

Infrastructure Leasing & Financial Services Limited
Financial Result for the year ended March 31, 2019
Balance Sheet as at March 31, 2019

(Rs. in million)

		As at March 31, 2019	As at March 31, 2018
		(Refer Note 1 & Note 15 to the results)	(Refer Note 15 to the results)
	Assets		
(1)	Financial Assets		
(a)	Cash and cash equivalents	538.46	5,706.43
(b)	Bank Balance other than (a) above	2,145.29	19,207.82
(c)	Derivative financial instruments	337.79	161.27
(d)	Trade Receivables	247.43	1,948.23
(e)	Loans	12,455.67	60,886.37
(f)	Investments	8,041.06	121,288.44
(g)	Other Financial assets	386.39	11,824.16
(2)	Non-financial Assets		
(a)	Current Tax Assets (Net)	7,746.95	7,571.78
(b)	Deferred Tax Assets (Net)	-	617.39
(c)	Investment Property	8,290.62	8,482.87
(d)	Property, Plant and Equipment	532.71	608.06
(e)	Capital work-in-progress	0.63	3.15
(f)	Other Intangible Assets	7.65	14.95
(g)	Other non-financial assets	748.54	363.30
	Total assets	41,479.19	238,684.22
	Liabilities and Equity		
(1)	Financial Liabilities		
(a)	Derivative financial instruments	-	-
(b)	Payables		
	(I) Trade Payables		
	(i) total outstanding dues of micro enterprises and small enterprises	0.28	0.72
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	262.42	283.67
(c)	Debt securities	100,441.72	101,979.47
(d)	Borrowings (Other than Debt Securities)	90,436.32	60,186.66
(e)	Subordinated liabilities	16,225.62	16,214.63
(f)	Other financial liabilities	2,974.23	3,137.09
(2)	Non-financial liabilities		
(a)	Current tax liabilities (Net)	-	41.38
(b)	Provisions	127.53	369.83
(c)	Deferred tax liabilities (Net)	-	-
(d)	Other non-financial liabilities	362.64	550.27
	Total Liabilities	210,830.76	182,763.71
(3)	Equity		
(a)	Equity share capital	1,284.03	1,284.03
(b)	Other equity	(170,635.60)	54,636.48
	Equity attributable to owners of the Company	(169,351.57)	55,920.51
	Total equity	(169,351.57)	55,920.51
	Total liabilities and equity	41,479.19	238,684.22

Infrastructure Leasing & Financial Services Limited
Financial Result for the year ended March 31, 2019
Statement of Profit and Loss for the year ended 31st March, 2019

(Rs. in million)

	Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
		(Refer Note 1 & Note 15 to the results)	(Refer Note 15 to the results)
	Revenue from operations		
(i)	Interest Income	5,198.51	10,193.96
(ii)	Dividend Income	102.38	2,003.08
(iii)	Rental Income	1,181.34	1,079.83
(iv)	Fees and commission Income	397.36	2,124.79
(v)	Net gain on fair value changes	-	1,800.19
(vi)	Net gain on derecognition of financial instruments under amortised cost category	72.24	112.53
(I)	Total Revenue from operations	6,951.83	17,314.38
(II)	Other Income	1,285.14	26.88
(III)	Total Income (I+II)	8,236.97	17,341.26
	Expenses		
(i)	Finance Costs	10,566.32	13,927.51
(ii)	Fees and commissions expense	199.35	238.51
(iii)	Net loss on fair value changes	26,692.99	-
(iv)	Impairment on Financial Assets and Investment (Net)	194,306.11	535.87
(v)	Employee Benefits Expenses	408.70	709.55
(vi)	Depreciation and amortization	269.07	319.29
(vii)	Other expenses	617.26	672.44
(IV)	Total Expenses (IV)	233,059.80	16,403.17
(V)	Profit/(loss) before tax (III-IV)	(224,822.83)	938.09
(VI)	Tax Expense:		
(1)	Current Tax	-	1,255.15
(2)	Deferred Tax	617.39	(25.93)
(3)	Current Tax (Prior Year)	-	(3,608.40)
		617.39	(2,379.18)
(VII)	Profit / (loss) for the period (V-VI)	(225,440.22)	3,317.27
(VIII)	Other Comprehensive Income		
	A. Items that will not be reclassified to profit or loss		
	Remeasurements of the defined benefit plans, Gain / (Loss)	14.82	29.90
	Tax impact on above	-	(5.36)
	Subtotal (A)	14.82	24.54
	B. Items that will be reclassified to profit or loss		
	The effective portion of gains and (loss) on hedging instruments in a cash flow hedge;	152.87	(8.42)
	Tax impact on above	-	1.51
	Subtotal (B)	152.87	(6.91)
	Other Comprehensive Income (A+B)	167.69	17.63
(IX)	Total Comprehensive Income for the year	(225,272.53)	3,334.90
(X)	Earnings per equity share		
	Basic (Rs.)	(1,755.72)	25.83
	Diluted (Rs.)	(1,755.72)	25.83



Notes to Statement of Standalone Financial Results for the year ended March 31, 2019

1. The above financial results of the Infrastructure Leasing & Financial Services Limited ("IL&FS" or the "Company") Company for the year ended March 31, 2019 has been reviewed by the Audit Committee at their meeting held on December 3, 2019 and approved by the Board of Directors at their meeting held on December 4, 2019. The Statutory Auditor of the Company have issued a disclaimer of opinion on these results.
2. The Company has adopted Indian Accounting Standard ("Ind AS") notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). The figures have been presented in accordance with the format prescribed for financial statement for a Non-Banking Finance Company (NBFC).
3. (a) Reconciliation of Net Profit for year ended March 31, 2018 as reported under erstwhile India GAAP and Ind AS are summarized below:

(Rs in million)

Particulars	Year ended March 31, 2018
Net Profit/(Loss) after tax as reported under Previous GAAP	5,843.21
(a) Effective Interest Rate accounting effect on Preference Shares	(1,365.34)
(b) Reversal of provision for standard assets	146.68
(c) Deferred taxes	(143.07)
(d) Expected credit loss	464.13
(e) Reversal of interest on FCDs	(1,584.11)
(f) Remeasurement gains and losses	(29.90)
(g) Others	(14.33)
Net Profit/(Loss) after tax as per Ind AS	3,317.27

- (b) Reconciliation of Equity as at March 31, 2018 as reported under erstwhile India GAAP and Ind AS are summarised below:

(Rs in million)

Particulars	Year ended March 31, 2018
Equity as per Previous GAAP	69,501.95
(a) Preference shares now considered as liabilities	(14,995.00)
(b) Effective Interest Rate accounting effect on preference shares	(963.24)
(c) Expected credit losses on loans and advances	(2,301.23)
(d) Reversal of provision for contingencies	8,540.00
(e) Reversal of provision on loans and advances -contingencies against standard assets	330.49
(f) Reversal of Interest accrued	(4,245.82)
(g) Deferred taxes	69.39
(h) Others	(16.03)
Equity as per Ind AS	55,920.51

4. Significant developments at IL&FS subsequent to the year ended March 31, 2018

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

Pursuant to a report filed by the Registrar of Companies, Mumbai ("RoC") under Section 208 of the Companies Act, 2013, the Government of India vide their Order dated September 30, 2018, directed that the affairs of the Company be investigated by the Serious Fraud Investigation Office("SFIO"). SFIO commenced investigation of affairs of the Company. SFIO submitted an interim report under Section 212(11) of the Companies Act, 2013, on November 30, 2018.



Notes to Statement of Standalone Financial Results for the year ended March 31, 2019 (contd.)

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

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

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

Based on the above petition, the NCLT vide its order dated October 1, 2018 suspended the erstwhile Board and appointed the New Board proposed by the Union of India with seven persons namely:

- I. Mr Uday Kotak
- II. Mr Vineet Nayyar
- III. Mr G N Bajpai
- IV. Mr G C Chaturvedi
- V. Dr Ms Malini Shankar
- VI. Mr Nand Kishore
- VII. Mr C S Rajan

The present constitution of the New Board is as follows:

- I. Mr Uday Kotak, Chairman
- II. Mr Vineet Nayyar, Vice Chairman (Managing Director till March 31, 2019)
- III. Mr C S Rajan, Director (Managing Director from April 2, 2019)
- IV. Mr Bijay Kumar, Deputy Managing Director
- V. Mr Nand Kishore
- VI. Dr Ms Malini Shankar
- VII. Mr N Srinivasan
- VIII. Mr G C Chaturvedi

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

- I. The institution or continuation of suits or any other proceedings by any party or person or bank or Company against IL&FS and its group companies in any court of law/tribunal/arbitration panel or arbitration authority.
- II. Any action by any party or person or bank or company etc to foreclose, recover, enforce any security interest created over the assets of IL&FS and its group companies including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002.
- III. The acceleration, premature, withdrawal, or other withdrawal, invocation of any term loan, corporate loan, bridge loan, commercial paper, debentures, fixed deposits, guarantees, letter of support, commitment or comfort and other financial obligations availed by IL&FS and its group companies.



Notes to Statement of Standalone Financial Results for the year ended March 31, 2019 (contd.)

- IV. Suspension of temporarily any term loan, corporate loan, bridge loan, commercial paper, debentures, fixed deposits, and any financial liability taken by IL&FS and its group companies.
- V. Any and all banks, financial institutions from exercising the right to set off or lien against any amount lying with any creditor against any dues whether principal or interest or otherwise against the balance lying in any the bank account and deposits whether current, savings or otherwise of IL&FS and its group companies.

5. Resolution process proposed by new Board of Directors of the Company

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

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

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

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

As discussed above, the New Board has submitted five progress reports to the NCLT on the resolution plans and latest of which were submitted on August 9, 2019.

Strategic actions taken include:

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

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



Notes to Statement of Standalone Financial Results for the year ended March 31, 2019 (contd.)

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

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

6. Order of NCLT for reopening and recasting of accounts

The NCLT, vide order dated January 1, 2019, has allowed a petition filed by the Union of India, for reopening of the books of accounts and recasting the accounts under the provisions of Section 130 of the Companies Act, 2013 for the financial years from 2013-14 to 2017-18, of Infrastructure Leasing & Financial Services Limited, and its subsidiaries IL&FS Financial Services Limited ("IFIN") and IL&FS Transportation Networks Limited ("ITNL"). The process of such reopening and recasting of accounts is currently in progress, pending which, it is not possible to determine the consequential effects arising therefrom, including their effects on the Statement, in respect of (a) the business transactions in those financial years; (b) the balance sheets as at March 31, 2017 (being the date of transition of the Company to the requirements of Ind-AS), March 31, 2018 (comparative period end date) and the current year ended March 31, 2019; and (c) the Statement of Profit and Loss for the years ended March 31, 2018 and March 31, 2019.

7. Status of New Board of Directors initiated investigations

As a consequence of the matter described in Note 4 above and in other notes of the Statement, Board of Directors of the Company, in January 2019, have initiated a forensic examination for the period from April 2013 to September 2018, in relation to certain companies of the Group, and has appointed an independent third party for performing the forensic audit and to report their findings to the Board of Directors of the Company. Pending completion of such examination, no adjustments have been recorded in the Statement for any consequential effects / matters that may arise in this regard.

8. Claims management and reconciliation of claims received

Pursuant to the "Third Progress Report – Proposed Resolution Framework for the IL&FS Group" dated December 17, 2018 and the "Addendum to the Third Progress Report – Proposed Resolution Framework for IL&FS Group" dated January 15, 2019 ("Resolution Framework Report") submitted by the Company to the Ministry of Corporate Affairs, Government of India which, in turn, was filed with the Hon'ble National Company Law Appellate Tribunal ("NCLAT"), the creditors of the Company were invited (via advertisement(s) dated May 22, 2019) to submit their claims as at October 15, 2018 with proof, on or before 5 June, 2019 (subsequently extended till September 22, 2019) to a Claims Management Advisor ("CMA") appointed by the IL&FS group. The amounts claimed by the financial and operational creditors are assessed for admission by the CMA.

The CMA have submitted their report on the status of the claims received and its admission status, indicating a total value of claims received of Rs 213,755.69 million in respect of the Company. The report is subject to update based on additional information / clarification that may be received from the creditors in due course.



Notes to Statement of Standalone Financial Results for the year ended March 31, 2019 (contd.)

Management of the Company is in the process of reviewing such claims, and reconciliation of such claims with the corresponding amounts as per the Company's books of account (as at March 31, 2019, the Company has liabilities and provisions aggregating Rs 210,830.69 million). Having regard to the nature, volume and value of claims received, management is of the view that due process will need to be applied to all such claims, in order to finally determine the level of present and possible obligations that would need to be recognised by the Company as liabilities. Accordingly, no adjustments have been made in this regard to the Statement, and all such claims received have been considered as contingent liabilities.

9. Assessment of various legal cases, suits, etc

As a result of the events up to September 30, 2018, as more fully described in Note 4, there have been various legal cases and suits files against the Company following the default of borrowings made by the Company, as described in that note. Further, the Company is undergoing a resolution process (refer Note 5) under the order of the National Company Law Tribunal ("NCLT"), pending which the management is in the process of making assessments and determinations as to liabilities, provisions and contingent liabilities, as per Ind-AS 37, *Provisions, Contingent Liabilities and Contingent Assets*. Pending final outcome of such process, no adjustments have been made to the Statement in this regard.

10. Impairment of loans, receivables and investments to / from / in group companies

As a result of the various events during the financial year 2018-19 which are more fully discussed in Note 4 to the Statement, there is significant uncertainty around the recoverable amounts and valuations, and related provisions for impairment, of the various loans given to, receivables from, and investments in, group companies. All group companies in India have been classified as "Red", "Amber" or "Green" categories, based on various factors more fully discussed in note 5 to the Statement.

Management has, in consultation with the New Board, assessed and determined that the amounts of investments in and loans to entities classified as "Red" and "Amber" are wholly not recoverable (also refer Note 5). Management's approach in this regard does not consider the requirements of the relevant Ind-AS standards in entirety as the Company does not presently have the necessary and/or complete information to support cash flow based tests over its investments, and assumptions for certain aspects of the expected credit loss model in respect of loans and receivables. On this basis, provision has been made in respect of the balance of loans, receivables and investments, aggregating Rs 95,429.01 million, Rs 2,072.35 million and Rs 96,804.75 million respectively, and recorded net loss on fair value changes of Rs 26,692.99 million on financial assets measured at fair value through profit and loss, arising from transactions up to September 30, 2018, except in respect of certain entities where security is available, and management expects realization of those securities. In the view of the Company, the impairment provision made is prudent and represents the economic substance of the amounts recoverable as of March 31, 2019.

11. Accounting for guarantees to group companies

The Company has issued various financial guarantees to its group companies. Based on information available with management, the total value of such financial guarantees as at March 31, 2019 is Rs.10,740.00 million. Management is in the process of reconciling the completeness and status of various financial guarantees issued, devolved, claimed and recorded / to be recorded in the books of account, including those guarantees respect of which claims have been received as part of the claim management process (refer note 8). Pending such reconciliation, management has not accounted for any such guarantees in these financial statements.



Notes to Statement of Standalone Financial Results for the year ended March 31, 2019 (contd.)

12. Accounting for contractual interest income in respect of loans to group companies and finance costs on borrowings

In line with the affidavit filed by the Ministry of Corporate Affairs ("MCA") with the Hon'ble NCLAT on May 21, 2019, the cut-off date of October 15, 2018 ("Cut-Off Date") was proposed, on account of inter alia the fact that the Hon'ble NCLAT had passed the Order on October 15, 2018, which inter alia granted certain reliefs to the IL&FS group and also restricted certain coercive actions by the creditors of the IL&FS group.

In terms of the Resolution Framework Reports, the proposal made is that all liabilities relating to the relevant IL&FS Group Entity, whether financial (including interest, default interest, indemnity claims and additional charges), operational debt (including interest, indemnity or other claims) as well as statutory claims (including tax, employment and labour related claims), whether existing at or relating to a period after October 15, 2018 (the Cut-Off Date, as explained in the previous paragraph) should not continue accruing.

Accordingly, management has:

- a) Recognised interest income for the year on loans made, only for the period up to October 15, 2018. No such income has been recognised for the period from October 16, 2018 to March 31, 2019, which approximates Rs 7,379.80 million on a gross basis.
- b) Recognised finance costs on borrowings (including from third parties) for the year, only for the period up to October 15, 2018. No such finance costs has been recognised for the period from October 16, 2018 to March 31, 2019, which approximates Rs 6,925.85 million.

The amounts above are based on contractually agreed terms, and exclude penal / other interest and charges. Further, the above (a) and (b) are not applied to entities classified as "Green" category (refer Note 5), ie, entities which are in a position to honour their respective financial and operational liabilities. The above basis of accounting is on the basis of the proposal made by the Company with NCLT.

13. Inter-company confirmations and reconciliations

The Company is in the process of performing and completing the confirmation and reconciliation of inter-company balances with its various subsidiaries, associates, joint ventures. Further, audited financial statements of several subsidiaries, associates and joint ventures of the Company for the year ended March 31, 2019, are not available. Pending completion such reconciliation and confirmation, the management has not made any adjustments that may be required to the Statement.

14. Deposits and bank balance with a Bank

As at March 31, 2019, bank balances included Rs 2,412.80 million, where the counterparty bank has confirmed an aggregate of balances in deposit / current account balance of Rs 591.30 million. Management believes that the differences have been incorrectly adjusted by the bank against their dues from other IL&FS group companies, without a right of set off, and hence has not accepted such adjustments, and is in the process of reconciling the same with the bank.



Notes to Statement of Standalone Financial Results for the year ended March 31, 2019 (contd.)

15. Non-presentation of results for the half-year ended March 31, 2019

Consequent to the matter discussed in Note 4, the Company has substantially curtailed its normal business operations, and is currently engaged in the various actions described more fully in that note. As a result, and further to the matter stated in Note 5, the Company is in the process of resolving various matters described in that Note. Accordingly, the Company had not submitted its half-yearly unaudited results in terms of the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Regulations"). Further, the Statement does not include financial results for the six-months ended March 31, 2019, and related comparatives for the six-months ended March 31, 2018.

16. Non-compliance with laws and regulations

As a consequence of the matter described in Note 4 above and various other matters discussed in the Statement, the Company is not in compliance with certain provisions / requirements of applicable laws and regulations. These include certain requirements of Companies Act, 2013, listing agreement entered into with the stock exchange, and certain regulations of the Reserve Bank of India as applicable to the Company including the matter discussed in note 17 below.

Where the management has identified any non-compliance subsequent to September 30, 2018, these have been reported or are in the process of being reported to the relevant regulator, and the Company intends to comply with the necessary requirements or further directions at the earliest.

Management is in the process of evaluating the financial and other consequences arising from such non-compliance and of making a comprehensive assessment of other non-compliances, to determine their financial, operating or other consequences, pending which, no adjustments have been made to the Statement.

17. Reserve Bank of India's inspection of March 31, 2018

The Reserve Bank of India ("RBI") has carried out an inspection of Company under Section 45 IA / 45N of the Reserve Bank of India Act, 1934 with reference to its financial position as on March 31, 2018. The RBI has observed wide divergences in reported net-worth and the net-worth assessed by the RBI. The management is in the process of evaluating the financial and other consequences arising from such observations. However, the Company has made provisions on loans and investments as and indicated in note 10 above.

18. Investigations by SFIO and other regulatory agencies

The MCA, Government of India, has vide its letter dated October 1, 2018 initiated investigation by the SFIO against IL&FS and its group companies under Section 212 (1) of the Companies Act, 2013. As a part of its investigation, SFIO has been seeking information from the Company on an ongoing basis. The investigation is in progress and the Company is fully cooperating with the investigating agencies. Further, various other regulatory and law enforcement agencies including the Enforcement Directorate (ED) have initiated investigations against the Company and its group companies. The implications if any, arising from the aforesaid developments would be known only after the aforesaid matters are concluded and hence are not determinable at this stage.



Notes to Statement of Standalone Financial Results for the year ended March 31, 2019 (contd.)

19. Going concern assumption

The Company and the IL&FS group in general are undergoing substantial financial stress as at March 31, 2019. The Company has incurred a loss (including other comprehensive income) of Rs 225,272.53 million for the year ended March 31, 2019 and has net liabilities of Rs 169,351.57 million as at March 31, 2019. The Company has also suffered consistent downgrades in its credit ratings during the year, in September 2018, and was reduced to 'default grade' subsequent to the defaults in repayment of loans taken by the Company. Further, the Company has, as at March 31, 2019, breached its conditions for holding a Certificate of Registration as a Core Investment Company, issued by the Reserve Bank of India. As a result of the foregoing, the Company's ability to raise funds has been substantially impaired, with normal business operations being substantially curtailed.

As indicated in Note 5, there has been a resolution process run by the Company's Board of Directors. The resolution plan seeks a transparent resolution keeping in mind larger public interest, financial stability, legality, various stakeholders' interest and commercial feasibility. The resolution plan of management includes sale of entities / assets wherever possible and the Company is taking active steps to monetize its assets and is in discussions with multiple parties to sell its assets. The Company is committed to taking necessary steps to meet its financial commitments to the extent possible.

During the year, the Company has also engaged an independent third party as resolution advisors, to assess the liquidity at the company and at various group companies in India. as a result, the companies in the IL&FS group have been classified into three categories as more fully discussed and disclosed in Note 5 to the Statement. These classifications reflect the ability of the companies to pay their financial and operations creditors from their operations in normal course of business, and are subject to periodic assessment and review by the management and the Board and with the results being submitted to the National Company Law Tribunal, the last of which have been submitted on August 9, 2019.

The ability of the Company to continue as a going concern is predicated upon its ability to monetize its assets, and restructure / settle its liabilities. In view of actions that are currently underway, the Statement has been prepared on going concern basis based on cumulative impact of certain steps taken by the New Board.



20. Segment

The Company is primarily engaged in Core Investment operations. All the activities of the Company revolve around the main business in India. As such there are no separate reportable segments as per Ind AS 108 dealing with Operating Segment.

For and behalf of the Board



Uday Kotak
Chairman
(DIN: 00007467)



Bijay Kumar
Deputy Managing Director
(DIN: 07262627)



N Srinivasan
Director
(DIN:00123338)



Maharudra Wagle
Chief Financial Officer



Vineet Nayyar
Vice Chairman
(DIN: 00018243)



Nand Kishore
Director
(DIN: 08267502)




G C Chaturvedi
Director
(DIN: 00110996)



Shekhar Prabhudesai
Company Secretary

C S Rajan
Managing Director
(DIN:00126063)



Dr Malini Shankar
Director
(DIN:01602529)

Mumbai
December 4, 2019



Independent Auditor's Report on the Standalone Financial Results Pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors
Infrastructure Leasing & Financial Services Limited

1. We were engaged to audit the Statement of Standalone Financial Results of Infrastructure Leasing & Financial Services Limited (the "Company") for the year ended March 31, 2019 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Regulation"), read with SEBI Circular No. CIR/IMD/DF1/69/2016 dated August 10, 2016 (the "Circular"). This Statement has been compiled on the basis of the related financial statements for year ended March 31, 2019, which is the responsibility of the Company's management and has been approved by the Board of Directors, on which we have issued a disclaimer of opinion.
2. Our responsibility was to conduct an audit of the Statement in accordance with Standards on Auditing and issue an auditor's report. However, because of the significance of the matters described in paragraph 3 under the Basis for Disclaimer of Opinion section, and the Material Uncertainty Related to Going Concern section below, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for opinion on the Statement.

Basis for Disclaimer of Opinion

3. The matters in Paragraphs 3.1 to 3.9 below should be read with Note 4 to the Statement which discusses certain key events of the year including reconstitution of the board of directors of the Company effective October 1, 2018 and Note 5 to the Statement regarding the resolution process followed by the board of directors in relation to the Company's operations, as well as the relevant notes referred to hereinbelow.
 - 3.1 (a) As discussed in Note 6 to the Statement, on January 1, 2019, the Company and two of its subsidiaries (IL&FS Transportation Networks Limited and IL&FS Financial Services Limited) received orders from the National Company Law Tribunal for the reopening and recasting of their accounts in respect of financial years 2013-14 to 2017-18, under Section 130 of the Companies Act 2013. Such process of reopening and recasting of prior years' accounts is currently in progress.

(b) As discussed in Note 7 to the Statement, the Board of Directors have initiated a third-party forensic examination of various matters for the period April 2013 to September 2018, which is currently ongoing.

(c) As discussed in Note 8 to the Statement, management is in the process of reconciling claims received with its books of account.

(d) As discussed in Note 1.18 to the Statement, there are ongoing investigations by various regulatory authorities and agencies on the Company.

Consequently, the Statement does not include any possible adjustments arising from the aforesaid matters, including to the extent these may affect prior period comparatives presented therein.
 - 3.2 As discussed in Note 9 to the Statement, pending management's determination of the financial and other consequences of the litigations stated in the said note, no adjustments have been made to the Statement in this regard.
 - 3.3 As discussed in Note 10 to the Statement, as at March 31, 2019, the Company has made provisions of Rs 95,429.01 million, Rs 2,072.35 million and Rs 96,804.75 million respectively towards provisions for loans given to and receivables from, and impairment of investments in, its subsidiaries, associates and joint ventures and recorded net loss on fair value changes of Rs 26,692.99 million on financial



assets measured at fair value through profit and loss. The Company does not currently have the necessary and/or complete information to support cash flow based tests over its investments, and assumptions for certain aspects of the expected credit loss model in respect of loans and receivables and accordingly, management has recorded full provision for the balances indicated in that note, which does not consider the requirements of the relevant Ind-AS standards in entirety.

- 3.4 As discussed in Note 11 to the Statement, the Company is in the process of reconciling the completeness and status of financial guarantees extended by it to group companies in the period prior to September 30, 2018, pending which, the Company has not recognised any resultant liabilities in the Statement. Consequently, the accompanying standalone Ind-AS financial statements do not include any possible adjustments in this regard.
- 3.5 In view of the reasons discussed more fully in Note 12 to the Statement, the Company has not accounted for contractual interest income from its subsidiaries, associates and joint ventures (of Rs 7,379.80 million on a gross basis) and contractually payable finance costs on borrowings (of Rs 6,925.85 million, excluding penal / other interest and charges), for the period from October 16, 2018 to March 31, 2019. In our opinion, the Company would be required to account for such interest income and interest expenses, and the related assets and liabilities as at March 31, 2019.
- 3.6 As discussed in Note 1.13 to the Statement, pending completion of audit of financial statements of various subsidiaries, associates and joint ventures as at and for the year ended March 31, 2019, and/or the related completion of the inter-company balances reconciliation process, we are unable to comment on the adjustments that may be required and any consequential effects on the Statement.
- 3.7 We have not received audit evidence as follows:
- a) Reconciliation of differences with one bank as discussed in Note 14 to the Statement, in respect of bank balances of Rs 2,412.80 million, which management is in the process of reconciling with the bank.
 - b) Unreconciled differences in bank reconciliation statements/other borrowings including direct debits by banks aggregating Rs 1,485.85 million, which in management's view is primarily arising out of claims for penal interest, which are in the process of being reconciled by the Company.
 - c) Direct confirmations from three banks in respect of derivatives (including the mark to market amount) of Rs 337.79 million.

Accordingly, we are unable to comment on the consequential effects of the above, on the Statement.

- 3.8 As discussed in Note 15 to the Statement, the Company has not presented the information for the six-months ended March 31, 2019 and related comparatives for the six-months ended March 31, 2018, as required by Regulation 52 read with the Circular.
- 3.9 As discussed in Note 16 to the Statement, the Company is not in compliance with certain requirements / provisions of applicable laws and regulations as more fully discussed in that note. Pending final determination by management of the financial and other consequences arising from such non-compliances, no adjustments have been made to the Statement.

Material Uncertainty Related to Going Concern

4. We refer to note 1.19 to the Statement. The Company has incurred a loss (including other comprehensive income) of Rs 225,272.53 million for the year ended March 31, 2019 and has net liabilities of Rs 169,351.57 million as at March 31, 2019. The Company has also suffered consistent downgrades in its credit ratings since September 2018, as a result of which the Company's ability to raise funds has been substantially impaired, with normal business operations being substantially curtailed. These conditions, along with other matters set forth in that Note, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.



S R B C & CO LLP

Chartered Accountants

Disclaimer of Opinion

5. Because of the significance of the matters described in the Basis for Disclaimer of Opinion and Material Uncertainty Related to Going Concern sections of our report as above, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an opinion as to whether the Statement:
 - i. is presented in accordance with the requirements of the Regulation, read with the Circular; and
 - ii. gives a true and fair view of the net loss including other comprehensive income and other financial information of the Company for the year ended March 31, 2019.
6. The comparative financial information of the Company for the year ended March 31, 2018 included in the Statement, are based on the previously issued standalone financial results prepared in accordance with the recognition and measurement principles of the Accounting Standards specified under section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS. In view of the matters reported in the Basis for Disclaimer of Opinion section above, we are unable to comment on whether any further adjustments are required to the balances in respect of the corresponding figures for the year ended March 31, 2018.

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

Chartered Accountants

ICAI Firm registration number: 324982E/E300003



per Bharath N S

Partner

Membership No.: 210934

UDIN: 19210934AAAADZ1328



Mumbai

December 4, 2019

Disclosures pursuant to Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (LODR) as at March 31, 2019 :

This disclosure is pursuant to Regulation 52(4), 52 (6), 52(7), 54(2) and 55 of LODR


No	Particulars	Details
1	Details of Credit ratings	Non-Convertible Debentures (NCDs): CARE: AAA & IND: AAA Non-Convertible Redeemable Cumulative Preference Shares (NCRCPs): CARE: AAA (RPS) During the Financial Year, the Company had defaulted in servicing its debt, accordingly, the Credit Rating was reviewed by the Credit Rating Agencies and the same has been downgraded to D.
2	Asset Cover*	Not Applicable
3	Debt Equity Ratio	Debt-Equity Ratio (1.22)
4	Previous due date for the payment of interest/ dividend for NCRCPs/ repayment of principal of NCRCPs/ NCD securities and whether the same has been paid or not	Refer Annexure – I
5	Next due date for the payment of interest/ dividend of NCRCPs /principal along with the amount of interest/ dividend of NCRCPs payable and the redemption amount	Refer Annexure – II
6	Debt Service Coverage Ratio	Not Applicable
7	Interest Service Coverage Ratio	Not Applicable
8	Outstanding Redeemable Preference Shares (Quantity and Value)	Refer Annexure – II
9	Capital Redemption Reserve	Rs.520 million
10	Debenture Redemption Reserve	Not Applicable
11	Net worth	Rs. (169,558.26) million
12	Net Profit after Tax	Rs. (225,440.22) million
13	Earning-per share	Rs. (1,755.72)
14	Profit for the half year and cumulative profit for the year	Rs (225,440.22) million
15	Free reserve	Rs (170,875.78) million



16	Securities premium account balance (if redemption NCRCPs is to be done at a premium, such premium may be appropriated from securities premium account). Provided that disclosure on securities premium account balance may be provided only in the year in which NCRCPs are due for redemption	Not Applicable there is no redemption of NCRCPs during the Financial Year
17	Track record of the dividend payment on NCRCPs; Provided that in case the dividend has been deferred at any time, then the actual date of payment shall be disclosed	During the year though the dividend was not paid on NCRCPs, the same cannot be considered as default for FY 2019, since the dividend for FY 2019 is payable in FY 2020 (May 31st and June 30th)
18	Breach of any covenants under the terms of the NCRCPs; Provided that in case a listed entity is planning a fresh issuance of shares whose end use is servicing of the NCRCPs (whether dividend or principal redemption), then the same shall be disclosed whenever the listed entity decided on such issuances	There has been breach of covenants under the terms of the NCRCPs
19	The end use of the proceeds of issue of NCD and NCRCPs has been in line with the objects stated in the respective Offer Documents of the Issue	
20	All secured borrowings obtained by the Company are covered under <i>pari-passu</i> charge on all the assets, excluding specified Immovable property, moveable assets within the property, specific Investments, capital work-in-progress, prepaid and deferred expenses, advance taxes (net), MAT Credit Entitlement, Deposits with banks on which lien is created in favour of banks for term loans taken by the Company	

Sincerely

For Infrastructure Leasing & Financial Services Limited



Shekhar Prabhudesai
Company Secretary



Annexure I

Details of payment of principal / interest on Non- Convertible Debentures (NCDs) in accordance with Regulation 52 (4) (d) & (e) of the LODR as on March 31, 2019

			Previous Due date for payment of :		Next Due date for payment of :			
					Interest		Principal	
#	Series	ISIN	Interest	Principal	Date	Amount	Date	Amount
1	2009-6A	INE871D07LJ5	02-Mar-19	N.A	02-Mar-20	4,57,50,000	02-Mar-20	50,00,00,000
2	2009-6B	INE871D07LM9	22-Mar-19	N.A	22-Mar-20	4,60,00,000	22-Mar-20	50,00,00,000
3	2009XVI	INE871D07LK3	05-Mar-19	N.A	05-Mar-20	27,60,00,000	05-Mar-20	3,00,00,00,000
4	2010-5	INE871D07LU2	20-May-18	N.A	20-May-19	31,36,00,000	20-May-25	3,50,00,00,000
5	2010-6	INE871D07LZ1	17-Aug-18	N.A	17-Aug-19	14,02,50,000	17-Aug-35	1,50,00,00,000
6	2010-7	INE871D07MC8	24-Dec-18	N.A	24-Dec-19	2,30,00,000	24-Dec-20	25,00,00,000
7	2010-9	INE871D07ME4	22-Feb-19	N.A	22-Feb-20	31,52,50,000	22-Feb-21	3,25,00,00,000
8	2011 IX	INE871D07MS4	12-Mar-19	N.A	12-Mar-20	20,68,50,000	12-Mar-22	2,10,00,00,000
9	2011- VIII	INE871D07MR6	24-Jan-19	N.A	24-Jan-20	28,47,80,000	24-Jan-22	2,90,00,00,000
10	2011-1	INE871D07MH7	25-Jul-18	N.A	25-Jul-19	14,52,00,000	25-Jul-21	1,50,00,00,000
11	2011-IV	INE871D07MK1	16-Sep-18	N.A	16-Sep-19	7,33,50,000	16-Sep-19	75,00,00,000
12	2011-VII	INE871D07MP0	05-Dec-18	N.A	05-Dec-19	22,45,50,000	05-Dec-21	2,25,00,00,000
13	2012-I	INE871D07MT2	30-May-18	N.A	30-May-19	38,22,00,000	30-May-22	3,90,00,00,000
14	2012-II	INE871D07MU0	19-Dec-18	N.A	19-Dec-19	9,40,00,000	19-Dec-22	1,00,00,00,000
15	2012-III	INE871D07MV8	21-Jan-19	N.A	21-Jan-20	4,23,15,000	21-Jan-20	46,50,00,000
16	2012-IV	INE871D07MW6	24-Jan-19	N.A	24-Jan-20	4,65,00,000	24-Jan-38	50,00,00,000
17	2013 II-A	INE871D07NE2	04-Feb-19	N.A	04-Feb-20	10,54,70,000	04-Feb-21	1,06,00,00,000
18	2013 II-A	INE871D07NF9	04-Feb-19	N.A	04-Feb-20	1,68,30,000	04-Feb-24	17,00,00,000
19	2013 II-B	INE871D07NG7	13-Feb-19	N.A	13-Feb-20	2,07,90,000	13-Feb-21	21,00,00,000
20	2013 II-B	INE871D07NH5	13-Feb-19	N.A	13-Feb-20	7,82,10,000	13-Feb-24	79,00,00,000
21	2013 II-D	INE871D07NJ1	13-Aug-18	N.A	13-Aug-19	19,10,00,000	13-Aug-24	2,00,00,00,000
22	2013-II-C	INE871D07NI3	28-Jul-18	N.A	28-Jul-19	28,50,00,000	28-Jul-24	3,00,00,00,000
23	2014 I-A	INE871D07NK9	29-Dec-18	N.A	29-Dec-19	18,00,00,000	29-Dec-24	2,00,00,00,000
24	2014 I-B	INE871D07NL7	21-Jan-19	N.A	21-Jan-20	17,44,00,000	21-Jan-25	2,00,00,00,000
25	2014 I-C	INE871D07NM5	23-Jan-19	N.A	23-Jan-20	4,37,50,000	23-Jan-25	50,00,00,000
26	2014 I-O	INE871D07OA8	20-May-18	N.A	20-May-19	3,50,00,000	20-May-20	40,00,00,000
27	2014 I-P	INE871D07OB6	23-Jul-18	N.A	23-Jul-19	8,78,00,000	23-Jul-20	1,00,00,00,000
28	2014 I-Q	INE871D07OC4	29-Jul-18	N.A	29-Jul-19	8,75,00,000	29-Jul-20	1,00,00,00,000
29	2014 I-R	INE871D07OD2	31-Jul-18	N.A	31-Jul-19	8,75,00,000	31-Jul-20	1,00,00,00,000
30	2014 I-U	INE871D07OI1	24-Aug-18	N.A	24-Aug-19	8,69,00,000	24-Aug-25	1,00,00,00,000
31	2014 I-V	INE871D07OJ9	25-Aug-18	N.A	25-Aug-19	8,69,00,000	25-Aug-25	1,00,00,00,000
32	2014 I-W	INE871D07OK7	21-Sep-18	N.A	21-Sep-19	19,97,60,000	21-Sep-20	2,27,00,00,000



**Details of payment of principal / interest on Non- Convertible Debentures (NCDs) in accordance with
Regulation 52 (4) (d) & (e) of the LODR as on March 31, 2019**

			Previous Due date for payment of :		Next Due date for payment of :			
			Interest	Principal	Interest		Principal	
#	Series	ISIN			Date	Amount	Date	Amount
33	2014 I-W	INE871D07OL5	21-Sep-18	N.A	21-Sep-19	2,01,25,000	21-Sep-25	23,00,00,000
34	2014 I-X	INE871D07OM3	22-Sep-18	N.A	22-Sep-19	7,30,40,000	22-Sep-20	83,00,00,000
35	2014 I-Z	INE871D07OQ4	28-Oct-18	N.A	28-Oct-19	7,65,00,000	28-Oct-20	90,00,00,000
36	2015 I-B	INE871D07OU6	22-Dec-18	N.A	22-Dec-19	2,16,25,000	22-Dec-20	25,00,00,000
37	2015 I-D	INE871D07OW2	25-Jan-19	N.A	25-Jan-20	1,39,20,000	25-Jul-19	16,00,00,000
38	2015 I-D	INE871D07OX0	25-Jan-19	N.A	25-Jan-20	78,30,000	25-Jan-21	9,00,00,000
39	2015 I-E	INE871D07OY8	09-Mar-19	N.A	09-Mar-20	4,40,00,000	09-Mar-26	50,00,00,000
40	2015 I-F	INE871D07PB3	15-Mar-19	N.A	15-Mar-20	2,84,80,000	15-Mar-21	32,00,00,000
41	2015 I-G	INE871D07PE7	17-Mar-19	N.A	17-Mar-20	2,22,50,000	17-Mar-21	25,00,00,000
42	2015 I-G	INE871D07PF4	17-Mar-19	N.A	17-Mar-20	7,65,00,000	18-Sep-19	85,00,00,000
43	2015 I-H	INE871D07PG2	18-Mar-19	N.A	18-Mar-20	7,82,00,000	18-Mar-21	85,00,00,000
44	2015 I-I	INE871D07PJ6	23-Sep-18	N.A	23-Sep-19	2,43,60,000	22-Sep-23	30,00,00,000
45	2015 I-I	INE871D07PH0	23-Sep-18	N.A	23-Sep-19	10,46,50,000	23-Sep-19	1,30,00,00,000
46	2015 I-K	INE871D07PL2	24-Oct-18	N.A	24-Oct-19	1,96,25,000	24-Oct-19	25,00,00,000
47	2015 I-K	INE871D07PM0	24-Oct-18	N.A	24-Oct-19	3,95,00,000	24-Oct-21	50,00,00,000
48	2015 I-L	INE871D07PP3	01-Mar-19	N.A	01-Mar-20	4,12,50,000	01-Mar-22	50,00,00,000
49	2015 I-M	INE871D07PR9	03-Mar-19	N.A	03-Mar-20	40,00,000	03-Mar-20	5,00,00,000
50	2015 I-M	INE871D07PS7	03-Mar-19	N.A	03-Mar-20	1,65,00,000	03-Mar-22	20,00,00,000
51	2015 I-O	INE871D07PU3	11-May-18	N.A	11-May-19	2,40,00,000	11-May-20	30,00,00,000
52	2015 I-O	INE871D07PV1	11-May-18	N.A	11-May-19	4,43,30,000	11-May-22	55,00,00,000
53	2015 I-O	INE871D07PW9	11-May-18	N.A	11-May-19	5,25,85,000	10-May-24	65,00,00,000
54	2015 I-P	INE871D07PX7	06-Jun-18	N.A	06-Jun-19	4,00,00,000	06-Jun-20	50,00,00,000
55	2015 I-P	INE871D07PY5	06-Jun-18	N.A	06-Jun-19	6,04,50,000	06-Jun-22	75,00,00,000
56	2015 I-P	INE871D07PZ2	06-Jun-18	N.A	06-Jun-19	2,02,25,000	06-Jun-24	25,00,00,000
57	2015 I-Q	INE871D07QA3	26-Jul-18	N.A	26-Jul-19	3,82,50,000	26-Jul-22	50,00,00,000
58	2015 I-Q	INE871D07QB1	26-Jul-18	N.A	26-Jul-19	10,01,00,000	26-Jul-24	1,30,00,00,000
59	2015 I-R	INE871D07QD7	02-Aug-18	N.A	02-Aug-19	4,59,00,000	02-Aug-22	60,00,00,000
60	2015 I-R	INE871D07QE5	02-Aug-18	N.A	02-Aug-19	4,23,50,000	02-Aug-24	55,00,00,000
61	2015 I-R	INE871D07QF2	02-Aug-18	N.A	02-Aug-19	2,31,00,000	02-Aug-27	30,00,00,000
62	2015 I-T	INE871D07QH8	04-Aug-18	N.A	04-Aug-19	3,75,00,000	04-Aug-20	50,00,00,000
63	2017 I-A	INE871D07QI6	18-Aug-18	N.A	18-Aug-19	3,80,00,000	18-Aug-20	50,00,00,000
64	2017 I-B	INE871D07QJ4	28-Aug-18	N.A	28-Aug-19	11,59,50,000	28-Dec-20	1,50,00,00,000
65	2017 I-C	INE871D07QK2	07-Sep-18	N.A	07-Sep-19	3,04,00,000	07-Sep-20	40,00,00,000
66	2017 I-C	INE871D07QL0	07-Sep-18	N.A	07-Sep-19	4,20,75,000	07-Sep-22	55,00,00,000



Details of payment of principal / interest on Non- Convertible Debentures (NCDs) in accordance with Regulation 52 (4) (d) & (e) of the LODR as on March 31, 2019

			Previous Due date for payment of :		Next Due date for payment of :			
					Interest		Principal	
#	Series	ISIN	Interest	Principal	Date	Amount	Date	Amount
67	2017 I-C	INE871D07QN6	07-Sep-18	N.A	07-Sep-19	38,50,000	07-Sep-27	5,00,00,000
68	2017 I-D	INE871D07QO4	20-Sep-18	N.A	20-Sep-19	15,70,00,000	20-Sep-27	2,00,00,00,000
69	2017 I-E	INE871D07QP1	26-Sep-18	N.A	26-Sep-19	3,82,50,000	26-Sep-20	50,00,00,000
70	2017 I-F	INE871D07QQ9	29-Sep-18	N.A	29-Sep-19	3,80,00,000	29-Sep-20	50,00,00,000
71	2017 I-G	INE871D07QS5	30-Oct-18	N.A	30-Oct-19	3,94,00,000	30-Oct-24	50,00,00,000
72	2017 I-G	INE871D07QR7	30-Oct-18	N.A	30-Oct-19	13,73,75,000	30-Dec-22	1,75,00,00,000
73	2017 I-H	INE871D07QV9	14-Nov-18	N.A	14-Nov-19	8,34,60,000	30-Nov-20	1,07,00,00,000
74	2017 I-H	INE871D07QU1	14-Nov-18	N.A	14-Nov-19	1,16,25,000	14-Nov-19	15,00,00,000
75	2017 I-I	INE871D07QW7	11-Jan-19	N.A	11-Jan-20	8,30,00,000	11-Jan-23	1,00,00,00,000
76	2017 I-J	INE871D07QX5	15-Jan-19	N.A	15-Jan-20	8,30,00,000	15-Jan-23	1,00,00,00,000
77	2017 I-J	INE871D07QY3	15-Jan-19	N.A	15-Jan-20	12,60,00,000	15-Jan-25	1,50,00,00,000
78	2017 I-K	INE871D07QZ0	19-Jan-19	N.A	19-Jan-20	4,15,00,000	19-Jan-23	50,00,00,000
79	2017 I-L	INE871D07RA1	24-Jan-19	N.A	24-Jan-20	6,64,00,000	24-Jan-23	80,00,00,000
80	2017 I-M	INE871D07RD5	06-Feb-19	N.A	06-Feb-20	2,85,60,000	06-Feb-25	34,00,00,000
81	2017 I-M	INE871D07RC7	06-Feb-19	N.A	06-Feb-20	4,15,00,000	06-Apr-23	50,00,00,000
82	2017 I-N	INE871D07RE3	09-Mar-19	N.A	09-Mar-20	5,38,65,000	09-Mar-25	63,00,00,000
83	2017 I-N	INE871D07RF0	09-Mar-19	N.A	09-Mar-20	6,05,50,000	09-Mar-28	70,00,00,000
84	2017 I-O	INE871D07RG8	13-Mar-19	N.A	13-Mar-20	2,11,25,000	13-Mar-23	25,00,00,000
85	2017 I-P	INE871D07RI4	22-Mar-19	N.A	22-Mar-20	1,98,95,000	22-Mar-28	23,00,00,000
86	2017 I-P	INE871D07RH6	22-Mar-19	N.A	22-Mar-20	1,71,00,000	22-Mar-25	20,00,00,000
87	2017 I-Q	INE871D07RJ2	27-Mar-19	N.A	27-Mar-20	2,16,25,000	27-Mar-28	25,00,00,000
88	2018 I-A	INE871D07RK0	N.A	N.A	23-May-19	15,04,10,000	23-May-23	1,69,00,00,000
89	2018 I-A	INE871D07RL8	N.A	N.A	23-May-19	8,19,00,000	15-May-28	91,00,00,000
90	2018 I-B	INE871D07RM6	N.A	N.A	30-May-19	13,50,00,000	09-Jun-23	1,50,00,00,000
91	2018 I-B	INE871D07RN4	N.A	N.A	30-May-19	4,55,00,000	30-May-28	50,00,00,000
92	2018 I-C	INE871D07RO2	N.A	N.A	27-Jun-19	9,05,00,000	27-Jun-23	1,00,00,00,000
93	2018 I-C	INE871D07RP9	N.A	N.A	27-Jun-19	9,15,00,000	27-Jun-28	1,00,00,00,000
94	2018 I-D	INE871D07RQ7	N.A	N.A	27-Aug-19	7,42,50,000	27-Aug-25	75,00,00,000
95	2015 I-N	INE871D07PT5	Compounded annually, payable on maturity			83,52,02,360	15-May-20	3,00,00,00,000
96	2015 I-J	INE871D07PK4	Zero Coupon				23-Sep-19	1,26,01,25,200



NCDs Redeemed during the period April 1, 2018 to March 31, 2019

			Previous Due date for payment of :		Next Due date for payment of :			
					Interest		Principal	
#	Series	ISIN	Interest	Principal	Date	Amount	Date	Amount
97	2014 I-L	INE871D07NV6	12-Apr-18	NA	NA	NA	NA	NA
98	2014 I-M	INE871D07NW4	10-Apr-18	NA	NA	NA	NA	NA
99	2014 I-K	INE871D07NU8	26-Apr-18	NA	NA	NA	NA	NA
100	2014 I-O	INE871D07NZ7	20-May-18	NA	NA	NA	NA	NA
101	2014 I-N	INE871D07NX2	21-May-18	NA	NA	NA	NA	NA
102	2014 I-F	INE871D07NP8	15-Jun-18	NA	NA	NA	NA	NA
103	2011 II	INE871D07MI5	11-Aug-18	NA	NA	NA	NA	NA
104	2015 I-S	INE871D07QG0	06-Aug-18	NA	NA	NA	NA	NA
105	2013 I-C	INE871D07MZ9	23-Aug-18	NA	NA	NA	NA	NA
106	2013 I-D	INE871D07NC6	26-Aug-18	NA	NA	NA	NA	NA
107	2014 I-S	INE871D07OF7	10-Aug-18	NA	NA	NA	NA	NA
108	2014 I-T	INE871D07OH3	11-Aug-18	NA	NA	NA	NA	NA

NCDs Redeemable but defaulted during the period April 1, 2018 to March 31, 2019

			Previous Due date for payment of :		Next Due date for payment of :			
					Interest		Principal	
#	Series	ISIN	Interest	Principal	Date	Amount	Date	Amount
109	2011-VII	INE871D07MO3	05-Dec-18	NA	NA	NA	NA	NA
110	2015 I-A	INE871D07OR2	01-Dec-18	NA	NA	NA	NA	NA
111	2008-9	INE871D07JN1	15-Dec-18	NA	NA	NA	NA	NA
112	2013 II-A	INE871D07ND4	04-Feb-19	NA	NA	NA	NA	NA
113	2015 I-F	INE871D07PA5	15-Mar-19	NA	NA	NA	NA	NA
114	2015 I-G	INE871D07PD9	17-Mar-19	NA	NA	NA	NA	NA
115	2015 I-M	INE871D07PQ1	03-Mar-19	NA	NA	NA	NA	NA

1	The NCDs are of Face Value of Rs.1000 each, except for Series 2018-I-A, 2018-B, 2018-I-C and 2018-I-D which are of face value of Rs. 10,00,000 each.
2	All coupon / redemption payments upto September 7, 2018 have been made to the debenture holders on the respective due dates. Thereafter, the Company has not been able to pay coupon/ redemption payments to the debenture holders.
3	The Coupon interest and the Redemption due dates which are falls on Saturday/Sundays & Holidays and being the bank holiday's, have been made as per SEBI circular CIR/IMD/DF/18/2013 dated October 29, 2013 and CIR/IMD/DF-1/122/2016 dated November 11, 2016.



Annexure II

Details of Non Convertible Redeemable Cumulative Preference Shares (NCRCPs) as on March 31, 2019										
Details of payment of NCRCPs and dividend on NCRCPs in accordance with Regulation 52 (4) (d), (e) & (h) of the LODR as on March 31, 2019										
#	Series	ISIN	Outstanding as at March 31, 2019		Previous due date for payment of:		Next due date for payment of NCRCPs:			
			Quantity	Principal Amount	Dividend*	Principal of NCRCPs	Dividend		Redemption**	
							Date#	Amount	Date	Amount
1	2013 II	INE871D04063	3,55,016	2,66,26,20,000	31-05-18	N.A	31-05-19	42,76,16,772	25-03-21	4,43,77,00,000
2	2013 III	INE871D04071	20,360	15,27,00,000	31-05-18	N.A	31-05-19	2,45,23,620	28-03-21	25,45,00,000
3	2013 IV	INE871D04089	1,84,624	1,38,46,80,000	30-06-18	N.A	30-06-19	22,14,10,332	16-05-21	2,30,78,00,000
4	2015-I	INE871D04097	1,01,884	76,41,30,000	30-06-18	N.A	30-06-19	12,57,75,798	24-09-22	1,52,82,60,000
5	2015 II	INE871D04105	15,360	11,52,00,000	30-06-18	N.A	30-06-19	1,89,61,920	29-09-22	23,04,00,000
6	2015 III	INE871D04113	58,095	43,57,12,500	30-06-18	N.A	30-06-19	7,17,18,278	30-09-22	87,14,25,000
7	2015 IV	INE871D04121	33,334	25,00,05,000	30-06-18	N.A	30-06-19	4,11,50,823	05-10-22	50,00,10,000
8	2015 V	INE871D04139	76,151	57,11,32,500	30-06-18	N.A	30-06-19	9,40,08,410	15-10-22	1,14,22,65,000
9	2015 VI	INE871D04147	14,150	10,61,25,000	30-06-18	N.A	30-06-19	1,74,68,175	19-10-22	21,22,50,000
10	2015 VII	INE871D04154	34,026	25,51,95,000	30-06-18	N.A	30-06-19	4,20,05,097	30-10-22	51,03,90,000

* The interim Dividend for the FY 2018 was declared by the Board of Directors of the Company on May 30, 2018 and accordingly payment of dividend was effected in May 2018. At the Annual General Meeting of the Company held on September 29, 2018, the Members had approved interim dividend declared and paid as the final Dividend in respect of NCRCPs

**Redemption amount includes principal and redemption premium





INFRASTRUCTURE LEASING & FINANCIAL SERVICES LIMITED

December 4, 2019

To,

BSE Limited
Listing Department
P.J. Towers,
Dalal Street,
Mumbai- 400 001


Sub: Declaration in respect of Modified Opinion on the Audited Financial Statement
for the Financial Year ended March 31, 2019

Dear Sir/Madam,

Pursuant to Regulation 52 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015 and read with SEBI circular No: CIR/CFD/CMD/56/2016 dated May 27, 2016. I, being the Chief Financial Officer hereby declare and confirm that the Statutory Auditor of the Company, M/s S R B C & Co LLP (Firm Registration No. 324982E/E300003), Chartered Accountants, have issued a Modified Audit Report for the financial statement of the Company for the financial year ended March 31, 2019. Copy of the Statement on Impact of Audit Qualifications is enclosed as Annexure-1.

Kindly take this on your record

For Infrastructure Leasing & Financial Services Limited


Maharudra Wagle
Chief Financial Officer
Encl.: Annexure-1



Annexure-1

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2019

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income	8,236.97	Not Determinable
	2	Total Expenditure	233,059.80	
	3	Net Profit/(Loss)	(225,440.22)	
	4	Earnings Per Share	(1,755.72)	
	5	Total Assets	41,479.19	
	6	Total Liabilities	210,830.76	
	7	Net Worth	(169,351.57)	
	8	Any other financial item(s) (as felt appropriate by the management)	None	



II Audit qualifications (each audit qualification separately) :

I.	Details of Audit qualifications	<p>Note 6 to the accompanying standalone Ind-AS financial results, on January 1, 2019, the Company and two of its subsidiaries (IL&FS Transportation Networks Limited and IL&FS Financial Services Limited) received orders from the National Company Law Tribunal for the reopening and recasting of their accounts in respect of financial years 2013-14 to 2017-18, under Section 130 of the Companies Act 2013. Such process of reopening and recasting of prior years' accounts is currently in progress.</p> <p>Note 7 to the accompanying standalone Ind-AS financial results, the Board of Directors have initiated a third-party forensic examination of various matters for the period April 2013 to September 2018, which is currently ongoing.</p> <p>Note 8 to the accompanying standalone Ind-AS financial results, management is in the process of reconciling claims received with its books of account.</p> <p>Note 18 to the accompanying standalone Ind-AS financial results, there are ongoing investigations by various regulatory authorities and agencies on the Company.</p> <p>Note 9 to the accompanying standalone Ind-AS financial results, pending management's determination of the financial and other consequences of the litigations stated in the said note, no adjustments have been made to the accompanying standalone Ind-AS financial results in this regard.</p>
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Note 10 to the accompanying standalone Ind-AS financial results, as at March 31, 2019, the Company has made provisions of Rs 95,429.01 million, Rs 2,072.35 million and Rs 96,804.75 million respectively towards provisions for loans given to and receivables from, and impairment of investments in, its subsidiaries, associates and joint ventures and recorded net loss on fair value changes of Rs 26,692.99 million on financial assets measured at fair value through profit and loss. The Company does not currently have the necessary and/or complete information to support cash flow based tests over its investments, and assumptions for certain aspects of the expected credit loss model in respect of loans and receivables and accordingly, management has recorded full provision for the balances indicated in that note, which does not consider the requirements of the relevant Ind-AS standards in entirety.

Note 11 to the accompanying standalone Ind-AS financial results, the Company is in the process of reconciling the completeness and status of financial guarantees extended by it to group companies in the period prior to September 30, 2018, pending which, the Company has not recognised any resultant liabilities in the accompanying standalone Ind-AS financial results. In the absence of sufficient appropriate audit evidence in this regard, we are unable to comment on the consequential effects thereof on the accompanying standalone Ind-AS financial results.

Note 12 to the accompanying standalone Ind-AS financial results, the Company has not accounted for contractual interest income from its subsidiaries, associates and joint ventures (of Rs 7,379.80 million on a gross basis) and contractually payable finance costs on borrowings (of Rs 6,925.85 million, excluding penal / other interest and charges), for the period from October 16, 2018 to March 31, 2019. In our opinion, the Company would be required to account for such interest income and interest expenses, and the related assets and liabilities as at March 31, 2019.



As more fully discussed in Note 17, management is evaluating the consequential effects of the Reserve Bank of India's inspection of the Company with reference the year ended March 31, 2018. The accompanying standalone Ind-AS financial results do not include any possible adjustments arising from the consequential effects of such inspection.

Note 13 to the accompanying standalone Ind-AS financial results, pending completion of audit of financial results of various subsidiaries, associates and joint ventures as at and for the year ended March 31, 2019, and/or the related completion of the inter-company balances reconciliation process, we are unable to comment on the adjustments that may be required and the consequential effects on the disclosures of related party transactions and balances in Note 44, to the accompanying standalone Ind-AS financial results.

We have not received audit evidence as follows:

- a) Reconciliation of differences with one bank discussed in Note 14 to the accompanying standalone Ind-AS financial results aggregating Rs 2,412.80 million, which management believes represents an incorrect adjustment made by the bank in the Company's bank account (included in note 3 and 4 to the accompanying standalone Ind-AS financial results).
- b) Unreconciled differences in bank reconciliation results/other borrowings including direct debits by banks aggregating Rs 1,485.85 million, which in management's view is primarily arising out of claims for penal interest, which are in the process of being reconciled by the Company.



- c) Direct confirmations from three banks in respect of derivatives (including the mark to market amount) of Rs 337.79 million in note 5 to the accompanying standalone Ind-AS financial results.

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

Note 15 to the accompanying standalone Ind-AS financial results, the Company has not presented the information for the six-months ended March 31, 2019 and related comparatives for the six-months ended March 31, 2018, as required by Regulation 52 read with the Circular.

Note 16 to the accompanying standalone Ind-AS financial results, the Company is not in compliance with certain requirements / provisions of applicable laws and regulations as more fully discussed in that note. Pending final determination by management of the financial and other consequences arising from such non-compliances, no adjustments have been made to the accompanying standalone Ind-AS financial results.

Material Uncertainty Related to Going Concern

We refer to Note 19 to the accompanying standalone Ind-AS financial results. The Company has incurred a loss (including other comprehensive income) of Rs 225,272.53 million for the year ended March 31, 2019 and has net liabilities of Rs 169,351.57 million as at March 31, 2019. The Company has also suffered consistent downgrades in its credit ratings since September 2018, as a result of which the Company's ability to raise funds has been substantially impaired, with normal business operations being substantially curtailed. These conditions, along with other matters set forth in that note, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

2.	Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Disclaimer of opinion
3.	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	First time
4.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	Not Applicable
5.	For Audit Qualification(s) where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification:	<p>Note 12 to the accompanying standalone Ind-AS financial results, the Company has not accounted for contractual interest income from its subsidiaries, associates and joint ventures (of Rs 7,379.80 million on a gross basis) and contractually payable finance costs on borrowings (of Rs 6,925.85 million, excluding penal / other interest and charges), for the period from October 16, 2018 to March 31, 2019. In our opinion, the Company would be required to account for such interest income and interest expenses, and the related assets and liabilities as at March 31, 2019.</p> <p>In line with the affidavit filed by the Ministry of Corporate Affairs ("MCA") with the Hon'ble NCLAT on May 21, 2019, the cut-off date of October 15, 2018 ("Cut-Off Date") was proposed, on account of inter alia the fact that the Hon'ble NCLAT had passed the Order on October 15, 2018, which inter alia granted certain reliefs to the IL&FS group and also restricted certain coercive actions by the creditors of the IL&FS group.</p>



In terms of the Resolution Framework Reports, the proposal made is that all liabilities relating to the relevant IL&FS Group Entity, whether financial (including interest, default interest, indemnity claims and additional charges), operational debt (including interest, indemnity or other claims) as well as statutory claims (including tax, employment and labour related claims), whether existing at or relating to a period after October 15, 2018 (the Cut-Off Date, as explained in the previous paragraph) should not continue accruing.

Accordingly, management has:

- a) Recognised interest income for the year on loans made, only for the period up to October 15, 2018. No such income has been recognised for the period from October 16, 2018 to March 31, 2019, which approximates Rs 7,379.80 million on a gross basis.
- b) Recognised finance costs on borrowings (including from third parties) for the year, only for the period up to October 15, 2018. No such finance costs has been recognised for the period from October 16, 2018 to March 31, 2019, which approximates Rs 6,925.85 million.

The amounts above are based on contractually agreed terms, and exclude penal / other interest and charges. Further, the above (a) and (b) are not applied to entities classified as "Green" category (refer Note 1.4), ie, entities which are in a position to honour their respective financial and operational liabilities. The above basis of accounting is on the basis of the proposal made by the Company with NCLT.



6.	(ii) If management is unable to estimate the impact, reasons for the same:	Non determinable
7.	Auditors' Comments on (i) or (ii) above:	Our view remains unchanged considering the matters referred to in paragraph 3 (incl. 3.1 to 3.9) in our audit report.

For S R B C & Co LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

Bharath N S

Bharath N S

Partner

Membership No:210934

Place : Mumbai

Date : December 4, 2019



For Infrastructure Leasing & Financial Services Limited

Nand Kishore

Nand Kishore

Audit Committee Chairman

CS Rajan

CS Rajan

Managing Director

MM Wagle

MM Wagle

Chief Financial Officer

