

January 5, 2016

General Manager
Listing Department
BSE Limited,
P.J. Tower, Dalal Street,
Mumbai - 400 001
Fax Nos: 022- 22722037/39/41/61
022-22723121/3719/1278/
1557/3354/3577

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

Dear Sirs,

Sub.: Half yearly communication pursuant to Clause 6 of the Listing Agreement for Debt Securities

Security: DB ITNL 19 (4,000 Rated, Listed, Unsecured, Redeemable (NCDs)
DB ITNL 15 (700 NCDs) (Sr-I), DB ITNL 19A (5,300 NCDs (Sr-II))
DB ITNL 24 (100 NCDs), DB ITNL 24A (200 NCDs), DB ITNL 19 (125 NCDs)
DB ITNL 24 (250 NCDs), DB ITNL 25 (250 NCDs), DB ITNL 18 (150 NCDs)
DB ITNL 20 (225 NCDs), DB ITNL 21 (125 NCDs)

Pursuant to Clause 6 of the Listing Agreement for Debt Securities, we wish to inform the following –

1. Credit Rating = “[ICRA]A” effective June 15, 2015 from **ICRA Limited**
2. Asset cover available = **2.05** times
3. Debt – Equity Ratio = **2.32:1** with preference capital and **2.58:1 without preference share capital** as per audited financial results for the half year ended September 30, 2015
4. The previous date of payment of interest was **December 31, 2015**
5. The next due date for the payment of interest is **January 31, 2016**

This is for your information

Thank you,

Yours faithfully,

For IL&FS Transportation Networks Limited


Krishna Ghag
Vice President &
Company Secretary

Counter signatory:

For IDBI Trusteeship Services Limited


Authorised Signatory



Ref: KJM/15-16/9697

AUDITOR'S CERTIFICATE

Introduction

We refer to the Listing Agreement for Debt Securities dated January 28, 2013 (the "Debt Listing Agreement") entered into between **IL&FS TRANSPORTATION NETWORKS LIMITED** (the "Company") and the National Stock Exchange of India Limited ("NSE") for the listing of the Unsecured Non-Convertible Debentures ("NCDs") issued by the Company. Pursuant to Clause 6 of the Debt Listing Agreement, the Company is required to submit on a half-yearly basis the computation of "Statement showing Asset Cover available and Debt - Equity ratio as at September 30, 2015" to the NSE.

Accordingly, the Management of the Company has compiled the attached "Statement showing Asset Cover available as at September 30, 2015" and "Statement of Computation of Debt - Equity Ratio as at September 30, 2015 containing the Debt - Equity Ratio with and without Preference Share Capital" (together referred to as the "Statement") from the audited financial statements and other related records of the Company for the half year ended September 30, 2015. The Statement has been initialed by us for identification purposes only.

Management's Responsibility for the Statement

The Company's Management is responsible for preparation of the Statement in accordance with the Debt Listing Agreement and defining the terms "Debt" and "Equity" and identifying related formulas for computing the Asset Cover and Debt - Equity Ratio as given in the notes to the Statement. The Management responsibility includes collecting, collating and validating data and designing, implementing and maintaining of internal controls relevant to the preparation of the Statement that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to agree information contained in the Statement to the audited financial statements and other related records of the Company for the half year ended September 30, 2015. Our procedures have been planned to obtain all information and explanations that we considered



necessary to support our observation. Our work was planned to mirror Company's own compilation process, verifying how the items in the Statement within our assurance scope were collected, collated and validated by Company for inclusion in the Statement based on the Guidance Note on Audit Reports and Certificates for Special Purposes and Standards on Auditing issued by the Institute of Chartered Accountants of India ("ICAI").

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Criteria

Since there is no definition / formula for computing Asset Cover as well as Debt - Equity ratio in the Debt Listing Agreement entered into with the NSE, the information contained in the attached Statement is based on the criteria as determined and explained by the Company's Management in the notes to the attached statement on which we have not performed any procedures.

This Statement has been compiled from the audited financial statements for the half year ended September 30, 2015 and other related records of the Company produced before us by the Company's Management.

Conclusion

Based on the work that we performed as aforesaid and to the best of our knowledge and according to the information and explanations as well as representations made to us and read together with and subject to the Notes in the attached Statement, we certify that as at September 30, 2015 the computation of the Company's:

- a) Asset Cover (2.05 Times) of the Non-Convertible Debentures outstanding as at September 30, 2015; and
- b) Debt - Equity Ratio of (2.32:1) with preference share capital & Debt - Equity Ratio of (2.58:1) without preference share capital

as given in the attached Statement is arithmetically correct and the amounts used are in agreement with audited financial statements and other records of the Company produced before us by the Company's Management.



**Deloitte
Haskins & Sells LLP**

Restriction on Distribution

This certificate is issued at the request of the Company in connection with submission to the Debenture Trustees and shall not be used for any other purpose without our prior written consent.

**MUMBAI, December 28, 2015
KJM/NDU**



Statement of Computation of Ratios as at September 30, 2015
(I) Statement showing asset cover available as at September 30, 2015
(A) Particulars of Unsecured Non Convertible Debentures ("NCDs") Issued

Redemption Date	Series of Unsecured Debentures	Unsecured Non Convertible Debentures Issued and Outstanding Balance as at September 30, 2015 (₹ In million)
23-Jan-19	ITNL, 12.00%, 2019	4,000.00
18-Mar-19	ITNL, 12.00%, 2019 Series II	5,300.00
04-Feb-24	ITNL, 11.50%, 2024	1,000.00
21-Jun-24	ITNL, 11.50%, 2024	2,000.00
21-Apr-16	ITNL 11.25%	1,250.00
20-Nov-19	ITNL 11.50% 2019	1,250.00
21-Dec-24	ITNL 11.80% 2024	2,500.00
03-Jan-25	ITNL 11.80% 2024	2,500.00
12-Apr-18	ITNL 11.70% 2018	1,500.00
10-Oct-18	ITNL 11.10%	1,000.00
08-May-21	ITNL 10.50% 2021	1,250.00
27-Jul-20	ITNL 11.70% 2020	2,250.00
Total (A)		25,800.00

(B) Particulars of Net Assets available as at September 30, 2015

	(₹ in million)	
Fixed Assets (Net) (excluding Capital work-in-progress)	1,328.39	
Less : Intangible Assets (Commercial Rights (Acquired) + Software)	1,021.97	306.42
Other Assets		
Cash and Cash Equivalents	2,158.68	
Less : Balances with Banks in deposit accounts (under lien)	1,571.29	
Less: Unpaid dividend bank accounts	0.88	586.51
Other current assets	5,545.30	
Less : Unamortised borrowing costs	423.70	5,121.60
Other non-current assets	5,068.03	
Less : Balances with Banks in deposit accounts (under lien)	1,475.05	
Less : Receivable due to fair valuation of derivative contract	20.35	
Less : Unamortised borrowing costs	850.68	2,721.95
Long-term Loans and Advances	19,783.86	
Less : Prepaid expenses	112.00	
Less : MAT Credit Entitlement	267.55	
Less : Preconstruction Advances	965.23	
Less : Advance taxes (net)	2,360.34	16,078.74
Short-term Loans and Advances	21,169.85	
Less : Indirect tax balances / Receivable credit	529.72	
Less : Prepaid expenses	297.74	
Less : Inter corporate deposits (under lien)	40.04	20,302.35
Non-Current Investments (Refer Note 6)	51,202.04	
Less : To the extent restricted (Refer Note 5)	17,435.74	33,766.30
Trade receivables (net)		33,013.55
Sub Total		111,897.42
Less : Statutory Dues Payable		569.21
Less : Unsecured borrowings (Other than NCDs)		41,413.13
Less : Interest accrued but not due on borrowings (excluding interest on NCDs)		253.84
Less : Secured borrowings as reduced by fixed deposits (under lien) placed with lending banks (Refer Note 4)		15,696.58
Net Assets available as at September 30, 2015 as cover for NCDs	(B)	53,964.66
Unsecured Non Convertible Debentures (Redemption Value)		
NCDs as at September 30, 2015 (Refer (A) above)		25,800.00
Add- Interest Accrued but not due on NCDs as at September 30, 2015		574.73
Total	(C)	26,374.73

Asset Cover Ratio :-

Particulars	Asset Cover (Times)
Asset Cover Available (B/C) (Refer Note 1 below)	2.05

IL&FS Transportation Networks Limited

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Notes:-

1 Since there is no definition / formula for computing Asset Cover ratio in the Listing Agreement entered into with the National Stock Exchange of India Limited ("NSE"), the Management has defined the formula for Asset Cover available as follows :-

Asset Cover Available = Net Assets Available / NCDs (Redemption Value till September 30, 2015)

Where,

Net Assets Available = [Fixed Assets (Net) (excluding Capital work-in-progress reduced by Commercial Rights Acquired and software) + Other Assets (Excluding Prepaid Expenses, Balances with Banks in deposit accounts (under lien), unpaid dividend bank accounts, Advance Taxes (net), Inter corporate deposits (under lien), non-current investments to the extent restricted, unamortised borrowing costs, Receivable due to fair valuation of derivative contract, Preconstruction Advances, Indirect tax balances / Receivable credit and MAT credit entitlement) - [Statutory Dues payable + Interest accrued but not due on borrowings (excluding Interest on NCDs) + unsecured borrowings (other than NCDs) and secured borrowings as reduced by fixed deposits placed with lending banks]

NCDs (Redemption Value) = Unsecured NCDs Outstanding as on September 30, 2015 + Interest accrued but not due on unsecured NCDs as at September 30, 2015

- 2 Above figures are derived from the audited financials statements for the half year ended September 30, 2015
- 3 Above computation is done by the Management only for the purpose of reporting to NSE as per the Listing Agreement and it does not imply that the NCDs are secured to the extent of Net Assets available as at September 30, 2015.
- 4 Secured borrowings of ₹ 15,696.58 million (as reduced by Balances with Banks in deposit accounts (under lien) ₹ 1,395.11 million) as reported above have a direct charge over Investment Property of ₹ 1,153.02 and residual charge over Other current assets ₹ 5,121.60 million (as per above) and receivables of ₹ 33,013.55 million to the extent of the exposure payable.
- 5 The Company has given certain non-disposal undertakings in respect of its certain Non-current investments. The Non-current investments considered for asset cover calculation do not include those portion of the investments in respect of which there is a non-disposal undertaking / other restrictions to sell.
- 6 Non-current investments as reported above include ₹ 1,153.02 million representing Investment Property wherein Company has received a letter of allotment for 49,555 sq. ft. area in a commercial development project.
- 7 The above Statement excludes Trade payables of ₹ 7,349.98 million, Other long term liabilities of ₹ 4,446.72 million, Long-term provisions of ₹ 125.70 million, Other current liabilities of ₹ 4,631.75 million, Deferred tax liabilities (Net) ₹ 141.90 and Short-term provisions of ₹ 592.30 million.

For IL&FS Transportation Networks Limited


Authorised Signatory



(II) Statement of Computation of Debt : Equity Ratio as at September 30, 2015

Particulars	(₹ in million)	
	Debt : Equity with Preference Share Capital	Debt : Equity without Preference Share Capital
Equity Share Capital	2,467.20	2,467.20
Preference Share Capital	3,764.50	-
Total Share Capital	6,231.70	2,467.20
Reserves and Surplus (Refer Note 3)	30,170.01	30,170.01
Share Capital + Reserves & Surplus (A)	36,401.71	32,637.21
Long-term borrowings	43,270.85	43,270.85
Current maturities of long-term debt	14,292.50	14,292.50
Short-term borrowings	26,741.47	26,741.47
Total Debt Funds (B)	84,304.82	84,304.82
Debt : Equity Ratio (B/A)	2.32	2.58

Notes:


1. Since there is no definition / formula for computing Debt : Equity ratio given in the Listing Agreement entered into between the National Stock Exchange of India Limited and the Company, the Management of the Company has prepared the Debt : Equity ratio including and excluding Preference Share Capital as follows :-

	Long-term borrowings + Current maturities of long- term debt + Short-term borrowings	Long-term borrowings + Current maturities of long- term debt + Short-term borrowings
Debt : Equity Ratio =	Equity Share Capital + Preference Share Capital + Reserves and Surplus	Equity Share Capital + Reserves and Surplus

2. Figures are derived from the audited financials statements for the half year ended September 30, 2015.

3. Reserves and Surplus comprises of Securities Premium Account (on account of both Equity and Preference Shares Issued by the Company), General Reserve, Cash Flow Hedge Reserve, Debenture Redemption Reserve and Surplus in Statement of Profit and Loss.

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