised Signatory

NAND KISHORE  
Date: 2023.06.21 20:04:06 +05'30'

Mr. Nand Kishore  
DIN : 08267502

Authorised Signatory

Neelam Jayesh Desai

Ms Neelam Desai  
Authorised Signatory

## NOTES FORMING PART OF THE RECAST ACCOUNTS

### 1. General Information:

#### a. Corporate Information:

IL&FS Financial Services Ltd ('IFIN' or the "Company") is incorporated in India as a public limited company and registered with Reserve bank of India as Non-Banking Financial Services Company (NBFC) as Non-Deposit Taking Systemically Important (NBFC-ND-SI) vide registration number N-13.01784 dated February 22, 2005. The Company is engaged in financial services business comprising of lending, investments and advisory services.

#### b. Significant developments:

On September 17, 2018, the erstwhile Board of Directors of the Company informed to Bombay Stock Exchange (BSE) about the Company's inability to service the interest and principal obligation towards Non-Convertible Debentures.

The Company also subsequently defaulted towards its borrowing obligations in the financial year 2018-19. The credit rating of the Company was downgraded to 'D' (lowest grade) in September 2018.

Subsequent to the above development, pursuant to a report filed by the Registrar of Companies, Mumbai ('RoC') under Section 208 of the Companies Act, 2013, the Government of India vide their Order dated September 30, 2018, directed that the affairs of the Company to be investigated by the Serious Fraud Investigation Office ('SFIO'). SFIO commenced investigation of the affairs of the Company and submitted a report dated May 28, 2019 under Section 212(11) of the Companies Act, 2013 ("CA 2013"/ "the 2013 Act").

The Union of India (UoI) on October 1, 2018, based on interim reports of the RoC and on various other grounds, filed a petition with the National Company Law Tribunal ('NCLT') seeking an order under section 242(2) and section 246 read with section 339 of the CA 2013, for a change in the existing management and Board of Directors (hereinafter referred to as 'erstwhile management' or 'erstwhile Board of Directors') and appointment of a new management.

Based on the above petition, the NCLT vide its order dated October 1, 2018 suspended the erstwhile Board of IL&FS and appointed the "New Board" with six persons as proposed by the UoI. The constitution of the new Board of IL&FS (after certain changes post the order of NCLT) was as follows:

- i. Mr. Uday Kotak, Chairman
- ii. Mr. Vineet Nayyar, Vice Chairman
- iii. Mr. C S Rajan, Managing Director
- iv. Mr. Bijay Kumar, Deputy Managing Director
- v. Mr. Nand Kishore
- vi. Dr. Malini Shankar
- vii. Mr. N Srinivasan (appointed from January 8, 2019)
- viii. Mr. G C Chaturvedi

Pursuant to the order passed by the Hon'ble NCLT on October 9, 2018, the newly constituted Board of IL&FS was empowered to replace the directors of subsidiary companies of IL&FS, including IFIN.

Accordingly, the following persons were appointed as Directors of the Company (**hereinafter referred to as 'Original Board'**):

**Original Board**

- i. Mr. Vineet Nayyar- Chairman -Director w.e.f. October 26, 2018 upto November 1, 2020.
- ii. Mr. C S Rajan-Director w.e.f. October 26, 2018
- iii. Mr. Nand Kishore-Director w.e.f. October 26, 2018
- iv. Ms. Malini Shankar - Director w.e.f. October 26, 2018 upto September 18, 2020.
- v. Mr. N Srinivasan-Director w.e.f. January 8, 2019 upto December 31, 2020.  
Mr. Bijay Kumar- Director w.e.f April 24, 2019 upto December 20, 2020.

**The present composition of board of Directors is as under:**

- i. Mr. C S Rajan-Director w.e.f. October 26, 2018
- ii. Mr. Nand Kishore-Director w.e.f. October 26, 2018
- iii. Mr. Dilip Bhatia- Director w.e.f January 6, 2021.
- iv. Mr. Shekhar Prabhudesai- Director w.e.f January 6, 2021.
- v. Mr. Gurumoorthy Mahalingam- Director w.e.f November 25, 2022.

On the basis of recommendation of IL&FS Board, on October 26, 2018 an independent third party was appointed to conduct special audit of certain identified group entities including IFIN, for period from April 2013 to September 2018.

- c. Further applications were made by the UoI and others, to the NCLT and the National Company Law Appellate Tribunal ("NCLAT") on various matters. The NCLAT, on October 15, 2018, ordered a stay until further orders on the following matters:
  - i) The institution or continuation of suits or any other proceedings by any party or person or bank or Company against IL&FS and its group companies in any court of law / tribunal / arbitration panel or arbitration authority;
  - ii) Any action by any party or person or bank or company etc. to foreclose, recover, enforce any security interest created over the assets of IL&FS and its group companies including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002;
  - iii) The acceleration, premature, withdrawal, or other withdrawal, invocation of any term loan, corporate loan, bridge loan, commercial paper, debentures, fixed deposits, guarantees, letter of support, commitment or comfort and other financial obligations availed by IL&FS and its group companies whether in respect of the principal or interest or hedge liability or any other amount contained therein;
  - iv) Suspension of temporarily any term loan, corporate loan, bridge loan, commercial paper, debentures, fixed deposits, and any financial liability taken by IL&FS and its group companies by any party or person or Bank or Company, etc. as of the date of first default;
  - v) Any and all banks, financial institutions from exercising the right to set off or lien against any amount lying with any creditor against any dues whether principal or interest or otherwise against the balance lying in any the bank account and deposits whether current, savings or otherwise of IL&FS and its group companies;
- d. The SFIO initiated investigations on various matters in relation to the company and other companies forming part of IL&FS group, covering the aforesaid period (from April 2013 to September 2018). The Company has received report dated May 28, 2019.

The implication if any on the Company's financials, arising from aforesaid ongoing investigations would be known only after the above matters are concluded and hence are not determinable at this stage.

- e. The New Board of IL&FS initiated a forensic examination for the period from April 2013 to September 2018, in relation to certain companies of the Group including IFIN and appointed an Independent third party, viz. Grant Thornton India LLP ("GT") for performing the forensic audit and to report their findings to the New Board of the holding company. The Company has received report dated February 20, 2019 and April 21, 2019 and the same was discussed and taken on record by the Board of Directors of IFIN in their meeting held on April 24, 2019;
- f. Based on the reports of SFIO and forensic auditor, the new management filed Fraud Monitoring Report with the RBI for the certain transactions purportedly done (a) with the intent of IFIN being able to lend to other entities within the IL&FS group, and (b) avoid classification of loans advanced by IFIN from falling in the category of Non – Performing Assets. Last such report was submitted on July 2, 2021.
- g. **NCLT Order for Recast of Financial Statements and developments thereon:**

The financial statements (hereinafter referred to as 'original financial statements') for the year ended March 31, 2014 was audited by the then statutory auditors of the Company- M/s Deloitte Haskins & Sells LLP. These original financial statements were approved by the erstwhile management at their meeting held on May 8, 2014 and were adopted by the Shareholder in the Annual General Meeting held on June 23, 2014. .

UoI filed a petition with the NCLT based on preliminary report of SFIO and prima facie report of the Institute of Chartered Accountants of India ('ICAI') wherein it is stated that *"from the maturity pattern of certain items of assets and liabilities as at 31.3.2017 that during the period from over two months till five years there is a serious mismatch between assets and liabilities position, so liquidity concerns existed on the balance sheet date. However, no such concerns were reported in the Audit report."*

The NCLT, vide order dated January 01, 2019, under the provision of Section 130 of the CA, 2013 allowed the petition filed by UoI for re-opening of the books of accounts and recasting the financial statements of IL&FS, IFIN and IL&FS Transportation Networks Limited ('ITNL') for the financial years from 2013-14 to 2017-18.

Further, the NCLT, vide order dated August 09, 2019, appointed an independent firm of Chartered Accountants M/s Borkar & Muzumdar ('Recasting Accountants') for re-opening the books of accounts and recasting the standalone financial statements of the Company for the financial years from 2013-14 to 2017-18. The NCLT also appointed an independent firm of Chartered Accountants M/s CNK & Associates LLP ('Recasting Auditors') for the purpose of auditing the reopened and recast standalone financial statements of the Company for the financial years from 2013-14 to 2017-18.

Consequent to aforesaid orders of the NCLT, the Company entered into an Engagement Letter dated October 01, 2019 with the Recasting Accountants which interalia lays down terms of engagement, scope of work of the Recasting Accountants and the responsibilities of the Company.

The recast financial statements of ITNL along with audit report for FY 2013 -14 to FY 2017-18 has been adopted by the Board of ITNL on March 09, 2023 and forwarded to recasting accountants and recasting auditors of the Company to consider the impact of the same on the recast standalone financial statements of the company.

In compliance with the NCLT orders dated January 01, 2019 and August 09, 2019, the Company's standalone financial statements for the year ended March 31, 2014 have been recasted (herein referred to as the recast financial statements or financial statements).

The recast standalone financial statements of the Company were taken on record and authorized to be issued to the Regional Director, Ministry of Corporate Affairs, Mumbai for onward submission to the Honorable NCLT and any other regulatory authority , as may be required , by the present Board of Directors in its meeting held on June 21, 2023.

## **SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES**

### **1.1 SIGNIFICANT ACCOUNTING POLICIES**

#### **(a) Basis for preparation of financial statements**

The financial statements are prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles in India to comply with the Accounting Standard specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") and Guidelines issued by the Reserve Bank of India. The financial statements have been prepared on accrual basis under historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year unless otherwise stated.

The preparation of financial statements requires Company's management ('the management') to make estimates and assumptions in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting year. Further while recasting the financial statements, Recasting Accountant have also considered certain additional assumptions drawing references from observations in the interim reports of investigative agencies and regulatory bodies made available by the Company. The management along with Recasting Accountants believes that the estimates used in the preparation of the recast financial statements are prudent and reasonable. Actual results could differ from these estimates. Any change in the estimates is recognized prospectively in current and future period.

For the purpose of preparation of recast financial statements, the scope of work of the Recasting Accountants as per the letter of engagement dated October 01, 2019 interalia includes:

- i. reviewing whether the Company's financial statements for the period are prepared in all material respects to comply with the relevant accounting standards as applicable and in compliance with the Act and other accounting principles generally accepted in India;
- ii. reviewing of Investigation reports as made available by the management of the Company and addressing the relevant irregularities pointed out in such reports from the perspective of their accounting/financial reporting impact;
- iii. testing of the Company's material assets for impairment based on valuation reports, projected cash flows and other underlying assumptions and other justifications provided by the Company's management relevant to the period;
- iv. presenting preliminary findings regarding any material accounting errors/ omissions/ misstatements identified and agreeing with the Management and other stakeholders for rectification entries to be passed in respect of the same and



- v. based on all reviews, preparing and presenting re-cast financial statements for the period for the Company's Audit Committee, the Board and the Statutory Auditors and providing explanation relating to any material departures from those accounting standards jointly with the Company so as to ensure that the management's objective of the re-cast financial statements give a true and fair view in accordance with the applicable Accounting Standards and other generally accepted accounting principles in India is achieved.

The Company's responsibilities as per the letter of engagement dated October 01, 2019 interalia includes:

- i. providing the Recasting Accountants with all information, including books of accounts, vouchers, policies, SOPs, reports and other records/ documentation of the Company, whether kept at the Head Office or elsewhere, that are relevant for carrying out the activities as mentioned under the Scope of Work section of the engagement letter;
  - ii. informing the Recasting Accountants of facts that may affect the Company's financial statements, which the Management may become aware of during the period from the date of our appointment to the date of completion of the Assignment;
- (b) Significant judgments, estimates and assumptions for preparation of recast financial statements:**
- i) As detailed in Note. 1(b) and 1(c) above, these recast financial statements have been prepared pursuant to the NCLT order dated January 01, 2019 u/s 130 of CA, 2013. Further, the original financial statements were approved by the erstwhile Board of Directors on May 09, 2014. Accordingly, events occurring after the balance sheet date upto the date of approval of the original financial statements i.e. May 08, 2014 have only been considered for preparation and presentation of these recast financial statements and no adjustments are considered on 'hindsight basis';

However, references and information from reports of the regulatory and investigation authorities, and third-party independent examination reports which, in the view of the management and the Recasting Accountants, requires adjustment / disclosure in the recast financial statements has been done.

- ii) **Classification of Standard Asset to Non-Performing Assets and reversal of interest and Other Income:**

In addition to the RBI prudential norms for loans and advances, following criteria have been considered for classification of standard assets to Non-Performing Assets ('NPA') and for the reversal of interest and other income:

- (a) Disbursement made to a borrower had been utilized for payment of overdue interest or principal of the same borrower;
- (b) Disbursement made to any borrower of the same Group had been utilized for payment of overdue interest or principal of other borrower/s of the same Group to the extent information made available and identifiable (up to the first level of lending);
- (c) Recovery of overdue interest or principal had been done through invocation of shares available as security for the credit exposure, but the shares are not sold before the date of signing of the original financial statements;
- (d) Reversal of Interest and other income has been carried out in certain cases wherein the interest and other income had been funded through new disbursements of loans. This is done by way of creation of a separate provision for such self-funded income;
- (e) Provision for NPA has been made considering the security details and other information as considered in the original financial statements.

**iii) Diminution in value of Non-Current Investments:**

While preparing these recast financial statements, the assessment for diminution in value of the Non-Current Investments has been carried out considering the following facts:

- Independent Valuer Reports;
- Unsigned Valuation Reports prepared by the IL&FS Investment Managers Limited (IIML);
- Book Value per share based on the latest available audited financial statements;
- Assessment note given by erstwhile management;
- Indication of impairment available as per regulatory inspection reports.
- Investment in ITNL (whose recast financial statements have been adopted by the Board of ITNL on March 9, 2023) has been valued based on lower of traded price (i.e lower of average daily closing price during the year or closing price at the year-end) or acquisition cost. The net asset value as per recast financial statements has not been considered in view of the following:
  - As per AS-13, the diminution in value of investments is not considered permanent (other than temporary). This is also in the view of the fact that ITNL is an entity within the group and impairment provisioning is normally considered after consistent losses for period of 3 to 5 years;
  - There is a market price available for the above investments which is higher than the net asset value.

**(c) Fixed assets**

**(i) Leased Assets**

Type of Lease	Capitalisation	Depreciation Policy
Assets given on Operating Lease	At Cost, including incidental expenses to bring the asset to its working condition	Straight Line Method at the rates and in the manner provided under Schedule XIV of the Companies Act, 1956
Finance Lease (entered into before April 1, 2001)	At Cost, including incidental expenses to bring the asset to its working condition	Over the primary lease year under the Straight Line Method at the rates and in the manner provided under Schedule XIV of the Companies Act, 1956
Capital Expenditure on renovation /improvements of lease-hold premises	At Cost	Amortised over the primary year of the lease

- (a) In respect of Finance Leases, the residual value of leased assets is amortized over the secondary lease year, wherever specified in the lease agreement. In respect of assets where the secondary year is not specified, the residual value is amortized over a year of five years
- (b) Finance Leases entered into after April 1, 2001 have been treated as Loans in accordance with Accounting Standard 19 (AS-19) – “Leases”

**(ii) Other Fixed Assets**

- (a) Fixed Assets including intangible assets have been capitalized at cost of acquisition and other incidental expenses
- (b) Fixed Assets are stated at cost, less accumulated depreciation and impairment losses, if any
- (c) Fixed Assets are depreciated on the Straight Line Method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956, exception the case of certain assets, which are depreciated at the rates as indicated below:

<b>Asset Type</b>	<b>Useful Life</b>
<b><u>Tangible Fixed Assets</u></b>	
Data Processing Equipment	4 years
Specialized Office Equipment	3 years
Assets Provided to Employees (other than Vehicles)	3 years
Vehicles Provided to Employees	5 years
Mobile Phones, Tablets and Soft Furnishing	In the year of capitalization
Lease Improvements	Over the lease year
<b><u>Intangible Assets</u></b>	
Licensed Software	Over the license year not exceeding 5 years
Web-site and Portals	5 years

- (d) Assets costing ₹5,000 or less, are fully depreciated in the year of purchase
- (e) Depreciation on Furniture and Fixture, Office Equipment and Electrical Installation is provided for on the Written Down Value Method at the rates and in the manner provided in Schedule XIV to the Companies Act, 1956
- (f) The carrying values of assets of the cash-generating unit at each balance sheet date are reviewed for impairment. If any indication of such impairment exists, the recoverable amounts of those assets are estimated and impairment loss is recognized if carrying value of those assets is higher than the recoverable amount. 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 estimated future cash flows to present value using discount factor

**(d) Operating Leases**

Where the Company is lessee:

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the Company is the lessor:

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense

in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

**(e) Investments**

- (i) Investments are capitalized at cost including costs incidental to acquisition
- (ii) Investments are classified into long-term or current investments at the time of acquisition of such investments
- (iii) Long-term investments are individually valued at cost less provision for diminution, other than temporary and based on criteria as prescribed in Note 1.1 (b)(iii) above.
- (iv) Current investments are valued at lower of cost and fair value of investments on category-wise basis.
- (v) Reclassification of investments from the current to the long-term category is made at the lower of cost and fair value either on April 1<sup>st</sup> or October 1<sup>st</sup> of the year. Resultant loss, if any, is recognized in the Statement of Profit and Loss immediately.

**(f) Earnings per Share**

Basic earnings per share is calculated by dividing the net profit after tax for the year attributable to the equity shareholders of the Company by weighted average number of equity shares outstanding during the year

Diluted earnings per share is calculated by dividing the net profit after tax for the year attributable to the equity shareholders of the Company by weighted average number of equity shares determined by assuming conversion on exercise of conversion rights for all potential dilutive securities

**(g) Cash Flow Statements**

- (i) Cash flows are reported using the indirect method, whereby profit / (loss) before 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
- (ii) 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

**(h) Foreign Currency Transactions**

**(i) Foreign Currency Transactions and Balances**

**Initial Recognition**

Foreign currency transactions are recorded at the rate prevailing on the date of the transaction

## **Conversion**

Foreign currency monetary items are restated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction

### **(ii) Exchange Differences**

#### **Foreign Current Short-Term Monetary Items**

The exchange differences on foreign currency short-term monetary items are recognised as income or as expenses in the period in which they arise

#### **Foreign Currency Long-term Monetary Items**

The Company has exercised the option of amortising / capitalising the exchange differences arising on long-term foreign currency monetary items as given under Ministry of Corporate Affairs (MCA) Notification No. G.S.R 914(E) dated December 29, 2011

### **(i) Derivative Transactions**

- (i) All contracts are marked-to-market based on category of contracts and losses are recognized to the Statement of Profit and Loss. However, gains arising on such derivative products are not recognized on grounds of prudence
- (ii) Premium received upfront on options written by the Company is accounted as a liability. Losses if any due to change in the fair value of the underlying shares is accounted through Statement of Profit & Loss

### **(j) Revenue Recognition**

- (i) Interest and other dues on the Lending is recognized on accrual basis, except in case of Non-Performing Assets (NPA's), wherein income is recognized on realization of the same. NPA's are determined in accordance with the Guidelines issued by the Reserve Bank of India and based on criteria as described in Note 1.1(b) (ii) above.
- (ii) Income on Discounted Instruments is recognized over the tenor of Instrument on Straight line basis.
- (iii) Upfront fee received on the Loans disbursed to borrowers is amortized as income on a pro rata basis over the tenor of loan.
- (iv) Lease income in respect of assets capitalized up to March 31, 2001 is accounted in accordance with the Guidance Note on Accounting for Leases. Lease income in respect of assets capitalized on or after April 1, 2001 is recognized as per Accounting Standard 19 (AS-19) – Leases.
- (v) Income on services provided in the nature of Corporate Advisory, Project Debt Syndication, Project Finance and other services fee based income is recognized on an accrual basis on completion of services as enumerated in the milestones specified in the relevant mandate letters.
- (vi) Dividend income is recognized once the unconditional right to receive dividend is established.

- (vii) Income from investment in units of Private Equity Funds (PEF) is recognized on the basis of the income distributed by the respective PEF.
- (viii) Fee received on providing Guarantees is recognized in the Statement of Profit and Loss over the period of Guarantee on straight line basis.

**(k) Finance Costs**

Finance cost attributable to the acquisition of the qualifying assets is capitalized as part of the cost of that asset. Other finance costs are recognized as expenses in the year in which the cost is incurred. Other finance Charges includes Origination fees with respect to funds mobilized by the Company. The above charges are amortized over the tenure of such borrowings.

**(l) Employee benefits**

- (i) Contributions to Provident Fund and Superannuation Fund are charged to the Statement of Profit and Loss as per applicable law/ rules
- (ii) The Company has taken Group Gratuity Scheme for gratuity payable to the eligible employees. Incremental liability based on actuarial valuation as per the projected unit credit method as at the reporting date, is charged to the Statement of Profit and Loss. Actuarial gain or losses are also recognized in the Statement of Profit and Loss
- (iii) The leave balance has been classified as Short-term and Long-term, based on the best estimates after considering the past trends. The Short-term leave encashment liability for the expected leave to be encashed has been measured by actuary on actual component eligible for leave encashment and expected Short-term leave to be availed is valued at total cost to the Company. Long-term leave is valued on actuarial basis determined on the basis of projected unit cost method.

**(m) Taxation**

Income Tax comprises of Current tax and net changes in Deferred Tax Assets or Liability during the year. Current tax is determined at the amount of tax payable in respect of taxable income for the year as per the Income tax act, 1961

Deferred tax assets and liabilities are recognized for future tax consequences of timing differences between the book profit and tax profit. Deferred tax assets and liabilities, other than carry forward losses and unabsorbed depreciation as computed under the tax laws, are recognized when it is reasonably certain that there will be future taxable income. Carry forward losses and unabsorbed depreciation, if any, are recognized when it is virtually certain that there will be future taxable profit. Deferred tax assets and liabilities are measured using substantively enacted tax rates. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the Statement of Profit and Loss in the year of substantive enactment of the change.

The Company has no intention to make withdrawal from the Special Reserve created and maintained under section 36(1)(viii) of the Income-tax Act, 1961, the special reserve created and maintained is not capable of being reversed and thus there is a permanent difference. Accordingly, no deferred tax liability has been created on the same.

**(n) Provisions for Non-Performing Assets (NPAs)**

- (i) NPAs are identified and categorized according to the Guidelines issued by the Reserve Bank of India (RBI) and based on criteria as described in Note 1.1(b) ii above. Provisions / write offs are made against sub-standard, doubtful and loss assets at the rates prescribed in the RBI guidelines, unless an accelerated provision / write-off is warranted on a case-to-case basis in respect of NBFI activities
- (ii) Provisioning for NPAs is dependent upon, inter alia, whether the NPA is secured or unsecured. Loans are considered as secured, where the Company has valid recourse to assets / recovery by :
  - ✓ Equitable mortgage of property and / or
  - ✓ Pledge of shares, units, other securities, and / or
  - ✓ Hypothecation of assets and / or
  - ✓ Bank guarantees and / or
  - ✓ Decretal debts where Courts have attached property
- (iii) Impairment in the investment portfolio is provided / written-off, as per the Guidelines issued by the RBI, unless an accelerated provision / write-off is warranted on a case to case basis
- (iv) For Non NBFI activities provision/write off is done based on evaluation performed by the Management
- (v) The Company carries a significant quantum of project finance and investment banking assets in its books. Given the risk profile of such assets, the Company creates a provision for general contingency to cover adverse events that may affect the quality of the Company's assets
- (vi) With regard to restructured credit facilities, the Company had followed RBI Circular No.DBS.FID No. C-19 dated March 28, 2001 applicable to All India Term Lending and Refinancing Institutions till January 22, 2014. From January 23, 2014, the Company has adopted RBI Circular No DNBS (PD) No. 272 dated January 23, 2014 applicable to Non-Banking Financial (Non-Deposit Accepting or Holding) Companies. Provision recognition on such restructured facilities is as per the said foregoing circulars.

**(o) Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. A contingent liability is disclosed unless the possibility of an outflow of resources embodying the economic benefits is remote. Contingent assets are neither recognized nor disclosed in the financial statements.

## 1.2 OTHER NOTES

### **(a) Non-compliance of minimum Net-Owned Funds and Capital Risk Adequacy Ratio (CRAR):**

The Net-owned fund computed in terms of the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 is negative which is below the minimum requirement of NOF of ₹20 Mn as required by RBI Act, 1934.

The maintenance of minimum NOF is an essential condition for holding a certificate of registration as a Non – banking Financial Company. Further, the CRAR of the company is assessed to be negative which is inadequate in terms of regulatory capital standard (i.e., minimum overall CRAR of 15%) as per the prudential norms issued by Reserve Bank of India.

The NOF has been computed as per the provisions of Section 45-IA of the Reserve Bank of India Act, 1934, Non-Banking Financial (Non - Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 and relevant reference of section 370(1B) of Companies Act, 1956 for the purpose of identification of the companies in the same group.

### **(b) Dividend**

As mentioned in note 2 (h) of the recast financial statements, in the event of loss in the current year the company has proposed dividend which is not in compliance with the conditions as prescribed under sub-rule (2) of Companies (Declaration of Dividend out of Reserves) Rules, 1975 read with Section 205A(3) of the Companies Act, 1956;

### **(c) Payment of excess managerial remuneration**

As approved by the erstwhile Management, the company had paid ₹147.47mn as managerial remuneration to erstwhile Managing Director & CEO, Joint Managing Director and Deputy Managing Director which as per recast financial statements, is in excess of the limits prescribed u/s 198 by ₹36.87 mn. In view of the Company, the same has been considered as recoverable from the erstwhile managerial personnel and hence the same has been reversed and disclosed as recoverable under unsecured advances (considered good) to related parties;

### **(d) The management is in the process of seeking expert advise as well as exploring the manner in which re-casting adjustments can be incorporated in its returns of income filed with the Income-tax Department for the respective financial years for which recast have been ordered. Pending such decision and revised filings with the tax department, provision for current tax and deferred tax has been recomputed based on profit / loss determined as per the recast Statement of Profit and Loss;**

### **(e) Going concern assumption used for the preparation of these recast financial statements**

During Financial year 2013-14, the company has incurred loss after tax of ₹1930.91 mn. and has also breached the minimum requirement of NOF and CRAR as mentioned in Note 1.2(a) above. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a Going Concern;

The above would impact the going concern assumption of the company. The company has however, based, on the financial position as per the original financial statements, continued operations till date.

Further the IL&FS Group has also engaged an independent third party as resolution advisor for the Group to assess the liquidity at the Company and at various subsidiaries in India;

The New Board of IL&FS has also submitted a revised Resolution Framework for all Group Companies to Hon'ble NCLAT vide an affidavit dated January 9, 2020, an addendum to the said affidavit was filed with Hon'ble NCLAT on February 7, 2020. Hon'ble NCLAT approved the resolution plan submitted by Board vide its order dated March 12, 2020.



In view of actions that are currently underway, the Board of Directors have decided to prepare the accompanying recast financial statements on going concern basis based on cumulative impact of certain steps taken by the New Board.

**(f) Reconciliation\*\* of Profit/(Loss) as per recast financial statements and original financial statements:**

Particulars	Amount (₹ in mn.)	Amount (₹ in mn.)
<b>Profit After Tax as per Original financial statements</b>		<b>2,650.78</b>
<b>Impact of Reopening of books of account and Recasting of Financial Statements</b>		
<b>Add/(less):</b>		
• Reversal of income on classification of Standard Assets to NPA	(4,134.87)	
• Reversal of Income due to provision on Funded interest term loan (FITL) and sacrifice on restructured assets	(107.05)	
• Provision on classification of Standard Assets to NPA	( 2,881.54)	
• Provision for Diminution in value of Non-Current Investments	( 271.65)	
• Provision due to increase in unsecured portion of existing NPA	( 133.44)	
• Provision on Trade receivables for fees income	(8.37)	
• Provision on Standard Assets due to inclusion of interest accrued and due	(1.02)	<b>(7,537.95)</b>
• Recognition of Income due to Unamortised portion of Fees Income	7.91	
• Reversal of Managerial Remuneration due to losses	36.87	
• Reversal of Standard Asset provision due to classification of Standard Assets to NPA	88.13	
• Reversal of Standard Assets (Restructured Assets) provision due to classification of Standard Restructured Assets to NPA	17.35	
• Reversal of General Contingency due to losses	550.00	
• Adjustment of Current Tax provision	567.00	
• Adjustment of Deferred Tax	1,689.00	<b>2,956.26</b>
<b>Loss as per Recast financial statements</b>		<b>(1,930.91)</b>

(\*\* the above excludes the possible adjustments which may arise on account of items (a) to (e))

## (2) SHAREHOLDERS' FUNDS

(a) The details of the Authorized, Issued, Subscribed and paid-up Share Capital is as below:

(₹ in mn.)

Particulars	Recast	Original	As at March 31, 2013
	As at March 31, 2014	As at March 31, 2014	
<b>Authorized Share Capital</b>			
300,000,000 ( Previous year : 300,000,000) Equity shares of ₹10 per share	3,000.00	3,000.00	3,000.00
<b>Issued, Subscribed and fully paid-up</b>			
265,667,555 (Previous Year : 265,667,555) Equity Shares of ₹10 per share fully paid-up	2,656.68	2,656.68	2,656.68

(b) The entire shareholding of the Company is held by Infrastructure Leasing and Financial Services Ltd (IL&FS) and its nominees

(c) The Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. The shares are entitled to interim dividend if proposed by the Board of Directors. The final dividend is subject to approval of the shareholder in the Annual General Meeting

(d) Reserve and Surplus comprises of :-

(₹ in mn.)

Particulars	Recast	Original	As at March 31, 2013
	As at March 31, 2014	As at March 31, 2014	
Securities Premium Account	8,538.85	8,538.84	8,538.84
Special Reserve I	3,097.01	3,627.15	3,096.99
Special Reserve II	72.65	78.65	40.65
General Reserve	1,537.44	1,802.52	1,537.44
Surplus in Statement of Profit and Loss	(1031.48)	2,748.96	2,640.92
<b>Total</b>	<b>12,214.47</b>	<b>16,796.12</b>	<b>15,854.84</b>

(e) Special Reserve I represents reserve created, pursuant to the Reserve Bank of India (Amendment) Ordinance 1997 under Section 45 (1) (c) of the Reserve Bank of India Act, 1934. Details of the addition and deletion to the Special Reserve I are as below :-

(₹ in mn.)

Particulars	Recast	Original	As at March 31, 2013
	As at March 31, 2014	As at March 31, 2014	
<b>Balance at the beginning of the year</b>	<b>3,097.01</b>	<b>3,096.99</b>	<b>2,397.77</b>
Addition:			
Transferred from Statement of Profit and Loss	-	530.16	699.22
<b>Balance at the end of the year</b>	<b>3,097.01</b>	<b>3,627.15</b>	<b>3,096.99</b>

- (f) Special Reserve II had been created in terms of Section 36 (1) (viii) of Income Tax Act, 1961 out of the distributable profits of the Company. The details of addition and deletion to the Special Reserve II is as below :

(₹ in mn.)

Particulars	Recast	Original	As at March 31, 2013
	As at March 31, 2014	As at March 31, 2014	
<b>Balance at the beginning of the year</b>	40.65	40.65	23.65
Addition:			
Transferred from Statement of Profit and Loss	32.00	38.00	17.00
<b>Balance at the end of the year</b>	<b>72.65</b>	<b>78.65</b>	<b>40.65</b>

- (g) Details of the addition and deletion to the General Reserve are as below :

(₹ in mn.)

Particulars	Recast	Original	As at March 31, 2013
	As at March 31, 2014	As at March 31, 2014	
<b>Balance at the beginning of the year</b>	1,537.44	1,537.44	1,187.83
Addition:			
Transferred from Statement of Profit and Loss	-	265.08	349.61
<b>Balance at the end of the year</b>	<b>1,537.44</b>	<b>1,802.52</b>	<b>1,537.44</b>

- (h) The surplus in Statement of Profit and Loss is arrived at as per the table below:

(₹ in mn.)

Particulars	Recast	Original	As at March 31, 2013
	As at March 31, 2014	As at March 31, 2014	
<b>Balance at the beginning of the year</b>	2,640.92	2,640.92	2,075.55
Profit for the year	(1,930.91)	2,650.78	3,496.11
<b>Less: Appropriations :</b>			
Proposed Dividend	1,461.17	1,461.17	1,594.01
Dividend Distribution Tax on above	248.33	248.33	270.90
<b>Balance Transferred to :</b>			
General Reserve	-	265.08	349.61
Special Reserve I		530.16	699.22
Special Reserve II	32.00	38.00	17.00
<b>Balance at the end of the year</b>	<b>(1,031.48)</b>	<b>2,748.96</b>	<b>2,640.92</b>

The Company had proposed dividend for the year ended March 31, 2014 on equity shares of ₹5.50 per share aggregating to ₹1,461.17 mn, which is subject to approval of shareholders. Dividend Distribution tax on the same is ₹248.33 mn.

The company has incurred losses during the year, hence dividend proposed as mentioned above has resulted in non-compliance with the conditions as prescribed under sub-rule (2) of Companies (Declaration of Dividend out of Reserves) Rules, 1975 read with Section 205A(3) of the Companies Act, 1956. In the event of loss in the recast financial statements, amount transferred to Special Reserve I has been reversed.

### (3) BORROWINGS

(a) The Borrowings of the Company have been classified into Secured and Unsecured Loans and represents loans raised from Banks and Others. Security wise profile of the Company's Borrowings for each class are as below:

Particulars	Recast				Original				As at March 31, 2013			
	As at March 31, 2014				As at March 31, 2014				As at March 31, 2013			
	Short-term	Long-term Current Portion	Non-Current	Total	Short-term	Long-term Current Portion	Non-Current	Total	Short-term	Long-term Current Portion	Non-Current	Total
<b>Secured</b>												
Debentures	-	300.00	8,775.00	9,075.00	-	300.00	8,775.00	9,075.00	-	-	2,500.00	2,500.00
Term Loan From Banks	1,500.00	26,550.83	44,329.17	72,380.00	4,107.44	26,550.83	44,329.17	74,987.44	3,987.11	20,904.17	52,242.50	77,133.78
Cash Credit From Bank	2,607.44	-	-	2,607.44	-	-	-	-	-	-	-	-
Collateralized Borrowings (CBLO)	1,827.24	-	-	1,827.24	1,827.24	-	-	1,827.24	1,392.80	-	-	1,392.80
	<b>5,934.68</b>	<b>26,850.83</b>	<b>53,104.17</b>	<b>85,889.68</b>	<b>5,934.68</b>	<b>26,850.83</b>	<b>53,104.17</b>	<b>85,889.68</b>	<b>5,379.91</b>	<b>20,904.17</b>	<b>54,742.50</b>	<b>81,026.58</b>
<b>Unsecured</b>												
Subordinated Debt (Tier II Capital)	-	-	8,000.00	8,000.00	-	-	8,000.00	8,000.00	-	-	8,000.00	8,000.00
Term Loan From Banks	1,000.00	-	-	1,000.00	1,000.00	-	-	1,000.00	-	2,200.00	-	2,200.00
Term Loan From Others	1,880.40	670.00	1,480.45	4,030.85	1,880.40	670.00	1,480.45	4,030.85	938.74	35.00	100.00	1,073.74
Term Loan From Related Parties(Refer Note 25)	1,636.27	290.00	5.60	1,931.87	1,636.27	290.00	5.60	1,931.87	825.20	904.90	105.00	1,835.10
Commercial Papers (Gross)	11,590.00	-	-	11,590.00	11,590.00	-	-	11,590.00	10,040.00	-	-	10,040.00
Less : Unexpired Discount	(513.35)	-	-	(513.35)	(513.35)	-	-	(513.35)	(268.07)	-	-	(268.07)
	<b>15,593.32</b>	<b>960.00</b>	<b>9,486.05</b>	<b>26,039.37</b>	<b>15,593.32</b>	<b>960.00</b>	<b>9,486.05</b>	<b>26,039.37</b>	<b>11,535.87</b>	<b>3,139.90</b>	<b>8,205.00</b>	<b>22,880.77</b>
<b>Total</b>	<b>21,528.00</b>	<b>27,810.83</b>	<b>62,590.22</b>	<b>1,11,929.05</b>	<b>21,528.00</b>	<b>27,810.83</b>	<b>62,590.22</b>	<b>1,11,929.05</b>	<b>16,915.78</b>	<b>24,044.07</b>	<b>62,947.50</b>	<b>1,03,907.35</b>

(₹ in mn.)

- (b) All Secured borrowings obtained by the Company (including Current Maturity of Long-term Borrowings and Short-term Borrowings except CBLO borrowing) are covered under a pari-passu first charge on all the assets, excluding Immovable Property, Trading Portfolio (current investments), Non-Current Investment where Company has given Non disposable undertaking, Investment in Subsidiaries and Affiliates, Tax Assets, Deferred Tax Assets and unamortized expenses. Secured borrowing includes certain loans, where security creation is under process
- (c) Age-wise analysis and Repayment terms of the Company's Long-term Secured Borrowings from Banks are as below:

(₹ In mn.)

Particulars	Recast	Original	As at March 31, 2013	Frequency of Repayment*
	As at March 31, 2014	As at March 31, 2014		
1-2 Years	29,650.00	29,650.00	25,825.83	MT,Y,HY
2-3 Years	8,804.17	8,804.17	21,466.67	MT,Y,HY,
3-4 Years	3,000.00	3,000.00	4,950.00	MT,Y
4-5 Years	2,875.00	2,875.00	-	MT,Y
<b>Total</b>	<b>44,329.17</b>	<b>44,329.17</b>	<b>52,242.50</b>	

\*MT= Bullet payment on Maturity, Y=Yearly Installment, HY= Half yearly Installment

- (d) The details of Secured Non-Convertible Debentures(NCDs) issued on private placement basis are as below :-

Type of NCDs	Number of NCDs Issued	Number of NCDs outstanding			Face Value	Interest Rate (%)	Final Date of Redemption
		As on March 31, 2014 (Recast)	As on March 31, 2014 (Original)	As on March 31, 2013			
2012 Series IV	500,000	500,000	500,000	500,000	1,000	9.54	28-Sep-22
2013 Series VI	1,075,000	1,075,000	1,075,000	-	1,000	9.9	28-Jan-19
2013 Series I	1,750,000	1,750,000	1,750,000	-	1,000	10.5	17-Sep-18
2013 Series II	500,000	500,000	500,000	-	1,000	10.5	28-Aug-18
2012 Series VI	289,000	289,000	289,000	289,000	1,000	9.6	7-Jan-18
2012 Series III	500,000	500,000	500,000	500,000	1,000	9.75	3-Sep-17
2012 Series II	1,000,000	1,000,000	1,000,000	1,000,000	1,000	9.75	13-Aug-17
2013 Series V	770,000	770,000	770,000	-	1,000	10.5	27-Sep-16
2013 Series IV	1,000,000	1,000,000	1,000,000	-	1,000	10.5	25-Sep-16
2013 Series I	200,000	200,000	200,000	-	1,000	10.65	17-Sep-16

2012 Series VI	211,000	211,000	211,000	211,000	1,000	9.65	7-Jan-16
2013 Series VII	500,000	500,000	500,000	-	1,000	9.9	25-Sep-15
2013 Series I	480,000	480,000	480,000	-	1,000	10.75	17-Sep-15
2013 Series III	300,000	300,000	300,000	-	1,000	10.71	22-Dec-14

- (e) Subordinated Debt comprises of 8,000,000 Unsecured Redeemable Non-Convertible Debentures (NCD) as per details below issued on private placement basis

Type of NCDs	Number of NCDs Issued	Number of NCDs outstanding			Face Value	Interest Rate (%)	Final Date of Redemption
		As on March 31, 2014 (Recast)	As on March 31, 2014 (Original)	As on March 31, 2013			
2012 Series VII	1,000,000	1,000,000	1,000,000	1,000,000	1,000	9.55	28-Feb-23
2012 Series V	1,000,000	1,000,000	1,000,000	1,000,000	1,000	9.55	27-Nov-22
2012 Series I	2,000,000	2,000,000	2,000,000	2,000,000	1,000	10.15	29-Jun-22
2011 Series II	2,000,000	2,000,000	2,000,000	2,000,000	1,000	10.3	22-Mar-22
2011 Series I	2,000,000	2,000,000	2,000,000	2,000,000	1,000	10.3	28-Dec-21

- (f) Age-wise analysis and Repayment terms of the Company's Long-term Unsecured Borrowings from Others are as below:

(₹ in mn.)

Particulars	Recast	Original	As at March 31, 2013	Frequency of Repayment*
	As at March 31, 2014	As at March 31, 2014		
1-2 Years	0.45	0.45	100.00	MT
2-3 Years	1,480.00	1,480.00	-	MT
<b>Total</b>	<b>1,480.45</b>	<b>1,480.45</b>	<b>100.00</b>	

\*MT= Bullet payment on Maturity

- (g) Term Loan from Related Parties carries interest rate of 11.25% (As at March 31, 2013: 10.00%). Remaining Contractual Maturity for bullet repayment as on March 31, 2014 is between 2-3 years (As at March 31, 2013 : 1-2 years)
- (h) CBLO of ₹1,827.24 mn (As at March 31, 2013- ₹1,392.80 mn) are secured by Government securities (G-Sec) held as part of Investment portfolio (Refer note 11(b))
- (i) The maximum amount of commercial paper outstanding during the year was ₹17,240.00 mn (Previous year- ₹21,050.00 mn)

**(4) OTHER CURRENT AND LONG-TERM LIABILITIES**

(₹ in mn.)

Particulars	Recast		Original		As at March 31, 2013	
	As at March 31, 2014		As at March 31, 2014			
	Current	Long-term	Current	Long-term	Current	Long-term
Interest Accrued but not Due	993.49	47.07	993.49	47.07	568.21	86.91
Income Received in Advance	397.46	65.66	497.76	65.66	484.80	117.91
Security Deposits Received	165.10	16.61	165.10	16.61	165.10	35.51
Statutory Dues Payable	29.20	-	29.20	-	32.30	-
Retention Money Payable	10.40	-	10.40	-	10.76	-
Other Payables	28.06	-	28.06	-	71.80	-
<b>Total</b>	<b>1,623.71</b>	<b>129.34</b>	<b>1,724.01</b>	<b>129.34</b>	<b>1,332.97</b>	<b>240.33</b>

**(5) SHORT-TERM AND LONG-TERM PROVISIONS**

(a) Break-up of the Provisions are as below:

(₹ in mn.)

Particulars	Recast		Original		As at March 31, 2013	
	As at March 31, 2014		As at March 31, 2014			
	Short-Term	Long-Term	Short-Term	Long-Term	Short-Term	Long-Term
<b>I. For Loans and Advances</b>						
Standard Assets	-	162.89	-	250.00	-	250.00
Non- Performing Assets	3,563.41	-	548.43	-	207.64	-
Standard Restructured Assets	-	53.65	-	71.00	-	-
Others*	-	2,631.00	-	368.97	-	227.31
<b>II. For Diminution on Investments</b>						
Diminution in value of Investments	699.91	732.94	697.65	461.28	484.21	243.28
Mark to Market on Derivatives**	13.97	-	16.24	-	13.10	-
<b>III. Others</b>						
Employee Benefits	213.74	26.46	213.74	26.46	282.69	26.69
Provision for Income Tax (net)	56.94	-	56.94	-	112.48	-
Proposed Dividend	1,461.17	-	1,461.17	-	1,594.01	-
Dividend Distribution Tax	248.33	-	248.33	-	270.90	-
General Contingencies	-	2462.50	-	3,012.50	-	2,800.00
<b>Total</b>	<b>6,257.47</b>	<b>6,069.44</b>	<b>3,242.50</b>	<b>4,190.21</b>	<b>2,965.03</b>	<b>3,547.28</b>

\*\* Difference in recast figures is due to reclassification.

\* Breakup of Other Long term provisions is as follows:

(₹ in mn.)

Particulars	Recast		Original Long-term	
	As at March 31, 2014		As at March 31, 2014	As at March 31, 2013
	Short-Term	Long-Term		
Provision for income on loans self-funded through fresh or further disbursement	2,154.98	-	-	-
Provision for Funded interest term loan created as per restructuring terms (Refer note 19 (a))	-	92.33	17.26	-
Provision for interest sacrifice on restructured loans (Refer note 19 (a))	-	143.88	111.90	58.13
Provision on unrealized income on loans settled by invocation of unquoted equity shares (Refer note 22)	-	239.81	239.81	169.17
<b>Total</b>	<b>2,154.98</b>	<b>476.02</b>	<b>368.97</b>	<b>227.30</b>

- (b) Contingent Provision against Standard assets aggregating ₹162.89mn (As on March 31, 2013- ₹250 mn) represents provision made pursuant to Reserve Bank of India circular DNBS.PD.CC.No.207/03.02.002 /2010-11 issued on January 17, 2011 requiring all NBFCs to make a provision of 0.25% on the outstanding standard assets.

(₹ in mn.)

Particulars	Recast	Original	As at March 31, 2013
	As at March 31, 2014	As at March 31, 2014	
Balance at the beginning of the year	250.00	250.00	220.00
Add: Incremental provision for the year*	1.02	-	30.00
Less: Reversal of provision for the year*	(88.13)	-	-
<b>Balance at the end of the year</b>	<b>162.89</b>	<b>250.00</b>	<b>250.00</b>

\*Refer explanation to Note 22

- (c) Following table summarizes movement in Provision for General Contingencies

(₹ in mn.)

Particulars	Recast	Original	As at March 31, 2013
	As at March 31, 2014	As at March 31, 2014	
Balance at the beginning of the year	2,800.00	2,800.00	2,300.00
Add: Provision made during the year	-	550.00	500.00
Less: Provision utilised towards write off of specific Loan	337.50	337.50	-
<b>Balance at the end of the year</b>	<b>2,462.50</b>	<b>3,012.50</b>	<b>2,800.00</b>



(d) The details of movement in provision for diminution in value of long term investments is as follows:  
(₹ in mn.)

Particulars	Recast	Original	As at March 31, 2013
	As at March 31, 2014	As at March 31, 2014	
Balance at the beginning of the year	243.28	243.28	169.98
Provision made during the year	489.66	218.00	73.30
<b>Balance at the end of the year</b>	<b>732.94</b>	<b>461.28</b>	<b>243.28</b>

(e) In accordance with the Guidelines issued by the RBI and in accordance with the criteria as described in Note 1.1(b)(ii) above, the Company has made provision for non-performing assets. The details of movement in provision for non-performing assets and diminution in value of current investments is as follows:

(₹ in mn.)

Particulars	Recast		Original			
	Short term Provision for		Short term Provision for			
	Non-Performing Assets	Diminution in value of Investments	Non-Performing Assets		Diminution in value of Investments	
	As at March 31, 2014	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Balance at the beginning of the year	207.64	484.21	207.64	136.60	484.21	918.44
Provision made/(written back) during the year	3,420.61	215.70	405.63	135.24	213.44	(434.23)
Non-Performing Assets Written off against provision	(64.84)	-	(64.84)	(64.20)	-	-
<b>Balance at the end of the year</b>	<b>3,563.41</b>	<b>699.91</b>	<b>548.43</b>	<b>207.64</b>	<b>697.65</b>	<b>484.21</b>

(f) Provision against Standard Restructured Accounts aggregating ₹53.65mn (As on March 31, 2013- NIL mn) represents provision made pursuant to Reserve Bank of India circular No DNBS (PD) No. 272 dated January 23, 2014

(₹ in mn.)

Particulars	Recast	Original	As at March 31, 2013
	As at March 31, 2014	As at March 31, 2014	
Balance at the beginning of the year	-	-	-
Add: Incremental provision for the year	71.00	71.00	-
Less: Reversal of provision for the year*	(17.35)	-	-
<b>Balance at the end of the year</b>	<b>53.65</b>	<b>71.00</b>	<b>-</b>

\*Refer explanation to Note 22

(g) Disclosure as required under AS- 15 – “Employee Benefits”:

(i) The Company had recognized ₹10.09mn (Previous Year ₹10.08 mn) and ₹9.69 mn (Previous Year ₹9.89 mn) in Statement of Profit and Loss under Company’s Contribution to Provident Fund and contribution to Superannuation fund respectively.

(ii) The Company operates funded post retirement defined benefit plans for gratuity, details for which are as follows:

<b>I. Assumption</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
Discount Rate	9.33%	8.25%
Rate of Return on Plan Assets	8.70%	8.70%
Salary Escalation	6.50%	6.50%
Mortality	Indian Assured Lives Mortality (2006-08)	LIC (1994-96) Mortality Table

(₹ in mn.)

<b>II. Table Showing Change in Defined Benefit Obligation</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
Opening Defined Benefit obligation	56.51	44.14
Interest Cost	4.66	3.75
Current Service Cost	5.81	5.09
Liabilities Transferred In	1.61	-
Benefit Paid	(10.05)	-
Actuarial (gain)/loss on obligations	(2.54)	3.53
<b>Closing Defined Benefit obligation</b>	<b>56.00</b>	<b>56.51</b>

(₹ in mn.)

<b>III. Table of Fair Value of Plan Assets</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
Fair Value of Plan Assets at the start	52.47	44.32
Expected Return on Plan Assets	4.57	3.81
Contributions	8.00	3.46
Transfer from other Company	1.61	-
Benefit Paid	(10.05)	-
Actuarial gain/(loss) on Plan Assets	(1.30)	0.88
<b>Fair Value of Plan Assets at the end</b>	<b>55.30</b>	<b>52.47</b>

(₹ in mn.)

<b>IV. Actual Return on the Plan Assets</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
Expected Return on the Plan Assets	4.57	3.81
Actuarial gain/(loss) on Plan Assets	(1.30)	0.88
<b>Actual Return on Plan Assets</b>	<b>3.27</b>	<b>4.69</b>

(₹ in mn.)

<b>V. Amount Recognized in the Balance Sheet</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>	<b>As at March 31, 2011</b>	<b>As at March 31, 2010</b>
Liability at the end of the year	56.00	56.51	44.14	34.93	18.29
Fair Value of Plan Assets at the end	55.30	52.47	44.32	36.39	18.61
Shortfall/(Excess)	0.70	4.04	(0.18)	(1.46)	(0.32)
Amount Recognized in Balance Sheet	<b>0.70</b>	<b>5.00<sup>1</sup></b>	<b>(0.18)</b>	<b>(1.46)</b>	<b>(0.32)</b>

<sup>1</sup> The Company has taken actuarial valuation for the above disclosure which differs with the amount recognized by the Company in financial statements. The above excess provision is not reversed on prudence basis

(₹ in mn.)

<b>VI. Reconciliation of the Liability Recognized in the Balance Sheet</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
Opening Net Liability	5.00	(0.18)
Expense Recognized	3.70	7.68
Contribution by the Company	(8.00)	(3.46)
Amount recognized in Balance Sheet	0.70	4.04

(₹ in mn.)

<b>VII. Expenses Recognized in the Statement of Profit and Loss</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
Current Service Cost	5.81	5.09
Adjustment with earlier year surplus	(0.96)	
Interest Cost	4.66	3.75
Expected Return on Plan Assets	(4.57)	(3.81)
Actuarial (gain) / loss	(1.24)	2.65
Expense Recognized in Statement of Profit and Loss	3.70	7.68

(₹ in mn.)

<b>VIII. Experience Adjustment</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>	<b>As At March 31, 2011</b>	<b>As At March 31, 2010</b>
Defined Benefit Obligation	56.00	56.51	44.14	34.93	18.29
Plan Assets	55.30	52.47	44.32	36.39	18.61
Surplus/(Deficit)	(0.70)	(4.04)	0.18	1.46	0.32
Experience adjustment on Plan Liability	25.28	(2.09)	7.10	8.32	(0.51)
Experience adjustment on Plan Asset	(8.36)	0.89	1.02	0.12	1.45

<b>IX. Description of Plan Assets</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
Insurer Managed Funds	100%	100%

(iii) Other Details

The estimates of salary increase considered in actuarial valuation, take account of inflation, seniority, promotion and other factors. The above information is certified by the actuary and relied upon by the Auditors

**(6) TRADE PAYABLES**

On the basis of information and records available with the Company and confirmations sought by the Management from suppliers under Micro, Small and Medium Enterprises Development Act. 2006, there have been no reported cases of delays in payments to micro, small and medium enterprises or of interest payment due to delay in such payments. The auditor have relied on the above.

**(7) FIXED ASSETS**

For the year ended March 31, 2014

(₹ in mn.)

Description of Assets	Gross Block (At Cost)			Depreciation/Amortisation			Lease Terminal Adjustment	Net Block	
	As at April 1, 2013	Addition	Deduction/ Adjustments	As at March 31, 2014	As at April 1, 2013	For the Year		Deduction/ Adjustments	As at March 31, 2014
<b>TANGIBLE ASSETS</b>									
<b>Assets Given on Lease</b>									
Data Processing Equipment	157.42	-	-	157.42	126.60	-	-	30.82	-
Aircraft *	398.33	-	398.33	-	224.19	-	224.19	-	3.42
Vehicles	8.93	-	-	8.93	2.35	-	-	0.32	6.26
Plant & Machinery	1,618.45	-	5.00	1,613.45	679.60	23.37	2.39	903.04	32.69
<b>Own Assets</b>									
Data Processing Equipment	26.69	2.27	3.30	25.66	19.36	3.44	3.27	-	6.13
Electrical Fittings	9.01	1.70	0.13	10.58	1.48	1.68	0.08	-	7.53
Furniture and Fixtures	18.04	3.56	0.41	21.19	6.88	2.49	0.27	-	11.16
Office Premises	11.00	-	-	11.00	1.07	0.18	-	-	9.93
Office Equipment	4.91	1.16	0.55	5.52	4.27	1.10	0.54	-	0.64
Leasehold Improvement	14.30	3.28	0.32	17.26	8.85	3.41	0.31	-	5.45
<b>Total (A)</b>	<b>2,267.08</b>	<b>11.97</b>	<b>408.04</b>	<b>1,871.01</b>	<b>1,074.65</b>	<b>35.67</b>	<b>231.05</b>	<b>934.18</b>	<b>84.41</b>
<b>INTANGIBLE ASSETS</b>									
Software (Acquired)	19.60	8.77	6.56	21.81	13.26	4.73	5.50	-	6.34
Websites & Portals	0.94	-	-	0.94	0.59	0.19	-	-	0.35
<b>Total (B)</b>	<b>20.54</b>	<b>8.77</b>	<b>6.56</b>	<b>22.75</b>	<b>13.85</b>	<b>4.92</b>	<b>5.50</b>	<b>-</b>	<b>6.69</b>
<b>Total (A+B)</b>	<b>2,287.62</b>	<b>20.74</b>	<b>414.60</b>	<b>1,893.76</b>	<b>1,088.50</b>	<b>40.59</b>	<b>236.55</b>	<b>934.18</b>	<b>91.10</b>

\* The opening balance of lease terminal adjustment amounting to ₹173.84 mn as at April 01, 2013 was netted off while deriving net block as at March 31, 2014 on account of sale of underlying asset

\*\*There are no changes in original and recast figures for this Note

For the year ended March 31, 2013

(₹ in mn.)

Description of Assets	Gross Block (At Cost)			Depreciation/Amortisation				Lease Terminal Adjustment	Net Block	
	As at April 1, 2012	Addition	Deduction/ Adjustments	As at March 31, 2013	As at April 1, 2012	For the Year	Deduction/ Adjustments	As at March 31, 2013	As at March 31, 2013	As at March 31, 2012
<b>TANGIBLE ASSETS</b>										
<b>Assets Given on Lease</b>										
Data Processing Equipment	157.42	-	-	157.42	126.60	-	-	126.60	30.82	-
Aircraft	398.33	-	-	398.33	224.19	-	-	224.19	170.72	3.42
Vehicles	8.93	-	-	8.93	2.35	-	-	2.35	0.32	6.26
Plant & Machinery	1,618.45	-	-	1,618.45	656.23	23.37	-	679.60	906.16	56.06
<b>Own Assets</b>										
Data Processing Equipment	23.86	3.86	1.03	26.69	12.16	7.51	0.31	19.36	-	11.70
Electrical Fittings	1.93	7.15	0.07	9.01	0.78	0.75	0.05	1.48	-	1.15
Furniture and Fixtures	10.72	7.62	0.30	18.04	4.46	2.62	0.20	6.88	-	6.26
Office Premises	11.00	0.01	0.01	11.00	0.89	0.18	-	1.07	-	10.11
Office Equipment	4.33	0.74	0.16	4.91	3.60	1.22	0.55	4.27	-	0.73
Leasehold Improvement	9.86	4.72	0.28	14.30	6.66	2.47	0.28	8.85	-	3.20
<b>Total (A)</b>	<b>2,244.83</b>	<b>24.10</b>	<b>1.85</b>	<b>2,267.08</b>	<b>1,037.92</b>	<b>38.12</b>	<b>1.39</b>	<b>1,074.65</b>	<b>1,108.02</b>	<b>98.89</b>
<b>INTANGIBLE ASSETS</b>										
Software (Acquired)	17.44	2.16	-	19.60	9.57	3.69	-	13.26	-	7.87
Websites & Portals	0.94	-	-	0.94	0.40	0.19	-	0.59	-	0.54
<b>Total (B)</b>	<b>18.38</b>	<b>2.16</b>	<b>-</b>	<b>20.54</b>	<b>9.97</b>	<b>3.88</b>	<b>-</b>	<b>13.85</b>	<b>-</b>	<b>8.41</b>
<b>Total (A+B)</b>	<b>2,263.21</b>	<b>26.26</b>	<b>1.85</b>	<b>2,287.62</b>	<b>1,047.89</b>	<b>42.00</b>	<b>1.39</b>	<b>1,088.50</b>	<b>1,108.02</b>	<b>107.30</b>

**(8) DEFERRED TAX ASSETS**

Details of major components of deferred tax assets arising on account of timings differences as on March 31, 2014 (Recast) are as below

(₹ in mn.)

Particulars	As at April 01, 2013	Created during the Year(Recast)	As at March 31, 2014(Recast)
Difference between book and tax depreciation	56.25	(1.80)	54.45
Provisions and Contingencies	1,056.10	1,932.73	2,988.83
Others	15.45	3.08	18.53
<b>Deferred Tax Assets</b>	<b>1,127.80</b>	<b>1,934.0</b>	<b>3,061.81</b>

Details of major components of deferred tax assets arising on account of timings differences as on March 31, 2014 (Original) are as below

(₹ in mn.)

Particulars	As at April 01, 2013	Created during the Year(Original)	As at March 31, 2014(Original)
Difference between book and tax depreciation	56.25	(1.85)	54.40
Provisions and Contingencies	1,056.10	243.90	1,300.00
Others	15.45	2.95	18.40
<b>Deferred Tax Assets</b>	<b>1,127.80</b>	<b>245.00</b>	<b>1,372.80</b>

Details of major components of deferred tax assets arising on account of timings differences as on March 31, 2013 are as below

(₹ in mn.)

Particulars	As at April 01, 2012	Created during the Year	As at March 31, 2013
Difference between book and tax depreciation	56.00	0.25	56.25
Provisions and Contingencies	703.10	353.00	1,056.10
Others	5.70	9.75	15.45
<b>Deferred Tax Assets</b>	<b>764.80</b>	<b>363.00</b>	<b>1,127.80</b>

**(9) NON-CURRENT INVESTMENTS**

(a) Summary of Non-Current Investments is as below :

(₹ in mn.)

Particulars	Recast	Original	As at March 31, 2013
	As at March 31, 2014	As at March 31, 2014	
<b>Trade Investments</b>			
Equity Shares	2,403.86	2,403.86	2,192.29
Preference Shares	2,575.14	2,575.14	349.94
Units of Mutual Funds	937.50	937.50	-
	<b>5,916.50</b>	<b>5,916.50</b>	<b>2,542.23</b>
<b>Other Investments</b>			
Equity Shares	4,422.70	4,422.70	4,696.16
Preference Shares	79.27	79.27	100
Units of Other Funds	9,379.41	9,379.41	9,843.02
Units of Mutual Fund	10	10	10
Pass Through Certificates	444.68	444.68	444.76
Investment Property	2,062.85	2,062.85	2,062.85
Debentures and Bonds	6,443.84	6,443.84	6,142.79
	<b>22,842.75</b>	<b>22,842.75</b>	<b>23,299.58</b>
<b>Total</b>	<b>28,759.25</b>	<b>28,759.25</b>	<b>25,841.81</b>

(b) Scrip wise details of the Investment as on March 31, 2014 is as below:

Fully paid		(₹ in mn.)					
Name of Company	Face Value	Recast		Original			
		Quantity As At	Cost As At	Quantity As At		Cost As At	
		March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
<b>TRADE INVESTMENTS</b>							
<b><u>Equity Shares-Quoted</u></b>							
IL&FS Engineering & Construction Co. Ltd	10	13,496,381.00	1,330.24	13,496,381.00	13,496,381.00	1,330.24	1,330.24
IL&FS Transportation Networks Ltd	10	2,440,534.00	406.04	2,440,534.00	2,440,534.00	406.04	406.04
<b><u>Equity Shares-Unquoted</u></b>							
<b>In subsidiaries</b>							
IL&FS Global Financial Services PTE Ltd	SGD 1	3,050,001.00	122.12	3,050,001.00	3,050,001.00	122.12	122.12
IL&FS Global Financial Services (UK) Ltd	£1	400,001.00	30.25	400,001.00	400,001.00	30.25	30.25
IL&FS Global Financial Services (ME) Ltd	\$1	800,000.00	35.94	800,000.00	800,000.00	35.94	35.94
IL&FS Global Financial Services (HK) Ltd	HKD1	1,725,000.00	128.59	1,725,000.00	800,000.00	128.59	55.15
IL&FS Capital Advisors Ltd	10	10,000,000.00	100.00	10,000,000.00	10,000,000.00	100.00	100.00
IL&FS Infra Asset Management Ltd	10	16,800,000.00	168.00	16,800,000.00	11,050,000.00	168.00	110.50
IL&FS AMC Trustee Ltd	10	250,000.00	2.50	250,000.00	200,000.00	2.50	2.00
IL&FS Broking Services Pvt Ltd	10	3,800,000.00	80.13	3,800,000.00	-	80.13	-
<b>In Joint Venture</b>							
Syniverse Technologies (India) Pvt Ltd	10	5,200.00	0.05	5,200.00	5,200.00	0.05	0.05
			<b>2,403.86</b>			<b>2,403.86</b>	<b>2,192.29</b>
<b><u>Preference Shares- Unquoted</u></b>							
<b>Redeemable cumulative preference shares</b>							
<b>In subsidiaries</b>							
IL&FS Broking Services Pvt Ltd	100	2,252,000.00	225.20	2,252,000.00	-	225.20	-
<b>Others</b>							
IL&FS Engineering & Construction Co. Ltd	100	2,631,500.00	249.99	2,631,500.00	2,631,500.00	249.99	249.99
IL&FS Transportation Network Ltd	10	100,000,000.00	2,000.00	100,000,000.00	-	2,000.00	-
<b>Compulsorily Convertible Preference Shares</b>							
<b>In Joint Venture</b>							
Syniverse Technologies (India) Pvt Ltd (Series B)	10	4,800.00	0.05	4,800.00	4,800.00	0.05	0.05
Syniverse Technologies (India) Pvt Ltd (Series D)	1,000	99,900.00	99.90	99,900.00	99,900.00	99.90	99.90
			<b>2,575.14</b>			<b>2,575.14</b>	<b>349.94</b>



Name of Company	Face Value	Recast		Original			
		Quantity As At	Cost As At	Quantity As At		Cost As At	
		March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
<b>Units of Mutual Fund-Unquoted</b> (Refer note 9 (h))							
IL&FS Infrastructure Debt Fund Series 1-A	1,000,000	250.00	187.50	250.00	-	187.50	-
IL&FS Infrastructure Debt Fund Series 1-B	1,000,000	250.00	187.50	250.00	-	187.50	-
IL&FS Infrastructure Debt Fund Series 1-C	1,000,000	750.00	562.50	750.00	-	562.50	-
			937.50			937.50	-
<b>OTHER INVESTMENTS</b>							
<b>Equity Shares- Quoted</b>							
Credit Analysis & Research Ltd	10	-	-	-	1,711,000.00	-	375.78
Electrosteel Steels Ltd	10	67,700,000.00	677.00	67,700,000.00	68,250,000.00	677.00	682.50
Pipavav Defence and Offshore Ltd**	10	12,617,254.00	775.54	12,617,254.00	12,617,254.00	775.54	775.54
Satyam Computer Services Ltd	2	-	-	-	208,629.00	-	25.07
Tech Mahindra Ltd	10	24,544.00	25.07	24,544.00	-	25.07	-
Sun Earth Ceramics Ltd*	10	1,291,625.00	-	1,291,625.00	1,291,625.00	-	-
Tata Steel Ltd	10	22,177.00	13.31	22,177.00	22,177.00	13.31	13.31
<b>Equity Shares-Unquoted</b>							
Ahmedabad Stock Exchange Ltd	10	331,800.00	18.96	331,800.00	331,800.00	18.96	18.96
Allen Scott Industries Ltd	10	149,300.00	0.10	149,300.00	149,300.00	0.10	0.10
Champion Agro Ltd	10	71,500.00	9.08	71,500.00	-	9.08	-
Dewanchand Ramsaran Industries Pvt Ltd**	10	278,125.00	126.00	278,125.00	278,125.00	126.00	126.00
Essel Shyam Communication Ltd	10	386,000.00	79.00	386,000.00	386,000.00	79.00	79.00
ICOMM Tele Ltd	10	2,702,100.00	75.66	2,702,100.00	-	75.66	-
IFCI Venture Capital Funds Ltd	10	250,000.00	4.75	250,000.00	250,000.00	4.75	4.75
Investor Services Of India Ltd	10	-	-	-	535,768.00	-	6.43
IPF Online Ltd	10	-	-	-	173,300.00	-	10.40
John Energy Ltd	10	4,76,370.00	365.00	476,370.00	476,370.00	365.00	365.00
Kakinada SEZ Ltd	10	507,055.00	5.08	507,055.00	507,055.00	5.08	5.08
Mahindra Sona Ltd	10	231,600.00	29.30	231,600.00	231,600.00	29.30	29.30
MCX Stock Exchange Ltd	1	27,165,000.00	977.93	27,165,000.00	27,165,000.00	977.93	977.93
Microland Ltd*	1	2,000,000.00	-	2,000,000.00	2,000,000.00	-	-

\*These investments are carried at book value of ₹1

\*\*Companies are classified as NPA based on credit exposure

Name of Company	Face Value	Recast		Original			
		Quantity As At	Cost As At	Quantity As At		Cost As At	
		March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
National Institute for Smart Government	100	50,000.00	5.00	50,000.00	50,000.00	5.00	5.00
Petronet India Ltd*	10	10,000,000.00	-	10,000,000.00	10,000,000.00	-	-
Petronet VK Ltd*	10	5,000,000.00	-	5,000,000.00	5,000,000.00	-	-
Petronet CCK Ltd*	10	39,920.00	-	39,920.00	39,920.00	-	-
Petronet MHB Ltd*	10	39,920.00	-	39,920.00	39,920.00	-	-
Reid & Taylor India Ltd**	10	24,523,656.00	1,169.16	24,523,656.00	24,523,656.00	1,169.16	1,169.16
Samudra Shoes Ltd*	10	337,500.00	-	337,500.00	337,500.00	-	-
Tamil Nadu Urban Infrastructure Financial Services Ltd	10	170,014.00	1.70	170,014.00	170,014.00	1.70	1.70
Tamil Nadu Urban Infrastructure Trustee Co Ltd	10	17,014.00	0.17	17,014.00	17,014.00	0.17	0.17
Tidel Park Ltd	10	2,000,000.00	20.00	2,000,000.00	2,000,000.00	20.00	20.00
Triton Overwater Transport Agency Ltd	10	498,000.00	4.98	498,000.00	498,000.00	4.98	4.98
VandanaaVidhyut Ltd	10	1,735,000.00	39.91	1,735,000.00	-	39.91	-
			<b>4,422.70</b>			<b>4,422.70</b>	<b>4,696.16</b>
<b><u>Preference Shares- Unquoted</u></b>							
<b>Optionally Convertible Cumulative Redeemable Preference Shares</b>							
John Energy Ltd	1000	4,272.00	4.27	4,272.00	25,000.00	4.27	25.00
John Energy Ltd	1000	75,000.00	75.00	75,000.00	75,000.00	75.00	75.00
			<b>79.27</b>			<b>79.27</b>	<b>100.00</b>
<b><u>Units of Other Funds- Unquoted</u></b>							
<b>In Subsidiary</b>							
IFIN Realty Trust (Class A)	1,000,000	854.06	854.06	854.06	854.06	854.06	854.06
Investment Square Trust	1,662,687,621	1.00	1,662.69	1.00	1.00	1,662.69	1,662.69
<b>Others</b>							
IL&FS Realty Fund (Class A)	100,000	9,030.21	903.02	9,030.21	9,287.67	903.02	928.76
IL&FS Milestone Fund	1,000	34,529.00	34.53	34,529.00	45,993.00	34.53	45.99
IL&FS Infrastructure Equity Fund-1	1,000	1,745,000.00	1,745.00	1,745,000.00	1,713,000.00	1,745.00	1,713.00
IL&FS Orix Trust	1,000,000	73.30	73.30	73.30	73.30	73.30	73.30

\*These investments are carried at book value of ₹1

\*\*Companies are classified as NPA based on credit exposure

Name of Company	Face Value	Recast		Original			
		Quantity As At	Cost As At	Quantity As At		Cost As At	
		March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
IL&FS IIDC Fund	1,000,000	562.37	634.10	562.37	684.46	634.10	774.10
Leverage India Fund (Class E)	1,000	114,776.60	114.78	114,776.60	266,904.10	114.78	266.90
Pan Asia Project Development Fund India (Class A)	100	2,915,321.51	286.54	2,915,321.51	3,233,678.42	286.54	323.37
Rajasthan Project Development Fund	1,000	1,249.00	1.25	1,249.00	1,249.00	1.25	1.25
South Asian Regional Apex Fund	5,000	-	-	-	216.42	-	1.08
Tara India Fund-III Class A Units	1,000,000	769.42	769.42	769.42	769.42	769.42	769.42
Tara India Fund-III Class D Units	1,000,000	31.60	31.60	31.60	31.60	31.60	31.60
Tara India Fund IV Trust	1,000,000	-	-	-	500.00	-	500.00
Tamilnadu Urban Development Fund	100,000	1,664.46	166.45	1,664.46	1,664.46	166.45	166.45
Maytas Investment Trust	1,000	2,102,667.00	2,102.67	2,102,667.00	1,731,048.00	2,102.67	1,731.05
			<b>9,379.41</b>			<b>9,379.41</b>	<b>9,843.02</b>
<b>Units of Mutual Fund-Quoted</b>							
HDFC Debt Fund for Cancer Cure – 100% Dividend Donation Option	10	1,000,000.00	<b>10.00</b>	1,000,000.00	1,000,000.00	<b>10.00</b>	<b>10.00</b>
<b>Pass through Certificate- Unquoted</b>							
IL&FS Investment Trust - IV (PTC - II )	1	100,780.00	0.10	100,780.00	100,780.00	0.10	0.10
IL&FS Investment Trust-IV (PTC-Series III)	1	16,830,307.00	0.02	16,830,307.00	102,830,307.00	0.02	0.10
IL&FS Investment Trust - IV (PTC -Series I )	1	44,265,406.00	0.06	44,265,406.00	44,265,406.00	0.06	0.06
IL&FS Investment Trust -I (IIT- I)	889,000	500.00	444.50	500.00	500.00	444.50	444.50
			<b>444.68</b>			<b>444.68</b>	<b>444.76</b>
<b>Investment in Properties</b>							
Allotment of specified area at Kohinoor Square Project, Mumbai (pending transfer of legal title in favor of company)	-	-	<b>2,062.85</b>	-	-	<b>2,062.85</b>	<b>2,062.85</b>
<b>Debentures and Bonds</b>							
<b>Compulsorily Convertible Debentures- Unquoted (Refer note 9(g))</b>							
Bajaj Power Ventures Pvt Ltd	100	30,000,000.00	3,000.00	30,000,000.00	30,000,000.00	3,000.00	3,000.00
Essel Sports Infrastructure Ltd	40,000,000	17.00	680.00	17.00	17.00	680.00	680.00
<b>Non-Convertible Debentures- Unquoted</b>							
ABG International Pvt Ltd.**	1,000	-	-	-	367,244.00	-	367.25
Shree Naman Developers Ltd	1,000	-	-	-	529,536.00	-	529.54

\*\* Companies are classified as NPA based on credit exposure

Name of Company	Face Value	Recast		Original			
		Quantity As At	Cost As At	Quantity As At		Cost As At	
		March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
ICL Lions Pvt Ltd	10,000,000	150.00	1,500.00	150.00	-	1,500.00	-
<b><u>Optionally Convertible Debentures - Unquoted</u></b>							
Pochampally Handloom Park Ltd	100,000	752.00	75.20	752.00	640.00	75.20	64.00
Ascend Telecom Infrastructure Pvt Ltd	1,186,637.088	1.00	1,186.64	1.00	-	1,186.64	-
<b><u>Fully Convertible Debentures- Unquoted (Refer note 9(g))</u></b>							
A2Z Infrastructure Ltd**	10,000,000	-	-	-	150.00	-	1,500.00
<b><u>Covered Warrants- Unquoted</u></b>							
NK Telecom Products Ltd	10	200,000.00	2.00	200,000.00	200,000.00	2.00	2.00
			6,443.84			6,443.84	6,142.79
<b>Total</b>			<b>28,759.25</b>			<b>28,759.25</b>	<b>25,841.81</b>

\*\* Companies were classified as NPA based on credit exposure

- (c) Refer Note 1.1(b)(iii) above for principal/assumption for evaluation of provision for diminution in the value of Non-Current Investments.
- (d) Market Value of Quoted Investment and Cost of Unquoted Investments

(₹ in mn.)

Particulars	Recast	Original	As at March 31, 2013
	As at March 31, 2014	As at March 31, 2014	
<b><u>Quoted Investment</u></b>			
Aggregate Market Value	1,599.71	1,599.71	3,619.83
Cost	3,237.20	3,237.20	3,618.48
<b><u>Unquoted Investment</u></b>			
Cost	25,522.05	25,522.05	22,223.33
<b>Total Cost</b>	<b>28,759.25</b>	<b>28,759.25</b>	<b>25,841.81</b>

- (e) The Holding Company acquired management control of IL&FS Engineering & Construction Company Ltd.(Formerly known as Maytas Infra Ltd) (IECCL) vide orders of the Company Law Board (CLB ) dated August 31, 2009, in order to protect the credit exposure of the Company to IECCL. Such acquisition of the shares was exclusively to protect the interest of the Company and does not form part of a strategy to acquire and retain long term assets /investments
- (f) The Company has four foreign subsidiaries and investment in such subsidiaries has been made in foreign currency. Given the size of the Investment and level of operations, the Company has not entered into hedging of the above Investments
- (g) These investments are under put and call options with promoters of the investee company or investee company
- (h) These units are partly paid-up. The Fund has called up ₹750,000 on each of the series and paid-up by the Company

(10) CURRENT MATURITIES OF NON CURRENT INVESTMENTS

Break up of Current Maturities of the Long-term Investment is as below:

Fully Paid (₹ in mn.)

Name of Company	Face Value	Recast		Original			
		Quantity As At	Cost As At	Quantity As At		Cost As At	
		March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
<b>Fully Convertible Debentures- Unquoted</b>							
A2Z Infrastructure Ltd**	10,000,000	150	1,500.00	150	-	1,500.00	-
<b>Non-Convertible Debentures- Unquoted</b>							
ABG International Pvt. Ltd**	1,000	734,488	734.49	367,244	1,101,731	367.24	1,101.73
Parsvanath Developers Ltd	1,000,000	-	-	-	149	-	148.85
Parsvanath Developers Ltd	156,250,000	-	-	-	8	-	1,250.00
Shree Naman Developers Ltd	1,000	435,232	435.23	435,232	-	435.23	-
TCI Finance Ltd	10,000,000	-	-	-	28	-	280
<b>Total</b>			<b>2,669.72</b>			<b>2,302.47</b>	<b>2,780.58</b>

\*\* Classified as NPAbased on credit exposure.

(11) CURRENT INVESTMENTS

(a) Summary of Current Investments is as below : (₹ in mn.)

Particulars	Recast	Original	As at March 31, 2013
	As at March 31, 2014	As at March 31, 2014	
Equity Shares	1,438.19	1,438.19	987.96
Government Securities	2,813.45	2,813.45	1,795.61
Debentures	207.39	207.39	227.08
<b>Total</b>	<b>4,459.03</b>	<b>4,459.03</b>	<b>3,010.65</b>

(b) Scrip wise details of the Current Investment Portfolio is as below:

Fully Paid (₹ in mn.)

Name of Company	Face Value	Recast		Original			
		Quantity As At	Cost As At	Quantity As At		Cost As At	
		March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
<b>Equity Shares - Quoted</b>							
Aditya Birla Nuvo Ltd	10	46,449	53.73	46,449	26,500	53.73	29.5
Bank Of India	10	200,000	45.99	200,000	-	45.99	-
Biocon Ltd	10	-	-	-	127,000	-	52.95
Dena Bank	10	200,000	12.65	200,000	-	12.65	-
Dr Reddy Laboratories Ltd	5	20,000	50.64	20,000	83,843	50.64	152.45
Era Infra Engineering Ltd	10	440,000	28.52	440,000	-	28.52	-
Hindalco Industries Ltd	1	-	-	-	200,000	-	26.74

Name of Company	Face Value	Recast		Original			
		Quantity As At	Cost As At	Quantity As At		Cost As At	
		March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Idea Cellular Ltd	10	300,000	46.06	300,000	-	46.06	-
IL&FS Engineering & Construction Co. Ltd	10	1,000	0.12	1,000	1,000	0.12	0.12
Indiabulls Financial Services Ltd	2	96,575	22.74	96,575	96,575	22.74	22.74
Infosys Technologies Ltd	5	5,000	18.48	5,000	-	18.48	-
Jaiprakash Associates Ltd	2	1,500,000	75.46	1,500,000	-	75.46	-
Jet Airways (India) Ltd	10	300,000	68.36	300,000	-	68.36	-
Jubilant Life Sciences Ltd	1	400,001	82.59	400,001	350,001	82.59	76.21
LIC Housing Finance Ltd	10	300,000	67.36	300,000	-	67.36	-
Lupin Limited	10	50,000	45.91	50,000	-	45.91	-
Mahindra & Mahindra Ltd	5	75,000	70.29	75,000	-	70.29	-
Parental Drugs (India) Ltd	10	176,770	55.16	176,770	176,770	55.16	55.16
Pipavav Defence & Offshore Engineering Co Ltd**	10	3,500,000	118.04	3,500,000	-	118.04	-
S.Kumars Nationwide Ltd	10	22,058,769	481.05	22,058,769	26,870,223	481.05	526.51
Syndicate Bank	10	125,000	11.03	125,000	-	11.03	-
Wipro Ltd	2	50,000	30.08	50,000	-	30.08	-
Zee Entertainment Enterprises Ltd	1	199,999	53.93	199,999	-	53.93	-
Tech Mahindra Ltd	10	-	-	-	50,971	-	45.58
			<b>1,438.19</b>			<b>1,438.19</b>	<b>987.96</b>
<b>Government Securities- Quoted (Refer note 3(h))</b>							
11.83% GOI 2014 (Mty 12-Nov-2014)	100	6,500,000	785.62	6,500,000	6,500,000	785.62	785.62
8.08% GOI 2022 (Mty 02-Aug-2022)	100	2,500,000	248.58	2,500,000	2,500,000	248.58	248.58
8.12% GOI 2020 (Mty 10-Dec-2020)	100	8,000,000	766.45	8,000,000	-	766.45	-
8.13% GOI 2022 (Mty 21-Sep-2022)	100	2,500,000	249.22	2,500,000	2,500,000	249.22	249.22
8.15% GOI 2022 (Mty 11-Jun-2022)	100	4,000,000	412.52	4,000,000	-	412.52	-
8.83% GOI 2023 (Mty 25-Nov-2023)	100	3,508,600	351.06	3,508,600	-	351.06	-
8.20% GOI 2025 (Mty 24-Sep-2025)	100	-	-	-	2,500,000	-	254.05
8.33% GOI 2026 (Mty 09-Jul-2026)	100	-	-	-	2,500,000	-	258.14
			<b>2,813.45</b>			<b>2,813.45</b>	<b>1,795.61</b>

Name of Company	Face Value	Recast		Original			
		Quantity As At	Cost As At	Quantity As At		Cost As At	
		March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
<b>Non-Convertible Debentures – Quoted</b>							
8.95% RUPL 2023 (Mty 26-Apr-2023)	100	2,000,000	207.39	2,000,000	-	207.39	-
9.50% Yes Bank UT 2025 (Mty 08-Sep-2025)	100	-	-	-	1,000,000	-	100
			207.39			207.39	100
<b>Non-Convertible Debentures – Unquoted</b>							
PFS Shipping (India) Ltd	10,000,000	-	-	-	19	-	127.08
<b>Total</b>			<b>4,459.03</b>			<b>4,459.03</b>	<b>3,010.65</b>

\*\* Companies were classified as NPA based on credit exposure

(c) Market Value of Quoted Investment and Cost of Unquoted Current Investment

(₹ in mn.)

Particulars	Recast	Original	
	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013
<b>Quoted Investment</b>			
Aggregate Market Value	3,770.95	3,770.95	2,402.42
Cost	4,459.03	4,459.03	2,883.57
<b>Unquoted Investment</b>			
Cost	-	-	127.08
<b>Total Cost</b>	<b>4,459.03</b>	<b>4,459.03</b>	<b>3,010.65</b>

- (d) The Company has executed Power of Attorney in favour of its Professional Clearing Member in respect of its Dematerialised Account, holding its quoted equity investment. These investments are appropriated against margin requirement of the respective stock exchange. As on March 31, 2014, the Company is required to maintain margin of ₹168.05 mn (As on March 31, 2013 ₹232.68 mn) which is covered by the current investment equivalent to ₹194.58mn(As on March 31, 2013 ₹250.98 mn)

**(12) LOANS AND ADVANCES**

(a) Break up of Loans and Advances is as below

(₹ in mn.)

Particulars	Recast				Original				As at March 31, 2013			
	As at March 31, 2014				As at March 31, 2014							
	Short-term	Long-term		Total	Short-term	Long-term		Total	Short-term	Long-term		Total
	Current Portion	Non-Current			Current Portion	Non-Current			Current Portion	Non-Current		
<b>Secured Loans (considered good)</b>												
To Related Parties (Refer note 25)	1,700.00	3,934.79	3,065.77	8,700.56	1,700.00	3,934.79	3,065.77	8,700.56	1,144.40	9.81	4,030.87	5,185.08
To Others	11,473.98	13,410.82	20,852.50	45,737.30	12,764.05	21,007.89	33,957.14	67,729.08	12,931.96	21,291.15	46,524.90	80,748.01
<b>Unsecured Loans (considered good)</b>												
To Related Parties (Ref. note 25)	1,539.81	-	1,000.00	2,539.81	1,539.81	-	1,000.00	2,539.81	-	-	-	-
To Others	605.50	20.15	1,891.48	2,517.13	1,594.24	3,319.34	3,662.80	8,576.38	577.18	355.56	1,622.98	2,555.72
<b>Doubtful Loans</b>												
To Others	4,500.08	11,510.29	15,038.93	31,049.30	2,367.21	51.23	167.22	2,585.66	897.21	156.79	146.85	1,200.85
<b>Total</b>	<b>19,819.37</b>	<b>28,876.05</b>	<b>41,848.68</b>	<b>90,544.10</b>	<b>19,965.31</b>	<b>28,313.25</b>	<b>41,852.93</b>	<b>90,131.49</b>	<b>15,550.75</b>	<b>21,813.31</b>	<b>52,325.60</b>	<b>89,689.66</b>
<b>Unsecured Advances (considered good)</b>												
Advance Payment of Taxes(net)	-	-	1,726.06	1,726.06	-	-	1,393.06	1,393.06	-	-	1,337.92	1,337.92
Capital Advances to Others	-	-	976.75	976.75	-	-	976.75	976.75	-	-	979.60	979.60
Advance towards Investments	-	-	286.56	286.56	-	-	286.56	286.56	-	-	-	-
Other Advances												
To Related Parties (Ref. note 25 & 12(f))	40.75	-	-	40.75	3.88	-	-	3.88	4.61	-	-	4.61
To Others	89.50	-	-	89.50	89.62	-	-	89.62	53.00	-	0.01	53.01
Deposits	16.72	-	2.83	19.55	16.72	-	2.83	19.55	26.05	-	2.81	28.86
Margin Money with Related Parties	190.81	-	-	190.81	190.81	-	-	190.81	177.02	-	-	177.02
Prepaid Expenses	103.34	-	24.69	128.03	103.34	-	24.69	128.03	102.51	-	19.23	121.74
	441.12	-	3,016.89	3,458.01	404.37	-	2,683.89	3,088.26	363.19	-	2,339.57	2,702.76
<b>Total</b>	<b>20,260.49</b>	<b>28,876.05</b>	<b>44,865.57</b>	<b>94,002.11</b>	<b>20,369.68</b>	<b>28,313.25</b>	<b>44,536.82</b>	<b>93,219.75</b>	<b>15,913.94</b>	<b>21,813.31</b>	<b>54,665.17</b>	<b>92,392.42</b>



- (b) Provision of ₹3,563.41 mn (As at March 31, 2013 – ₹207.44 mn) is created on Doubtful Loans (Non-performing assets) as per RBI Guidelines and disclosed under Provision for Non-Performing Assets under Note 5 (e).
- (c) Provision of ₹ 240.92 mn is created towards amount of TDS deducted upto Financial year 2012-13 by NPA borrowers but credit of which could not be availed upto the original Balance Sheet signing date. The same amount was netted off from the respective interest income.
- (d) Secured Loan includes loans aggregating ₹5,174.00 mn (As at March 31, 2013 - ₹4,779.36 mn), where security creation is under process. Loans aggregating ₹4,517.84 mn (As at March 31, 2013- ₹ Nil mn), where security creation is under process are shown as Unsecured Loans.
- (e) Margin Money with Related Parties represents Initial Margin on Equity Derivative transactions of ₹168.05 mn (As at March 31, 2013- ₹177.02 mn) paid by the Company to their capacity as Professional Clearing Member.
- (f) Includes recoverable amount of excess managerial remuneration paid of ₹36.87 mn, no provision on the same has been done due to pending proceeding with NCLT.

### (13) TRADE RECEIVABLES

- (a) Trade Receivables comprises of receivable of Interest and other dues from its clients and fee for services rendered to its clients
- (b) Trade Receivables are classified into following categories :

(₹ in mn.)

Particulars	Recast	Original	As at March 31, 2013
	As at March 31, 2014	As at March 31, 2014	
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>			
Unsecured, Considered Good	59.76	51.38	33.85
Unsecured, Considered Doubtful	70.64	62.26	16.66
Less : Provision for Bad and Doubtful Debts	(70.64)	(62.26)	(16.66)
<b>Other Debts</b>			
Secured, Considered Good	433.15	918.99	653.16
Unsecured, Considered Good	937.34	959.42	943.09
<b>Total</b>	<b>1,430.25</b>	<b>1,929.79</b>	<b>1,630.10</b>

### (14) CASH AND CASH EQUIVALENTS

(₹ in mn.)

Particulars	Recast	Original	As at March 31, 2013
	As at March 31, 2014	As at March 31, 2014	
<b>Cash and Cash Equivalents</b>			
Cheques on Hand	437.47	1,668.30	448.45
Balance with Banks			
i) In current accounts	3,297.81	3,297.81	1,497.66
ii) In deposit accounts	510.20	510.2	4
<b>Total</b>	<b>4,245.48</b>	<b>5,476.31</b>	<b>1,950.11</b>

**(15) OTHER CURRENT AND NON CURRENT ASSETS**

(₹ in mn.)

Particulars	Recast		Original		As at March 31, 2013	
	As at March 31, 2014		As at March 31, 2014		Current	Non-Current
	Current	Non-Current	Current	Non-Current		
Income Accrued on Investments	91.32	594.73	331.39	594.54	114.69	235.97
Income Accrued on Lease, Loans and Advances	1,006.44	161.82	1,445.82	378.56	1,065.01	389.61
Receivable on Sale of Securities	520.20	-	520.20	-	-	-
<b>Total</b>	<b>1,617.96</b>	<b>756.55</b>	<b>2,297.41</b>	<b>973.10</b>	<b>1,179.70</b>	<b>625.58</b>

**(16) CONTINGENT LIABILITY****(a) Guarantees**

(₹ in mn.)

Particulars	Recast		Original		As at March 31, 2013	
	As at March 31, 2014		As at March 31, 2014		Current	Non-Current
Guarantees issued on behalf of third parties	556.02		400.94			

**(b) Claims against company not acknowledged as debts**

- (i) Income Tax: Demand Raised by Income Tax Authorities against the Company not acknowledged as debts and not provided for, the Company is in appeal at various authorities - ₹206.84 mn (As at March 31, 2013 - ₹199.43 mn)
- (ii) Sales Tax: Demand raised by Sales Tax authorities against the Company ₹12.99 mn for Lease tax dues (As at March 31, 2013- ₹12.99 mn), against which the Company has preferred appeals with the Appellate Tribunal, High Court
- (iii) Service Tax: Demand raised by Service Tax authorities against the Company ₹0.67 mn for CENVAT credit availed (As at March 31, 2013 ₹12.49 mn), against which the Company has preferred appeals with the Custom Excise & Service Tax Appellate Tribunal

The Company does not expect any outflow of economic resources in respect of the above

**(17) COMMITMENTS****(a) Capital Commitments**

Estimated amount of contracts remaining to be executed but not provided in respect of Tangible Assets ₹0.31 mn (As at March 31, 2013- ₹3.71mn)

**(b) Financial Commitments**

Undisbursed Commitment in respect of Loans is ₹51.61mn(Previous Year ₹68.01mn)and in respect of Investments is ₹987.50 mn (Previous Year ₹NIL mn)

**(c) Operating Lease Commitments**

The Company has entered into Operating Lease arrangement in respect of premises. The minimum future payments during non-cancellable years under the foregoing arrangement in aggregate for each of the following years are as below:

(₹ in mn.)

Particulars	As at March 31, 2014	As at March 31, 2013
Less than one year	24.66	22.16
One to five years	54.05	78.65
<b>Total</b>	<b>78.71</b>	<b>100.81</b>

The Operating Lease expenses incurred during the Year of ₹16.70 mn (Previous Year ₹16.70mn) is included in Rent Expenses

**(18) DERIVATIVE INSTRUMENTS**

(a) Detail of outstanding derivative instruments are as below:

(₹ in mn.)

Particulars	Recast	Original	As at March 31, 2013
	As at March 31, 2014	As at March 31, 2014	
<b>Index Options</b>			
No. of Contracts	8,000	8,000	13,580
Notional Principal (₹ in mn)	27.56	27.56	61.96
<b>Interest Rate Swap</b>			
No. of Contracts	1	1	2
Notional Principal (₹ in mn)	250.00	250.00	500.00

(b) Details of Equity/Index option outstanding As at March 31, 2014 are as below:

(₹ in mn.)

Name	Total Premium carried forward at the Year-end including provision made		
	(Recast)	(Original)	As at March 31, 2013
	As at March 31, 2014	As at March 31, 2014	
Index Option	29.83	29.83	72.20

**(19) REVENUE FROM OPERATIONS**

(a) The Company is engaged in the area of Financial Services and its revenue from operations includes Interest on Lending and Investment Portfolio, Gain on sale of Investments and Fee from Services as per the table below:

(₹ in mn.)

Particulars	Recast	Original	Year ended March 31, 2013
	Year ended March 31, 2014	Year ended March 31, 2014	
<b>Fund Based</b>			
Interest Income on Loans*	10,003.58	13,646.36	13,485.22
Income from Investments*	2,621.16	3,206.93	2,067.13
Lease Income	2.61	2.61	7.80
<b>Fee Based</b>			
Project Debt Syndication Fees	1,062.30	1,032.29	1,196.96
Consultancy and Advisory Fees	136.16	171.16	772.24
<b>Total</b>	<b>13,825.81</b>	<b>18,059.35</b>	<b>17,529.35</b>

\*Reduction in interest income is due to re-classification of:

- i. loans & advances from standard to NPA category and consequent reversal of unpaid interest and self-funded interest due to ever greening; (for details refer Note 1.1(b)(ii))
- ii. Provision on Funded Interest Term Loan and interest sacrifice on restructured advances as per NBFC Prudential Norms on income recognition (for details refer note 5 (a))

(b) Lease Income comprises of

(₹ in mn.)

Particulars	Recast	Original	Year ended March 31, 2013
	Year ended March 31, 2014	Year ended March 31, 2014	
Lease Rentals	5.27	5.27	6.15
Loss on sale of leased Assets	(2.66)	(2.66)	1.65
<b>Total</b>	<b>2.61</b>	<b>2.61</b>	<b>7.80</b>

(c) Break up of Income from Investments are as below:

(₹ in mn.)

Particulars	Recast		Original		Year ended March 31, 2013	
	Year ended March 31, 2014		Year ended March 31, 2014		Non- Current	Current
	Non- Current	Current	Non- Current	Current		
Interest/Discount/Premium	947.60	294.12	1,521.06	306.43	1,139.07	564.35
Pass Through Income	295.72	-	295.72	-	122.02	-
Dividend Income	105.45	34.89	105.45	34.89	132.75	38.95
Net Gain/(Loss) on Sale of Investment	876.47	157.36	876.47	157.36	425.16	(304.42)
Profit/(loss) on Derivative Contracts	-	(90.45)	-	(90.45)	-	(50.75)
	<b>2,225.24</b>	<b>395.92</b>	<b>2,798.70</b>	<b>408.23</b>	<b>1,819.00</b>	<b>248.13</b>
<b>Total</b>	<b>2,621.16</b>		<b>3,206.93</b>		<b>2,067.13</b>	

**(20) FINANCE COSTS**

(₹ in mn.)

Particulars	Recast	Original	Year ended March 31, 2013
	Year ended March 31, 2014	Year ended March 31, 2014	
Interest Expenses on Borrowings	11,499.87	11,499.87	11,124.83
Other Finance Costs	54.79	54.79	63.47
<b>Total</b>	<b>11,554.66</b>	<b>11,554.66</b>	<b>11,188.30</b>

**(21) EXPENSES**

(a) Employees Benefit Expenses comprises of

(₹ in mn.)

Particulars	Recast	Original	Year ended March 31, 2013
	Year ended March 31, 2014	Year ended March 31, 2014	
Salaries and Allowances	468.62	505.49	550.73
Contribution to Provident and Other Fund	24.29	24.29	28.45
Staff Training and Welfare Expenses	20.45	20.45	18.04
<b>Total</b>	<b>513.36</b>	<b>550.23</b>	<b>597.22</b>

(b) Break up of Other Expenses is as below:

(₹ in mn.)

Particulars	Recast	Original	Year ended March 31, 2013
	Year ended March 31, 2014	Year ended March 31, 2014	
Rent*	105.86	105.86	112.05
Electricity Charges	3.80	3.80	3.38
Rates and Taxes	62.87	62.87	46.94
Repairs and Maintenance	32.49	32.49	28.85
Travelling and Conveyance	37.11	37.11	37.81
Communication Expenses	9.27	9.27	8.16
Legal and Professional Charges	147.00	146.42	56.68
Insurance Expenses	1.48	1.48	3.88
Bad Debt written off	-	-	30.00
Brand Subscription Charges	175.51	175.51	142.79
Service Charges	210.28	210.28	185.73
Miscellaneous Expenses	90.48	91.06	94.72
<b>Total</b>	<b>876.15</b>	<b>876.15</b>	<b>750.99</b>

\*Rent expense is net of recovery made of ₹14.25 mn (Year ended March 31, 2013: ₹9.25 mn) from Subsidiaries

(c) Miscellaneous Expenses includes Auditor's Remuneration to erstwhile Auditor as below:

(₹ in mn.)

Particulars	Recast	Original	Year ended March 31, 2013
	Year ended March 31, 2014	Year ended March 31, 2014	
As Auditor	12.10	12.10	11.00
Other Matters	2.56	2.56	3.68
<b>Total</b>	<b>14.66</b>	<b>14.66</b>	<b>14.68</b>

**(22) PROVISION AND CONTINGENCIES**

(₹ in mn.)

Particulars	Recast	Original	Year ended March 31, 2013
	Year ended March 31, 2014	Year ended March 31, 2014	
<b>I For Loans, Advances and Debtors</b>			
Provision for Non-Performing Assets*	3,420.61	405.63	135.24
Contingent Provision against Standard Assets	(87.11)	-	30.00
Other Provisions	70.64	70.64	169.16
Provision for Standard Restructured Assets	53.65	71.00	-
Provision for Bad and Doubtful Debts	53.97	45.60	16.66
	<b>3,511.76</b>	<b>592.87</b>	<b>351.06</b>
<b>II For Diminution on Investments</b>			
(Write back)/ Provision for diminution in value of			
Long-term Investments	489.66	218.00	73.30
Current Investments	213.44	213.44	(434.23)
Derivatives	3.14	3.14	(20.77)
	<b>706.24</b>	<b>434.58</b>	<b>(381.70)</b>
<b>III Others</b>			
Provision for General Contingencies*	-	550.00	500.00
<b>Total</b>	<b>4,218.00</b>	<b>1,577.45</b>	<b>469.36</b>

\*The Company has written off specific loans amounting to ₹402.34 mn (Year ended March 31, 2013: ₹ 64.20 mn) utilising Provision for Non-Performing Assets of ₹64.84 mn (Year ended March 31, 2013: ₹64.20 mn) and Provision for General Contingency of ₹337.50 mn (Year ended March 31, 2013 ₹Nil mn).

Notes:

- Provision for Non-performing assets includes an amount of ₹ 2,881.45 mn due to re-classification of loans & advances from Standard to NPA while recasting based on the criteria as mentioned in Note 1.1(b)(ii) above.
- Provision for General contingencies is created in the original financial statements has been reversed upon recasting due to losses during the year ended March 31, 2014.
- Standard Asset provision in recast financial statements is computed after including the interest accrued and due. The excess provision due to re-classification from Standard to NPA is written back

**(23) EARNINGS PER SHARE (EPS)**

In accordance with the Accounting Standard 20 on 'Earning per Share', the Basic Earnings per Share and Diluted Earnings Per Share have been computed by dividing the Profit after Tax by the number of equity shares for the respective years as under:

(₹ in mn.)

Particulars	Recast	Original	Year ended March 31, 2013
	Year ended March 31, 2014	Year ended March 31, 2014	
Profit/(Loss) after tax (₹ in mn)	(1,930.91)	2,650.78	3,496.11
<b>Profit/(Loss) attributable for Equity Shareholders</b>	<b>(1,930.91)</b>	<b>2,650.78</b>	<b>3,496.11</b>
- Weighted Average number of Equity Shares in calculating Basic and Diluted EPS	265,667,555	265,667,555	265,667,555
Face Value (₹ per Share)	10.00	10.00	10.00
<b>Basic and Diluted Earnings (₹ per Share)</b>	<b>(7.27)</b>	<b>9.98</b>	<b>13.16</b>

**(24) FOREIGN CURRENCY TRANSACTIONS**

Foreign currency transactions during the year are as follows:

(₹ in mn.)

INCOME/EXPENDITURE	Year ended March 31, 2014 (Recast)	Year ended March 31, 2014 (Original)	Year ended March 31, 2013
<b>I. <u>Earnings in Foreign Currency</u></b>			
Income	9.95	9.95	2.20
<b>II. <u>Expenses in Foreign Currency</u></b>			
Legal and Professional Charges	90.44	90.44	34.76
Foreign Travel	0.29	0.29	21.95
Others	2.13	2.13	0.08
	<b>92.86</b>	<b>92.86</b>	<b>56.79</b>

**(25) RELATED PARTY TRANSACTIONS**

(a) As per the Accounting Standard - 18 on 'Related Party Transactions', the related parties<sup>®</sup> As at March 31, 2014 are as follows:

Sr No	Holding Company	March 31, 2014	March 31, 2013
1	Infrastructure Leasing & Financial Services Ltd	✓	✓
Sr No	Subsidiary Companies	March 31, 2014	March 31, 2013
1	IL&FS Global Financial Services Pte Ltd	✓	✓
2	IL&FS Global Financial Services (UK) Ltd	✓	✓
3	IL&FS Global Financial Services (ME) Ltd	✓	✓
4	IL&FS Global Financial Services (HK) Ltd	✓	✓
5	IL&FS Capital Advisors Ltd	✓	✓
6	IL&FS AMC Trustee Ltd	✓	✓

7	IL&FS Infra Asset Management Ltd	✓	✓
8	IL&FS Broking Services Pvt Ltd (formerly Avendus Securities Pvt Ltd) (wef September 30, 2013)	✓	-
<b>Sr No</b>	<b>Enterprises over which IFIN has control</b>	<b>March 31, 2014</b>	<b>March 31, 2013</b>
1	IFIN Realty Trust	✓	✓
2	Investment Square Trust	✓	✓
3	IL&FS Infrastructure Equity Fund – I**	✓	✓
<b>Sr No</b>	<b>Affiliates Companies</b>	<b>March 31, 2014</b>	<b>March 31, 2013</b>
1	Syniverse Technologies (India) Private Ltd (Joint Venture)	✓	✓
<b>Sr No</b>	<b>Fellow Subsidiaries*</b>	<b>March 31, 2014</b>	<b>March 31, 2013</b>
1	Baleshwar Kharagpur Expressway Ltd	✓	✓
2	BarwaAdda Express way Ltd	✓	-
3	East Delhi Waste Processing Co. Pvt. Ltd	✓	✓
4	Hazaribagh Ranchi Expressway Ltd	✓	-
5	IL&FS Cluster Development Initiative Ltd	✓	✓
6	IL&FS Education & Technology Services Ltd	✓	✓
7	IL&FS Energy Development Co Ltd	✓	✓
8	IL&FS Environmental Infrastructure & Services Ltd	✓	✓
9	IL&FS IIDC Fund	✓	✓
10	IL&FS Investment Trust – I	✓	✓
11	IL&FS Investment Trust – IV	✓	-
12	IL&FS Maritime Infrastructure Co Ltd	✓	✓
13	IL&FS Paradip Refinery Water Ltd	✓	✓
14	IL&FS Portfolio Management Services Ltd	✓	✓
15	IL&FS Rail Ltd	✓	✓
16	IL&FS Renewable Energy Ltd	✓	✓
17	IL&FS Securities Services Ltd	✓	✓
18	IL&FS Tamil Nadu Power Company Ltd	✓	✓
19	IL&FS Township & Urban As sets Ltd	✓	✓
20	IL&FS Transportation Networks Ltd	✓	✓
21	IL&FS Trust Company Ltd	✓	✓
22	IL&FS Urban Infrastructure Managers Ltd	✓	-
23	IL&FS Water Ltd	✓	✓
24	IMICL Dighi Maritime Limited**	✓	✓
25	Integrated Waste Mgmt& Urban Services (TN) Pvt. Ltd	✓	✓
26	ISSL Market Services Ltd	✓	-
27	ISSL Settlement & Transaction Services Ltd	✓	✓
28	ITNL Road Infrastructure Development Company Limited**	✓	✓
29	Jharkhand Road Projects Implementation Co Ltd	✓	-
30	Karyavattom Sports Facilities Ltd	✓	✓
31	Khandke Wind Energy Pvt Ltd	✓	✓



<b>Sr No</b>	<b>Fellow Subsidiaries*</b>	<b>March 31, 2014</b>	<b>March 31, 2013</b>
32	KhedSinnar Expressway Ltd	✓	-
33	KiratpurNerChowk Expressway Ltd	✓	✓
34	Lalpur Wind Energy Pvt Ltd	✓	✓
35	Nana Layja Power Company Ltd	✓	✓
36	Patiala Bio Power Company Ltd	✓	-
37	Porto Novo Maritime Ltd	✓	✓
38	Rapid MetroRail Gurgaon South Ltd	✓	✓
39	Ratedi Wind Power Limited (formerly IL&FS Wind Power Limited)**	✓	✓
40	Sabarmati Capital One Ltd	✓	✓
41	Sabarmati Capital Two Ltd.	✓	✓
42	Tadas Wind Energy Pvt Limited**	✓	✓
43	Avash Logistic Park pvt. Ltd. (from June 23, 2012)	-	✓
44	Charminar Robopark Limited	-	✓
45	East Hyderabad Expressway Limited	-	✓
46	IL&FS Airport Limited	-	✓
47	IL&FS Infrastructure Equity Fund-I	-	✓
48	ITNL International Pte Limited	-	✓
49	ITNL Offshore Pte Ltd.	-	✓
50	Sealand Ports Pvt Ltd (from June 23, 2012)	-	✓
51	Sikar Bikaner Highway Ltd	-	✓
52	Tamil Nadu Water Investment Co Ltd	-	✓
<b>Sr No</b>	<b>Key Management Personnel (erstwhile management)</b>	<b>March 31, 2014</b>	<b>March 31, 2013</b>
1	Mr Ravi Parthasarathy, Chairman	✓	✓
2	MrHariSankaran, Director	✓	✓
3	MrArun K Saha, Director	✓	✓
4	MrVibhav Kapoor, Director	✓	✓
5	Mr Ramesh Bawa, Managing Director & CEO	✓	✓
6	MrMilind Patel, Deputy Managing Director	✓	✓
7	Mr Rajesh Kotian, Executive Director	✓	✓

@ For the purpose of identification of Related Parties reliance has been placed upon the original financial statements.

\* As certified by the holding Company and with whom transactions done during the year

\*\* Following Additions were made during Recasting of Financials

(b) The nature and volume of the transactions during the year ended March 31, 2014 (Recast) with the above related parties were as follows

(₹ in mn.)

Nature of Transactions	Holding Company	Subsidiaries	Fellow Subsidiaries	Enterprises over which IFIN has control	Joint Venture	Key Management Personnel	Year ended March 31, 2014
<b>Income</b>							
Interest	-	-	1,046.45	-	-	-	1,046.45
Investment Income	-	-	56.38	4.86	-	-	61.24
Dividend	-	-	9.76	-	36.85	-	46.61
Fee and Other Income	0.02	6.73	911.03	-	-	-	917.78
<b>Expenditure</b>							
Interest and Finance Charges	55.75	-	393.44	-	-	-	449.19
Operating Expenses	296.89	84.81	192.52	-	-	-	574.22
Director's Remuneration	-	-	-	-	-	105.12	105.12
<b>Balances as at end of the Year</b>							
<b>Assets</b>							
<b>Non-Current Assets</b>							
Long-term Loans & Advances	-	-	4,065.77	-	-	-	4065.77
Non-current Investments (Preference Shares, Debentures, Bonds)	-	225.20	1152.08	4261.75	99.95	-	5738.98
Non-current Investments (Equity)	-	667.27	-	-	0.05	-	667.32
<b>Current Assets</b>							
Current Maturity of Long-term Loans & Advances	-	-	3,934.79	-	-	-	3934.79
Trade Receivables	2.09	7.01	836.92	-	-	-	846.02
Short-term Loans & Advances	-	21.88	3,412.62 <sup>1</sup>	0.01	-	36.87	3471.38
Other Current Assets	-	47.61	746.93	-	-	-	794.54
<b>Liabilities</b>							
<b>Non-Current Liabilities</b>							
Long-term Borrowings	-	-	5.60	-	-	-	5.60
<b>Current Liabilities</b>							
Current Maturities of Long-term Borrowings	-	-	290.00	-	-	-	290.00
Short-term Borrowings	-	-	1,636.27	-	-	-	1,636.27
Trade Payables	6.11	86.54	23.13	-	-	-	115.78
Other Current Liabilities	1.73	-	74.26	-	-	-	75.99
<b>Off Balance Sheet Items</b>							
Guarantees Given	-	-	343.40	-	-	-	343.40
<b>Transactions during the Year ended March 31, 2014</b>							
Subscription to Shares/Units	-	211.58	2,044.20	-	-	-	2,255.78
Redemption of Shares/units	-	-	140.08	-	-	-	140.08
Purchase of Investments	1,186.64	-	-	-	-	-	1,186.64
Loans Given	-	-	11,658.20	-	-	-	11,658.20
Loans repaid	-	-	5,602.90	-	-	-	5,602.90
Borrowing Taken	42,481.30	-	27,757.37	-	-	-	70,238.67
Repayment of Borrowing	42,984.00	-	27,157.92	-	-	-	70,141.92
Dividend Paid	1,594.01	-	-	-	-	-	1,594.01

<sup>1</sup> Includes ₹190.81 mn paid to clearing member and stock broker on account of margin money required to be paid as per Exchange regulations

The nature and volume of the transactions during the year ended March 31, 2013 with the above related parties were as follows

(₹ in mn.)

Nature of Transactions	Holding Company	Subsidiaries	Fellow Subsidiaries	Enterprises over which IFIN has control	Joint Venture	Key Management Personnel	Year ended March 31, 2013
<b>Income</b>							
Interest	-	-	443.84	-	-	-	443.84
Investment Income	-	-	111.75	21.08	-	-	132.83
Dividend	-	-	9.76	-	61.30	-	71.06
Fee and Other Income	-	-	782.98	-	-	-	782.98
<b>Expenditure</b>							
Interest and Finance Charges	339.22	-	411.68	-	-	-	750.90
Operating Expenses	264.14	23.54	156.01	-	-	-	443.69
Directors' Remuneration	-	-	-	-	-	113.14	113.14
<b>Balances as at end of the year</b>							
<b>Assets</b>							
<b>Non-Current Assets</b>							
Long-term Loans & Advances	-	-	4030.87	-	-	-	4030.87
<b>Current Assets</b>							
Current Maturity of Long-term Loans & Advances	-	-	9.81	-	-	-	9.81
Trade Receivables	-	5.19	562.87	-	-	-	568.06
Short-term Loans & Advances	0.07	4.56	1321.40 <sup>1</sup>	-	-	-	1326.03
Other Current Assets	-	-	3.77	-	-	-	3.77
<b>Liabilities</b>							
<b>Non-Current Liabilities</b>							
Long-term Borrowings	-	-	105.00	-	-	-	105.00
<b>Current Liabilities</b>							
Short-term Borrowings	502.70	-	322.50	-	-	-	825.20
Trade Payables	3.41	0.37	12.65	-	-	-	16.43
Current Maturities of Long-term Borrowings	-	-	904.90	-	-	-	904.90
Other Current Liabilities	8.36	-	131.85	-	-	-	140.21
<b>Off Balance Sheet Items</b>							
Guarantees Given	-	-	411.24	-	-	-	411.24
<b>Transactions during the Year ended March 31, 2013</b>							
Subscription to Shares/Units	-	264.98	63.00	176.06	-	-	504.04
Redemption of Shares/units	-	-	51.43	15.82	-	-	67.25
Sale of Investments	-	-	1.00	-	-	-	1.00
Purchase of Loans	4,140.00	-	-	-	-	-	4,140.00
Loans Given	-	-	4,322.08	-	-	-	4,322.08
Loans repaid	-	-	1,526.00	-	-	-	1,526.00
Advances Given and Repaid	-	-	660.00	-	-	-	660.00
Borrowing Taken	103,444.60	-	15,807.97	-	-	-	119,252.57
Repayment of Borrowing	103,056.33	-	19,300.47	-	-	-	122,356.80
Dividend Paid	1,461.17	-	-	-	-	-	1,461.17

<sup>1</sup> Includes ₹177.02mn paid to clearing member on account of margin money required to be paid as per Exchange regulations

(c) Statement of significant transaction/balances during the year ended March 31, 2014(Recast) are as below:

(₹ in mn.)

Nature of Transactions	Subsidiaries	Fellow Subsidiaries	Enterprises over which IFIN has control	Key Management Personnel
<b>INCOME</b>				
<b>Interest</b>				
IL&FS Renewable Energy Ltd	-	457.10	-	-
IL&FS Maritime Infrastructure Company Ltd	-	289.84	-	-
East Delhi Waste Processing Co Ltd	-	101.64	-	-
<b>Investment Income</b>				
IL&FS Investment Trust - I ( IIT - I )	-	55.56	-	-
<b>Fee &amp; Other Income</b>				
KhedSinnar Expressway Ltd	-	172.50	-	-
BarwaAdda Express way ltd	-	170.44	-	-
IL&FS Transportation Networks Ltd	-	204.35	-	-
IL&FS Tamil Nadu Power Company Ltd	-	100.00	-	-
<b>Dividend Income</b>				
IL &FS Transportation Networks Ltd	-	9.76	-	-
<b>EXPENDITURE</b>				
<b>Interest and Finance Charges</b>				
IL&FS Securities Services Ltd	-	304.63	-	-
ISSL Settlement and Transactions Ltd	-	72.42	-	-
<b>Operating Expenses</b>				
IL&FS Securities Services Ltd	-	120.90	-	-
IL&FS Portfolio Management Ltd	-	58.00	-	-
IL & FS Global Financial Services (HK) Ltd	50.74	-	-	-
<b>Managerial Remuneration</b>				
Mr Ramesh Bawa	-	-	-	48.36
Mr Milind Patel	-	-	-	33.21
Mr Rajesh Kotian	-	-	-	23.03
<b>Loan Given</b>				
IL&FS Rail Ltd	-	2,850.00	-	-
Jharkhand Road Projects Implementations Co Ltd	-	1,557.00	-	-
Nana Layja Power Co Ltd	-	1,500.00	-	-
<b>Repayment of Loans</b>				
IL&FS Rail Ltd	-	2,850.00	-	-
IL&FS Transportation Networks Ltd	-	1,000.00	-	-
<b>Subscription to Shares/Units</b>				
IL &FS Transportation Networks Ltd	-	2,000.00	-	-
IL&FS Broking Service Pvt Ltd	80.13	-	-	-
IL&FS Global Financial Services (HK) Ltd	73.45	-	-	-
IL&FS Infra Asset Management Limited	57.50	-	-	-
<b>Redemption of Investments</b>				
IL&FS IIDC Fund	-	139.99	-	-
<b>Borrowings Taken</b>				
IL&FS Securities Services Ltd	-	20,453.50	-	-
ISSL Settlement & Transaction Services Ltd	-	4,147.40	-	-
<b>Borrowing Repaid</b>				
IL&FS Securities Services Ltd	-	19,794.00	-	-
ISSL Settlement & Transaction Services Ltd	-	4,424.90	-	-

<b>Balances as at end of the year</b>				
<b>ASSETS</b>				
<b>Longterm Loans and Advances</b>				
Jharkhand Road Projects Implementation Co Ltd	-	1,557.00	-	-
IL&FS Maritime Infrastructure Co Ltd	-	1,350.00	-	-
<b>Current Maturity Of Long-term Loans</b>				
IL&FS Renewable Energy Ltd	-	2,800.00	-	-
<b>Short-term Loans and Advances</b>				
Nana Layja Power Company Ltd	-	1,500.00	-	-
East Delhi Waste Processing Co Ltd	-	619.81	-	-
IL&FS Energy Development Co Ltd	-	550.00	-	-
<b>Non-Current Investments</b>				
Ifin realty trust	854.06			
IL&FS broking services private limited	305.33			
IL&FS global financial services (hk) limited	128.59			
IL&FS global financial services (uk) ltd	30.25			
IL&FS global financial services ptc ltd	122.12			
IL&FSiide fund		634.10		
IL&FS infrastructure equity fund		1745.00		
IL&FS investment trust – iv		0.10		
IL&FS investment trust iv-series iii		0.02		
IL&FSorix trust			73.30	
Investment square trust			1662.69	
<b>Trade Receivables</b>				
BarwaAdda Expressway ltd	-	194.43	-	-
KhedSinnar Expressway Ltd	-	157.86	-	-
IL&FS Tamilnadu Power Co Ltd	-	112.63	-	-
IL&FS Transportation Networks Ltd	-	145.05	-	-
<b>Other Current Assets</b>				
IL&FS Maritime Infrastructure Co Ltd	-	232.53	-	-
IL&FS Securities Services Ltd	-	476.10	-	-
<b>LIABILITIES</b>				
<b>Long-term Borrowings</b>				
ISSL Market Services Ltd.	-	5.60	-	-
<b>Current Maturity of Long-term Borrowings</b>				
IL&FS Securities Services Ltd	-	220.00	-	-
ISSL Settlement & Transaction Services Ltd	-	60.00	-	-
<b>Short-term Borrowings</b>				
IL&FS Securities Services Ltd	-	1,079.50	-	-
ISSL Settlement & Transaction Services Ltd	-	337.40	-	-
<b>Trade Payables</b>				
IL&FS Global Financial Services (HK) Ltd	40.59	-	-	-
IL & FS Global Financial Services PTE Ltd	39.69	-	-	-
IL&FS Securities Services Ltd	-	10.96	-	-
<b>Current Liabilities</b>				
ISSL Settlement & Transaction Services Limited	-	32.56	-	-
East Delhi Waste Processing Co Pvt Ltd	-	23.68	-	-
<b>Off Balance Sheet Items</b>				
IL&FS Transportation Networks Ltd	-	300.00	-	-
East Delhi Waste Processing Co Pvt Ltd	-	43.40	-	-

Statement of significant transaction/balances during the Year ended March 31, 2013 is as below

(₹ in mn.)

Nature of Transactions	Subsidiaries	Fellow Subsidiaries	Enterprises over which IFIN has control	Key Management Personnel
<b>INCOME</b>				
<b>Interest</b>				
IL&FS Maritime Infrastructure Co Ltd	-	156.57	-	-
IL&FS Renewable Energy Ltd	-	150.04	-	-
East Delhi Waste Processing Co Pvt Ltd	-	69.04	-	-
<b>Investment Income</b>				
IL&FS Investment Trust-I	-	55.56	-	-
IL&FS Airport Ltd	-	37.54	-	-
IL&FS Securities Services Ltd	-	14.38	-	-
IFIN Realty Trust	21.08	-	-	-
<b>Dividend Income</b>				
IL&FS Transportation Networks Ltd	-	9.76	-	-
<b>Fee &amp; Other Income</b>				
Rapid MetroRail Gurgaon South Ltd	-	150.00	-	-
KiratpurNerChowk Expressway Ltd	-	112.48	-	-
Lalpur Wind Energy Pvt Ltd	-	82.50	-	-
Khandke Wind Energy Pvt Ltd	-	59.10	-	-
<b>EXPENDITURE</b>				
<b>Interest and Finance Charges</b>				
IL&FS Securities Services Ltd	-	371.95	-	-
<b>Operating Expenses</b>				
IL&FS Portfolio Management Services Ltd	-	57.67	-	-
IL&FS Securities Services Ltd	-	98.84	-	-
<b>Managerial Remuneration</b>				
Mr Ramesh Bawa	-	-	-	56.64
Mr Milind Patel	-	-	-	38.26
Mr Rajesh Kotian	-	-	-	17.55
<b>Loan Given</b>				
IL&FS Renewable Energy Ltd	-	2,800.00	-	-
IL&FS Transportation Networks Ltd	-	500.00	-	-
<b>Advances Given and Repaid</b>				
IL&FS Airport Ltd	-	660.00	-	-
<b>Repayment of Loans</b>				
IL&FS Maritime Infrastructure Co Ltd	-	820.00	-	-
IL&FS Transportation Networks Ltd	-	500.00	-	-
<b>Subscription to Shares/Units</b>				
IL&FS Infra Asset Management Ltd	110.50	-	-	-
IL&FS Global Financial Services Pte Ltd	67.34	-	-	-
IL&FS Global Financial Service (HK) Ltd	55.15	-	-	-
IL&FS Infrastructure Equity Fund	-	-	53.00	-
IFIN Realty Trust	-	-	134.32	-
<b>Redemption of Investments</b>				
IL&FS IIDC Fund	-	51.43	-	-
IFIN Realty Trust	-	-	15.82	-

<b>Borrowings Taken</b>				
IL&FS Securities Services Ltd	-	11,218.70	-	-
ISSL Settlement & Transaction Services Ltd	-	3,490.30	-	-
<b>Borrowing Repaid</b>				
IL&FS Securities Services Ltd	-	15,398.70	-	-
ISSL Settlement & Transaction Services Ltd	-	2,820.30	-	-

Balances at the year ended March 31, 2013

(₹ in mn.)

Nature of Transactions	Subsidiaries	Fellow Subsidiaries	Enterprises over which Company has control	Key Management Personnel
<b>Balances as at end of the year</b>				
<b>ASSETS</b>				
<b>Long-term Loans and Advances</b>				
IL&FS Renewable Energy Ltd	-	2,800.00	-	-
IL&FS Maritime Infrastructure Co Ltd	-	1,130.00	-	-
<b>Current Maturity of Long-term Loans</b>				
Integrated Waste Mgmt& Urban Services (TN) Pvt Ltd	-	3.62	-	-
East Delhi Waste Processing Co Pvt Ltd	-	3.41	-	-
IL&FS Environmental Infrastructure & Services Ltd	-	2.78	-	-
<b>Short-term Loans and Advances</b>				
East Delhi Waste Processing Co Pvt Ltd	-	544.40	-	-
IL&FS Renewable Energy Ltd	-	200.00	-	-
IL&FS Securities Services Ltd	-	177.02	-	-
IL&FS Township & Urban Assets Ltd	-	400.00	-	-
IL&FS Infra Asset Management Ltd	3.54	-	-	-
<b>Trade Receivables</b>				
IL&FS Global Financial Services Pte Limited	2.59	-	-	-
IL&FS Global Financial Services ME Limited	1.63	-	-	-
Rapid MetroRail Gurgaon South Ltd	-	169.64	-	-
IL&FS Paradip Refinery Water Ltd	-	54.71	-	-
Porto Novo Maritime Ltd	-	53.93	-	-
KiratpurNerChowk Expressway Ltd	-	126.69	-	-
<b>Other Current Assets</b>				
IL&FS Securities Services Limited	-	2.42	-	-
IL&FS Investment Trust – I (IIT-I)	-	1.34	-	-
<b>LIABILITIES</b>				
<b>Long-term Borrowings</b>				
ISSL Settlement & Transaction Services Ltd	-	105.00	-	-
<b>Current Maturity of Long-term Borrowings</b>				
IL&FS Securities Services Ltd	-	640.00	-	-
ISSL Settlement & Transaction Services Ltd	-	264.90	-	-
<b>Short-term Borrowings</b>				
ISSL Settlement & Transaction Services Ltd	-	305.00	-	-
<b>Trade Payables</b>				
IL&FS Securities Services Limited	-	10.26	-	-

IL&FS Trust Company Limited	-	1.82	-	-
<b>Current Liabilities</b>				
IL&FS Securities Services Limited	-	78.40	-	-
IL&FS Township & Urban Assets Ltd	-	30.48	-	-
ISSL Settlement & Transaction Services Limited	-	18.34	-	-
<b>Off Balance Sheet Items</b>				
IL&FS Transportation Networks Ltd	-	300.00	-	-
East Delhi Waste Processing Co Pvt Ltd	-	111.24	-	-

## (26) JOINT VENTURE REPORTING

- (a) The Company has a joint control over the following entity as per AS 27- Financial reporting of interests in Joint Ventures

Jointly Controlled Entity (Incorporated In India)	Percentage of Ownership Interest		
	Recast	Original	As at March 31, 2013
	As at March 31, 2014	As at March 31, 2014	
Syniverse Technologies (India) Pvt Ltd	26.00%	26.00%	26.00%

- (b) The aggregate amount of assets, liabilities, income and expenditure of the jointly controlled entity, based on audited financial statements of the entity is as follows:

### Balance Sheet Items

(₹ in mn.)

Description	Recast	Original	As at March 31, 2014
	As at March 31, 2014	As at March 31, 2014	
Assets	85.11	135.75	122.85
Liabilities	16.73	67.36	58.19
Contingent Liabilities	1.59	4.19	4.19

### Statement of Profit and Loss Items

(₹ in mn.)

Particulars	Recast	Original	Year ended March 31, 2013
	Year ended March 31, 2014	Year ended March 31, 2014	
Income	76.81	76.81	124.42
Expenses (including tax)	47.09	47.09	63.45

## (27) SEGMENT REPORTING

The Company is in the business of providing financial services. As such, all activities undertaken by the Company are incidental to the main business segment. There is no separate reportable business segment as per Accounting Standard 17 "Segment reporting".



(28) Recast Information relating to Restructured Accounts in accordance with RBI Notification No. DNBS(PD).NO.272/CGM(NSV) dated January 23, 2014

(₹ In crores)

S.No	Type of Restructuring	Under CDR Mechanism					Others				
		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured Accounts as on April 01, 2013										
	No of Borrowers	1	-	-	-	1	5	2	-	-	7
	Amount Outstanding	10.26	-	-	-	10.26	174.68	7.33	-	-	182.01
2	Provision there on	1.88	-	-	-	1.88	3.94	0.73	-	-	4.67
	Net Increase in outstanding/provision of restructured accounts existing as on April 01, 2013										
	No of Borrowers	1	-	-	-	1	4	2	-	-	6
3	Amount Outstanding	4.14	-	-	-	4.14	8.11	1.61	-	-	9.72
	Provision there on	0.40	-	-	-	0.40	1.09	1.75	-	-	2.84
	Freshly Restructured during the year ended March 31, 2014										
4	No of Borrowers	2	-	-	-	2	7	5	-	-	12
	Amount Outstanding	15.78	-	-	-	15.78	155.14	193.67	-	-	348.81
	Provision there on	5.57	-	-	-	5.57	13.28	23.09	-	-	36.37
5	Up gradations to restructured standard category										
	No of Borrowers	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-
6	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at March 31, 2014 and hence need not be shown as restructured standard advances at the April 1, 2014										
	No of Borrowers	-	-	-	-	-	(1)	-	-	(1)	
	Amount Outstanding	-	-	-	-	-	(134.21)	-	-	(134.21)	
7	Down gradations of restructured accounts during the year ended March 31, 2014										
	No of Borrowers	-	-	-	-	-	(1)	(1)	2	2	
	Amount Outstanding	-	-	-	-	-	(30)	17.34	12.66	-	
8	Write offs of restructured accounts during the year ended March 31, 2014										
	No of Borrowers	-	-	-	-	-	(1)	-	-	(1)	
	Amount Outstanding	-	-	-	-	-	(2.29)	-	-	(2.29)	
9	Restructured Accounts as on March 31, 2014										
	No of Borrowers(1+3+4+5+6)	3	-	-	-	3	10	6	2	20	
	Amount Outstanding	30.17	-	-	-	30.17	171.42	219.95	12.66	404.03	
10	Provision there on	7.84	-	-	-	7.84	14.37	29.67	4.05	48.09	

- For one of the clients in addition to amount of restructured facility, the Company has made investment in Optionally Convertible Debentures. Amount outstanding as on April 1, 2013 is ₹6.40 crores and March 31, 2014 is ₹7.52 crores
- For one of the clients in addition to amount of restructured facility, the Company has made investment in Optionally Convertible Debentures. Amount outstanding as on March 31, 2014 is ₹ 1,18.64 crores

**Information relating to Restructured Accounts in accordance with RBI Notification No. DNBS(PD).NO.272 /CGM(NSV) dated January 23, 2014**

(₹ In crores)

S.No	Type of Restructuring	Under CDR Mechanism																			
		Asset Classification			Sub-Standard			Doubtful			Loss			Others							
		Standard	Sub-Standard	Total	Standard	Sub-Standard	Total	Standard	Sub-Standard	Total	Standard	Sub-Standard	Total	Doubtful	Sub-Standard	Total	Loss	Doubtful	Sub-Standard	Total	
1	Restructured Accounts as on April 01, 2013																				
	No of Borrowers	1	-	1	5	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7
	Amount Outstanding	10.26	-	10.26	174.68 <sup>1</sup>	7.33	-	-	-	-	-	-	-	-	-	-	-	-	-	-	182.02
	Provision there on	1.88	-	1.88	3.94	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.94
2	Freshly Restructured during the year ended March 31, 2014																				
	No of Borrowers	2	-	2	9	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10
	Amount Outstanding	19.92 <sup>2</sup>	-	19.92	186.81	7.46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	194.27
	Provision there on	3.77	-	3.77	2.30	0.14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.44
3	Up gradations to restructured standard category																				
	No of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision there on	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at March 31, 2014 and hence need not be shown as restructured standard advances at the April 1, 2014 <sup>3</sup>																				
	No of Borrowers	-	-	-	(1)	-	-	-	-	-	-	-	-	-	(0.01)	-	-	-	-	-	(1)
	Amount Outstanding	-	-	-	(136.86)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(136.87)
	Provision there on	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Down gradations of restructured accounts during the year ended March 31, 2014																				
	No of Borrowers	-	-	-	-	(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	(12.55)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision there on	-	-	-	-	(0.14)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Write offs of restructured accounts during the year ended March 31, 2014																				
	No of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision there on	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Restructured Accounts as on March 31, 2014																				
	No of Borrowers	3	-	3	13	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16
	Amount Outstanding	30.18 <sup>2</sup>	-	30.18	224.63 <sup>1</sup>	2.23	-	-	-	-	-	-	-	-	-	-	-	-	-	-	239.42
	Provision there on	5.65	-	5.65	12.51	0.14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12.65

- For one of the clients in addition to amount of restructured facility, the Company has made investment in Optionally Convertible Debentures. Amount outstanding as on April 1, 2013 is ₹ 6.40 crores and March 31, 2014 is ₹ 7.52 crores
- For one of the clients in addition to amount of restructured facility, the Company has made investment in Optionally Convertible Debentures. Amount outstanding as on March 31, 2014 is ₹ 1,18.64 crores
- No of borrowers and amount outstanding under Sr no 4 of above table includes, recoveries made from existing restructured facilities
- Provision includes provision made for interest sacrifice and 2.75% provision on standard restructured assets in accordance with notification no DNBS(PD).NO.272 /CGM(NSV) (Refer Note 5 (a))

**(29) OTHERS**

The financial statements of the Company as at and for the year ended 31st March, 2013 and 31st March 2014 were audited by the previous auditors Deloitte Haskins & Sells LLP. The same have been considered in original (FY 2014) column and previous year (FY 2013) column without regrouping or reclassification.