

**IL&FS RAIL LIMITED (FORMERLY KNOWN AS
ITNL ENSO RAIL SYSTEMS LIMITED)**

ANNUAL ACCOUNTS

2011-12

Particulars	Note	As At March 31, 2012		As At March 31, 2011	
I EQUITY AND LIABILITIES					
1 SHAREHOLDERS' FUNDS					
(a) Share capital	2	1,680,000,000		780,000,000	
(b) Reserves and surplus	3	18,400,791		(74,771,000)	
(c) Money received against share warrants		-	1,698,400,791	-	705,229,000
2 SHARE APPLICATION MONEY PENDING ALLOTMENT			-		-
3 MINORITY INTEREST			-		-
4 PREFERENCE SHARES ISSUED BY SUBSIDIARY TO MINORITY	2		-		-
5 ADVANCE TOWARDS CAPITAL TO SUBSIDIARY BY MINORITY	4		-		-
6 NON-CURRENT LIABILITIES					
(a) Long-term borrowings	5	-		-	
(b) Deferred tax liabilities (Net)	7	-		-	
(c) Other long term liabilities	8	-		51,629,784	
(d) Long-term provisions	10	2,569,487	2,569,487	2,691,118	54,320,902
7 CURRENT LIABILITIES					
(a) Current maturities of long-term debt					
(b) Current maturities of finance lease obligations					
(c) Short-term borrowings	6	-		-	
(d) Trade payables		233,121,282		96,971,926	
(e) Other current liabilities	9	141,920,889		237,289,859	
(f) Short-term provisions	11	5,440,078	380,482,249	2,356,839	336,618,624
TOTAL			2,081,452,528		1,096,168,526
II ASSETS					
1 NON CURRENT ASSETS					
(a) Fixed assets	12				
(i) Tangible assets		6,453,679		4,793,321	
(ii) Intangible assets		62,486		43,317	
(iii) Capital work-in-progress		-	6,516,165	-	4,836,638
(iv) Intangible assets under development		-		-	
(b) Non-current investments	13	943,000,000		533,500,000	
(c) Goodwill on consolidation		-		-	
(d) Deferred tax assets (Net)	7	2,858,847		1,839,782	
(e) Long-term loans and advances	15	72,841,006		36,433,242	
(f) Other non-current assets	17	20,000	1,018,719,853	20,000	571,793,024
2 CURRENT ASSETS					
(a) Current Investments	14	-		-	
(b) Inventories	19	-		-	
(c) Trade receivables	20	148,992,095		-	
(d) Cash and bank balances	21	9,991,315		9,055,391	
(e) Short-term loans and advances	16	789,014,664		382,825,136	
(f) Other current assets	18	108,218,436	1,056,216,510	127,658,337	519,538,864
TOTAL			2,081,452,528		1,096,168,526

Notes 1 to 37 form part of the consolidated financial statements.

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants


Jitendra Agarwal
Partner

For and on behalf of the Board

 
Managing Director Director


Chief Financial Officer and Company Secretary


Place : Gurgaon
Date : 16 April, 2012

IL&FS RAIL LIMITED
Statement of Profit and Loss for the Year Ended March 31, 2012

	Particulars	Note	Year ended March 31, 2012	Year ended March 31, 2011
I	Revenue from operations	23	2,243,921,356	523,813,674
II	Other income	24	36,399,381	8,199,066
III	Total revenue (I + II)		2,280,320,737	532,012,740
IV	Expenses			
	Cost of materials consumed	25	214,927,915	-
	Operating expenses	26	1,781,077,860	341,029,615
	Employee benefit expenses	27	113,555,122	107,052,923
	Finance costs	28	1,058,150	1,225,352
	Administrative and general expenses	29	61,064,043	88,159,882
	Preliminary / Miscellaneous Expenditure Written Off		-	-
	Depreciation and amortization expense		1,932,921	1,924,276
	Provision for diminution in value of investments		-	-
	Total expenses		2,173,616,011	539,392,048
V	Profit before exceptional and extraordinary items and tax (III-IV)		106,704,726	(7,379,308)
VI	Add / (Less) : Exceptional items		-	-
VII	Profit before extraordinary items and tax (V-VI)		106,704,726	(7,379,308)
VIII	Add / (Less) : Extraordinary items		-	-
IX	Profit before taxation (VII-VIII)		106,704,726	(7,379,308)
X	Tax expense:			
	(1) Current tax		21,500,000	-
	(2) Tax relating to earlier period			
	(3) Deferred tax		(1,019,065)	(1,416,472)
	(4) Less: MAT credit		(6,948,000)	
	Total tax expenses (X)		13,532,935	(1,416,472)
XI	Profit from continuing operations before consolidation adjustment (IX-X)		93,171,791	(5,962,836)
	Less: Share of profit transferred to minority interest			
	Add / Less : Share of profit / (loss) of associates (net)			
XII	Profit from Continuing operation after consolidation adjustment		93,171,791	(5,962,836)
XIII	Profit / (Loss) from discontinuing operations		-	-
XIV	Tax expense of discontinuing operations		-	-
XV	Profit / (Loss) from Discontinuing operations (after tax) (XIII-XIV)		-	-
XVI	Profit for the year (XII-XV)		93,171,791	(5,962,836)
	Earnings per equity share (Face value per share Rupees 10/-):	30		
	(1) Basic		0.74	(0.11)
	(2) Diluted		0.74	(0.11)

Notes 1 to 37 form part of the consolidated financial statements.

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants


Jitendra Agarwal
Partner

For and on behalf of the Board

 
Managing Director Director


Chief Financial Officer and Company Secretary

Place : Gurgaon
Date : 16 April, 2012

IL&FS RAIL LIMITED
(FORMERLY ITNL ENSO RAIL SYSTEMS LIMITED)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2012

	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	Rupees	Rupees
A. Cash Flow from Operating Activities		
Net profit/(loss) before tax	106,704,726	(7,379,308)
Adjustments for :-		
Interest income	(33,935,568)	(8,112,048)
Interest expense	-	1,216,164
Depreciation	1,932,921	1,924,276
Provision for employee benefits	2,961,608	4,558,863
Operating profit/(loss) before working capital changes	77,663,687	(7,792,053)
Adjustments for changes in working capital:		
(Increase)/Decrease in trade receivables	(148,992,095)	74,452,500
(Increase)/Decrease in other current assets	21,448,137	(122,632,665)
(Increase)/Decrease in long term loans and advances	(15,925,994)	(25,837,485)
(Increase)/Decrease in short term loans and advances	124,061,750	(174,141,974)
Increase/(Decrease) in other long term liabilities	(51,629,784)	279,223,480
Increase/(Decrease) in trade payables	136,149,357	81,855,373
Increase/(Decrease) in other current liabilities	(95,368,970)	8,635,321
Cash from/(used in) operations	47,406,088	113,762,498
Income Tax paid (Net)	(41,981,767)	(27,251,521)
Net Cash flow from/(Used in) Operating activities (A)	5,424,321	86,510,977
B. Cash flow from Investing Activities		
Capital expenditure on fixed assets	(3,612,450)	(3,500,043)
(Increase)/Decrease in intercorporate deposits	(523,303,278)	(127,429,435)
Non-current Investments	(409,500,000)	(533,000,000)
Interest received	31,927,332	3,870,658
Net Cash flow from/(used in) investing activities (B)	(904,488,396)	(660,058,820)
C. Cash flow from Financing Activities		
Proceeds from issue of capital	900,000,000	580,000,000
Interest paid	-	(1,216,164)
Net Cash flow from/(used in) Financing Activities (C)	900,000,000	578,783,836
Net Increase/(decrease) in Cash & Cash equivalents during the year (A+B+C)	935,925	5,235,993
Cash and Cash Equivalent at the beginning of the year	8,855,391	3,619,399
Cash and Cash Equivalent at the end of the year	9,791,315	8,855,391
Net Increase / (Decrease) in Cash & Cash Equivalents	935,925	5,235,993
Note:		
Reconciliation of Cash and cash equivalents		
Cash and cash equivalents as per balance sheet	9,991,315	9,055,391
Less: Fixed deposit under lien not considered as cash and cash equivalent	200,000	200,000
Cash and cash equivalents as per cash flow statement	9,791,315	8,855,391

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

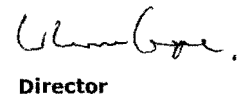


JITENDRA AGARWAL
Partner

Place: Gurgaon
Date: 16th April'2012

For and on behalf of the Board


Managing Director


Director


Chief Financial Officer & Company Secretary

Place: Gurgaon
Date: 16th April'2012

**IL&FS RAIL LIMITED
(FORMERLY ITNL ENSO RAIL SYSTEMS LIMITED)**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No. 1A - Purpose

The Balance Sheet as at 31 March, 2012, the Profit and Loss Account and the Cash Flow Statement for the year ended 31 March, 2012 of the Company constitute special purpose financial information (Financial Results) and have been prepared for the limited purpose of inclusion in the consolidated financial results of its Holding Company, IL&FS Transportation Networks Limited (ITNL) in terms of clause 41 of the listing agreement between the Holding Company and the Stock Exchanges.

Financial results have been presented as per the ITNL group accounting policy for consolidated accounts.

Note No. 1B - Background

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

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

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

Note No. 1C - Significant Accounting Policies

I Basis of preparation of Financial Statements

The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles in India, the provisions of the Companies Act, 1956 and the applicable Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956. All incomes and expenditures having a material bearing on the financial statements are recognised on accrual basis.

II Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions considered in the reported amounts of the assets and liabilities as of the date of the financial statements, Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from these estimates.

III Revenue recognition

Revenue is recognised when it is realised or realisable and earned. Revenue is considered as realised or realisable and earned when it has persuasive evidence of an arrangement, delivery has occurred, the sales price is fixed or determinable and collectability is reasonably assured.

Revenue in respect of arrangements made for rendering services over a specific contractual term is recognised on a straight-line basis over the contractual term of the arrangement. In respect of arrangements which provide for an upfront payment followed by additional payments as certain conditions are met (milestone payments), the amount of revenue recognised is based on the services delivered in the period as stated in the contract. In respect of arrangements where fees for services rendered are success based (contingent fees), revenue is recognised only when the factor(s) on which the contingent fees is based actually occur.

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Revenue from development projects under fixed - price contracts, where there is no uncertainty as to measurement or collectability of consideration is recognised based on the milestones reached under the contracts. Pending completion of any milestone, revenue recognition is restricted to the relevant cost which is carried forward as part of Unbilled Revenue.

Revenue from construction services is recognised according to the stage of completion of the contract, which depends on the proportion of costs incurred for the work performed till date to the total estimated contract costs provided the outcome of the contract can be reliably estimated. When the outcome of the contract cannot be reliably estimated but the overall contract is estimated to be profitable, revenue is recognised to the extent of recoverable costs. Any expected loss on a contract is recognised as an expense immediately. Revenue is not recognised when the concerns about collection are significant.

IV Borrowing cost

In respect of fixed asset, borrowing costs attributable to construction of the project are capitalised up to the date of completion of construction. All borrowing costs subsequent to construction are charged to the Profit and Loss Account in the period in which such costs are incurred.

V Fixed Assets and Depreciation/Amortisation

a Tangible fixed assets and depreciation:

Tangible fixed assets acquired by the Company are reported at acquisition cost, with deductions for accumulated depreciation and impairment losses, if any.

The acquisition cost includes the purchase price (excluding refundable taxes) and expenses, such as delivery and handling costs, installation, legal services and consultancy services, directly attributable to bringing the asset to the site and in working condition for its intended use.

Where the construction or development of any asset requiring a substantial period of time to set up for its intended use is funded by borrowings, the corresponding borrowing costs are capitalised up to the date when the asset is ready for its intended use.

Depreciation on tangible fixed assets is computed as under:

i. In respect of premises, depreciation is computed on the Straight Line Method at the rates provided under Schedule XIV of the Companies Act, 1956.

ii. The Company has adopted the Straight Line Method of depreciation so as to depreciate 100% of the cost of the following type of assets at rates higher than those prescribed under Schedule XIV to the Companies Act, 1956, based on the Management's estimate of useful life of such assets:

Asset Type	Useful Life
Computers	4 years
Specialised Office Equipment	3 years
Assets Provided to Employees	3 years
Licensed Software	Over the licence period
Intellectual Property Rights	5-7 years

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iii. Depreciation on fixed assets, other than on assets specified in V(a) (i) and (ii) above, is provided for on the Written Down Value Method at the rates provided under Schedule XIV of the Companies Act, 1956. Depreciation is computed pro-rata from the date of acquisition of and up to the date of disposal.

iv. Leasehold improvement costs are capitalised and amortised on a straight-line basis over the period of lease agreement unless the corresponding rates under Schedule XIV are higher, in which case, such higher rates are used.

v. All categories of assets costing less than Rs. 5,000 each, mobile phones and items of soft furnishing are fully depreciated in the year of purchase.

b Intangible assets and amortisation

Intangible assets comprise of software.

Intangible assets are reported at acquisition cost with deductions for accumulated amortisation and impairment losses, if any.

Intangible assets are amortised on a "straight line" basis over their estimated useful lives. The estimated useful life of software is four years.

VI Impairment of assets

The carrying values of assets of the Company's cash-generating units are reviewed for impairment annually or more often if there is an indication of decline in value. If any indication of such impairment exists, the recoverable amounts of those assets are estimated and impairment loss is recognised, if the carrying amount of those assets exceeds their 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 their present value based on appropriate discount factor.

VII Investments

a. Investments are recorded at actual cost including costs incidental to acquisition.

b. Investments are classified as long term or current at the time of making such investments.

c. Long term investments are individually valued at cost, less provision for diminution, that is other than temporary.

d. Current investments are valued at the lower of cost and market value.

VIII Foreign Currency Transactions

a. Transactions in foreign currencies are translated to the reporting currency based on the exchange rate on the date of the transaction. Exchange difference arising on settlement thereof during the year is recognised as income or expenses in the Profit and Loss Account.

b. Cash and bank balances, receivables, (other than those that are in substance the Company's net investment in a non-integral foreign operation), and liabilities (monetary items) denominated in foreign currency outstanding as at the year-end are valued at closing date rates, and unrealised translation differences are included in the Profit and Loss Account.



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IX Employee Benefits

a Short term

Short term employee benefits are recognised as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Company.

b Long term

The Company has both defined-contribution and defined-benefit plans, of which some have assets in special funds or securities. The plans are financed by the Company and in the case of some defined contribution plans by the Company along with its employees.

i. Defined-contribution plans

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the employees' provident fund, family pension fund and superannuation fund. The Company's payments to the defined contribution plans are reported as expenses in the period in which the employees perform the services that the payment covers.

ii. Defined-benefit plans

Expenses for defined-benefit gratuity plans are calculated as at the balance sheet date by independent actuaries in a manner that distributes expenses over the employee's working life. These commitments are valued at the present value of the expected future payments, using projected unit credit method with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a remaining term that is almost equivalent to the average balance working period of employees.

iii. Other Employee Benefits

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the year end are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits after deducting amounts already paid. Where there are restrictions on availment or encashment of such accrued benefit or where the availment or encashment is otherwise not expected to wholly occur in the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.

X Taxes on Income

a. Taxes include taxes on income, adjustment attributable to earlier periods and changes in deferred taxes. Taxes are determined in accordance with enacted tax regulations and tax rates in force and in the case of deferred taxes at rates that have been substantively enacted.

b. Deferred tax is calculated to correspond to the tax effect arising when final tax is determined. Deferred tax corresponds to the net effect of tax on all timing differences, which occur as a result of items being allowed for income tax purposes during a period different from when they are recognised in the financial statements.

c. Deferred tax assets are recognised with regard to all deductible timing differences to the extent that it is probable that taxable profit will be available against which deductible timing differences can be utilised. When the Company has carry forward unused tax losses and unabsorbed depreciation, deferred tax assets are recognised only to the extent there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realised.

d. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced by the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or a part of the aggregate deferred tax asset to be utilised.

XI Provisions, Contingent Liabilities and Contingent Assets

a. A provision is recognised when the Company has a present 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 a reliable estimate can be made.

b. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on best estimates required to settle the obligation at the Balance Sheet date.

c. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

d. Contingent liabilities are not recognised but are disclosed in the notes to the financial statement.

e. A contingent asset is neither recognised nor disclosed.



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XII Segment Reporting

a. Segment revenues, expenses, assets and liabilities are identified to segments on the basis of their relationship to the operating activities of the Segment.

b. Revenue, expenses, assets and liabilities, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, are included under "Unallocated Revenue/Expenses/Assets/Liabilities".

XIII Financial Income and Borrowing Costs

a. Financial income and borrowing costs includes interest income on bank deposits and interest expenses on loans.

b. Interest income is accrued evenly over the period of the instrument.

XIV Earnings Per Share

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

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

XV Leases

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

XVI Cash and Cash Equivalents

Cash and bank balances, and current investments that have insignificant risk of change in value and original duration of up to three months, are included in the Company's cash and cash equivalents in the Cash Flow Statement.

XVII Cash Flow Statement

The Cash Flow Statement is prepared in accordance with the "Indirect Method" as explained in the Accounting Standard (AS) 3 on "Cash Flow Statement".

XVIII Preliminary Expenses

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

XIX Current/Non-Current Assets and Liabilities

Assets are classified as current when it satisfied any of the following criteria:

- a) It is expected to be realized within 12 months from the reporting date
- b) It is held for trading purpose

All other assets are classified as Non-current

Liabilities are classified as current when it satisfied any of the following criteria:

- a) It is expected to be settled within 12 months after the reporting date
- b) It is held for trading purpose

All other liabilities are classified as Non-current

IL&FS RAIL LIMITED
Year Ended March 31, 2012

Note 2: Share capital

Particulars	As at March 31, 2012		As at March 31, 2011	
	Number	Rupees	Number	Rupees
Authorised Equity Shares of Rupees 10/- each	190,000,000	1,900,000,000	80,000,000	800,000,000
Issued Equity Shares of Rupees 10/- each				
Subscribed and Paid up Equity Shares of Rupees 10/- each fully paid (refer foot note no. i, ii, and iii)	168,000,000	1,680,000,000	78,000,000	780,000,000
Total	168,000,000	1,680,000,000	78,000,000	780,000,000

Foot Notes:

i. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2012		As at March 31, 2011	
	Equity Shares		Equity Shares	
	No. of Shares	Rs.	No. of Shares	Rs.
Shares outstanding at the beginning of the year	78,000,000	780,000,000	20,000,000	200,000,000
Shares issued during the year	90,000,000	900,000,000	58,000,000	580,000,000
Shares bought back during the year			-	-
Shares outstanding at the end of the year	168,000,000	1,680,000,000	78,000,000	780,000,000

ii. Shareholding more than 5% shares

Name of Shareholder	As at March 31, 2012		As at March 31, 2011	
	No. of Shares held	% of total holding	No. of Shares held	% of total holding
IL & FS Transportation Networks Limited	116,408,510	69.29%	44,850,000	57.50%
Enso Infrastructures Private Limited	41,466,590	24.68%	29,249,990	37.50%
IL&FS Employee Welfare Trust	10,124,850	6.03%	3,900,000	5.00%
Total	167,999,950		77,999,990	

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IL&FS RAIL LIMITED
Year Ended March 31, 2012

Note 3: Reserves and surplus

Particulars	As at March 31, 2012		As at March 31, 2011	
(a) Securities Premium Account				
Opening balance	-		-	
(+) Securities premium credited on Share issue	-		-	
(-) Premium utilised for various reasons	-	-	-	-
(b) General Reserve				
Opening balance	-		-	
(+) Current year transfer	-		-	
(-) Written back in current year	-	-	-	-
(c) Debenture Redemption Reserve				
Opening balance	-		-	
(+) Created during the year	-		-	
(-) Written back in current year	-	-	-	-
(d) Capital Reserve				
Opening balance	-		-	
(+) Created during the year	-		-	
(-) Written back in current year	-	-	-	-
(e) Other Reserves				
Foreign exchange fluctuation reserve	-		-	
Cash flow hedge reserve	-	-	-	-
(f) Capital Reserve on Consolidation				
Opening balance	-		-	
(+) On account of acquisition / merger	-		-	
(-) Written back in current year	-	-	-	-
(g) Profit / (Loss) Surplus				
Opening balance	(74,771,000)		(68,808,164)	
(+) Profit for the current year	93,171,791		(5,962,836)	
(-) Consolidation adjustment	-		-	
(-) Transfer to general reserves	-		-	
(-) Transfer to debenture redemption reserve	-		-	
(-) Dividends (including dividend tax)	-		-	
(-) Premium on preference shares of subsidiary	-		-	
(-) Tax on dividend and premium on preference shares of subsidiary	-		-	
		18,400,791		(74,771,000)
Total		18,400,791		(74,771,000)

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IL&FS RAIL LIMITED
Year Ended March 31, 2012

Note 4: Advance towards capital

Particulars	Rupees in million	
	As at March 31, 2012	As at March 31, 2011
	NIL	NIL
Total	-	-

Note 5: Long-term borrowings

Particulars	As at March 31, 2012		As at March 31, 2011	
(a) Bonds / Debentures				
(i) Secured				
Non convertible debentures	-		-	
Deep discount bonds	-	-	-	-
(ii) Unsecured				
Non convertible debentures	-		-	
Deep discount bonds	-	-	-	-
(b) Term Loans				
(i) Secured				
From banks (refer foot note no. ii)	-		-	
From financial institutions	-		-	
From others	-	-	-	-
(ii) Unsecured				
From banks	-		-	
From financial institutions	-		-	
From others	-	-	-	-
(c) Long term maturities of finance lease obligations				
(i) Secured	-		-	
(ii) Unsecured	-	-	-	-
Total		-		-

Foot Notes:

- (i) Disclosures to be given as required by Revised Schedule VI

Note 6: Short-term borrowings

Particulars	As at March 31, 2012		As at March 31, 2011	
(a) Loans repayable on demand				
(i) Secured				
From banks	-		-	
From financial institutions	-		-	
From others	-	-	-	-
(ii) Unsecured				
From banks	-		-	
From financial institutions	-		-	
From others	-	-	-	-
(b) Short term loans				
(i) Secured	-		-	
(ii) Unsecured	-	-	-	-
(c) Loans and advances from related parties				
(i) Secured	-		-	
(ii) Unsecured	-	-	-	-
(d) Deposits				
(i) Secured	-		-	
(ii) Unsecured	-	-	-	-
Total		-		-

IL&FS RAIL LIMITED
Year Ended March 31, 2012

Note 7: Deferred tax liabilities (Net) and Deferred tax assets (Net)

The entity have net deferred tax assets aggregating `Rs. 28,58,847/- as at March 31, 2012 (previous year `Rs. 18,39,782/-).

a) A breakdown of the components of deferred tax liabilities is furnished below:

Particulars	As at March 31, 2012	As at March 31, 2011
Liabilities:		
Timing differences in respect of income	-	-
Timing differences in respect of depreciation	-	-
Assets:		
Timing differences in respect of depreciation	-	-
Timing differences in respect of employee benefits	-	-
Timing differences in respect of unabsorbed depreciation and business losses	-	-
Timing differences in respect of provision for doubtful debts	-	-
Timing differences in respect of provision for overlay	-	-
Net deferred tax liability	-	-

b) A breakdown of the components of deferred tax assets is furnished below:

Particulars	As at March 31, 2012	As at March 31, 2011
Assets:		
Timing differences in respect of income	-	-
Timing differences in respect of depreciation	260,144	201,972
Timing differences in respect of employee benefits	2,598,703	1,637,810
Net deferred tax asset	2,858,847	1,839,782

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IL&FS RAIL LIMITED
Year Ended March 31, 2012

Note 8: Other long term liabilities

Particulars	As at March 31, 2012		As at March 31, 2011	
(a) Mobilisation advance				
From related parties	-		51,629,784	
From others		-		51,629,784
(b) Others	-		-	
Total		-		51,629,784

Note 9: Other current liabilities

Particulars	As at March 31, 2012		As at March 31, 2011	
(a) Interest accrued but not due on borrowings	-		-	
(b) Interest accrued and due on borrowings	-		-	
(c) Income received in advance	-		-	
(d) Mobilisation Advance received	126,964,433		227,593,694	
(e) Other liabilities	14,956,456	141,920,889	9,696,165	237,289,859
Total		141,920,889		237,289,859

Note 10: Long-term provisions

Particulars	As at March 31, 2012		As at March 31, 2011	
(a) Provision for dividend on preference shares of subsidiary	-		-	
(b) Provision for premium on preference shares of subsidiary	-		-	
(c) Provision for tax on preference dividend of subsidiary	-		-	
(d) Provision for tax on preference share premium of subsidiary	-		-	
(e) Provision for employee benefits (See Footnote (a) Below)	2,569,487		2,691,118	
(f) Provision for overlay	-		-	
(g) Provision for contingency	-	2,569,487	-	2,691,118
Total		2,569,487		2,691,118

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Note 11: Short-term provisions

Particulars	As at March 31, 2012		As at March 31, 2011	
(a) Provision for employee benefits.	5,440,078		2,356,839	
(b) Provision for tax (net of advance)				
(c) Proposed dividend on equity shares				
(d) Provision for tax on proposed dividend on equity shares				
(e) Provision for overlay (refer foot note no. i)		5,440,078		2,356,839
Total		5,440,078		2,356,839

Note 12: Fixed assets

Particulars	Gross block					Accumulated depreciation					Net block	
	Balance as at April 1st 2011	Opening adjustments	Additions	Disposals	Balance as at March 31,2012	Balance as at April 1st 2011	Opening adjustments	Depreciation charge for the year	On disposals	Balance as at March 31,2012	Balance as at March 31,2012	Balance as at March 31,2011
a) Tangible assets												
Land	-	-	-	-	-	-	-	-	-	-	-	-
Building and structures	-	-	-	-	-	-	-	-	-	-	-	-
Vehicles	5,210,659	-	2,185,222	-	7,395,881	2,417,901	-	770,964	-	3,188,866	4,207,015	2,792,758
Data processing equipments	2,230,174	-	355,703	-	2,585,877	689,191	-	622,915	-	1,312,106	1,273,771	1,540,983
Office premises	-	-	-	-	-	-	-	-	-	-	-	-
Office equipments	996,420	-	720,662	91,065	1,626,017	785,541	-	383,746	91,063	1,078,223	547,794	210,879
Leasehold improvements	-	-	-	-	-	-	-	-	-	-	-	-
Furniture and fixtures	293,093	-	236,925	-	530,018	44,392	-	128,750	-	173,143	356,875	248,701
Electrical installations	-	-	-	-	-	-	-	-	-	-	-	-
Plant and machinery	-	-	71,738	-	71,738	-	-	3,515	-	3,514	68,224	-
Advertisement structure	-	-	-	-	-	-	-	-	-	-	-	-
Plant and machinery - Leased	-	-	-	-	-	-	-	-	-	-	-	-
Vehicles - Leased	-	-	-	-	-	-	-	-	-	-	-	-
Furniture and fixtures - Leased	-	-	-	-	-	-	-	-	-	-	-	-
Building and structures - Leased	-	-	-	-	-	-	-	-	-	-	-	-
Land - Leased	-	-	-	-	-	-	-	-	-	-	-	-
Total	8,730,346	-	3,570,250	91,065	12,209,531	3,937,025	-	1,909,890	91,063	5,755,852	6,453,679	4,793,321
b) Intangible assets												
Software / Licences	83,956	-	42,200	-	126,156	40,639	-	23,031	-	63,670	62,486	43,317
Commercial rights acquired	-	-	-	-	-	-	-	-	-	-	-	-
Rights under service concession arrangements (refer foot note no. i)	-	-	-	-	-	-	-	-	-	-	-	-
Trademarks and licences	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-
Total	83,956	-	42,200	-	126,156	40,639	-	23,031	-	63,670	62,486	43,317
Grand total	8,814,302	-	3,612,450	91,065	12,335,687	3,977,664	-	1,932,921	91,063	5,819,522	6,516,165	4,836,638
c) Capital work-in-progress												
d) Intangible assets under Development												

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Note 13: Non-current investments

Particulars	As at March 31, 2012		As at March 31, 2011	
(a)(i) Investment in Unquoted Equity Instruments - Associates				
Investment in associates	500,000		500,000	
Add: Unrealised gain on transactions between the Company and its associates				
Add: Post-acquisition share of profit / (loss) of associates				
Add: Post-acquisition share of movement in the capital reserves of an associate				
Less: Cash flow hedge reserve		500,000		500,000
(a)(ii) Investment in Preference Shares - Associates		942,500,000		533,000,000
(b) Investment in Unquoted Equity Instruments (fully paid)				
(c) Investment in Covered Warrants				
(d) Investment in Non Convertible Debentures				
(e) Investment in Others				
Less: Provision for diminution in the value of Investments				
Total		943,000,000		533,500,000

Note 14: Current investments

Particulars	As at March 31, 2012		As at March 31, 2011	
(a) Investment in Units	-		-	
Total		-		-

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Note 15: Long-term loans and advances

Particulars	As at March 31, 2012		As at March 31, 2011	
(a) Capital Advances				
Unsecured, considered good	-	-	-	-
(b) Security Deposits				
Secured, considered good				
Unsecured, considered good	706,000	706,000	-	-
(c) Loans and advances to related parties				
Unsecured, considered good				
- Advance recoverable in cash or kind - related parties	-	-	-	-
- Option premium assets	-	-	-	-
- Long term loans	-	-	-	-
(d) Other loans and advances				
Unsecured, considered good				
- Advance recoverable in cash or kind - others				
- Prepaid expenses	12,165,398		-	
- Loans to employees (Includes Loan to officer of the Company Rs.572,578)	3,193,922		139,326	
- Loans to others	-		-	
- Advance payment of taxes (net of provision Rs. 21,500,000; Previous Year Rs.Nil)	56,775,686		36,293,916	
		72,135,006		36,433,242
Total		72,841,006		36,433,242

Note 16: Short-term loans and advances

Particulars	As at March 31, 2012		As at March 31, 2011	
(a) Loans and advances to related parties				
Unsecured, considered good				
- Advance recoverable in cash or kind - related parties	31,948,305		175,178,600	
- Investment in call money	-		-	
- Advance towards share application money	-		-	
- Short term loans	673,303,278	705,251,583	150,000,000	325,178,600
(d) Other loans and advances				
Unsecured, considered good				
- Advance payment of taxes (net of provision)	-		-	
- Advance fringe benefit tax (net of provision)	-		-	
- Mobilisation advance	-		25,698,159	
- MAT credit entitled	6,948,000		-	
- Advance towards share application money	-		-	
- Advance recoverable in cash or kind	-		-	
- Prepaid expenses	1,034,243		495,566	
- Advance to vendors	73,852,376		30,433,062	
- Advance for Gratuity	-		965,149	
- Short term loans - others	1,928,462	83,763,081	54,600	57,646,536
Total		789,014,664		382,825,136

Note 17: Other non-current assets

Particulars	As at March 31, 2012		As at March 31, 2011	
(a) Long term Trade Receivables (Including trade receivables on deferred credit terms)				
Secured, considered good				
- Receivable under Service Concession Arrangement (refer note 19 foot note no. i)	-		-	
Unsecured, considered good				
- Toll Receivable account	-		-	
- Others	-		-	
(b) Other non-current assets				
Unsecured, considered good				
- Deposit with Employee gratuity trust	10,000		10,000	
- Deposit with Superannuation fund	10,000		10,000	
- Miscellaneous Expenditure (To the extent not written off or adjusted)	-	20,000	-	20,000
Total		20,000		20,000

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Note 18: Other current assets

Particulars	As at March 31, 2012		As at March 31, 2011	
(a) Unbilled revenue	101,184,528		122,632,665	
(b) Interest accrued	7,033,908		5,025,672	
(c) Receivable under service concession arrangement (refer foot note no. i)	-		-	
(d) Grant receivable from National Highway Authorities of India		108,218,436		127,658,337
Total		108,218,436		127,658,337

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IL&FS RAIL LIMITED
Year Ended March 31, 2012

Note 19: Inventories

Particulars	As at March 31, 2012		As at March 31, 2011	
(a) Inventories				
(i) Raw materials	-		-	
(ii) Finished goods	-		-	
(iii) Stores and spares	-	-	-	-
Total		-		-

Note 20: Trade receivables

Particulars	As at March 31, 2012		As at March 31, 2011	
(a) Trade receivables outstanding for a period less than six months from the date they are due for payment				
Unsecured, considered good	148,992,095	148,992,095	-	-
(b) Trade receivables outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, considered good	-		-	
Other considered doubtful	-		-	
Less: Provision for doubtful debt	-	-	-	-
Total		148,992,095		-

Note 21: Cash and bank balances

Particulars	As at March 31, 2012		As at March 31, 2011	
(a) Cash and cash equivalents				
Cash on hand	37,115		26,592	
Current accounts	9,754,200		8,828,799	
Fixed Deposits placed for a period less than 3 months	-		-	
Unpaid dividend accounts		9,791,315		8,855,391
(b) Other bank balances				
Fixed Deposits placed for a period exceeding 3 months	200,000	200,000	200,000	200,000
See foot note (i) & (ii)				
Total		9,991,315		9,055,391

Foot note:

- (i) Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 Cash Flow Statement
- (ii) a. Fixed deposits are under bank lien as security against bank guarantees issued.
b. Fixed deposits amounting to Rs. 200,000 (previous year Rs. 200,000) have an original maturity of more than 12 months
c. Fixed deposits amounting to Rs. 200,000 (previous year Rs. 200,000) have an maturity of more than 12 months from the balance sheet date.

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IL&FS RAIL LIMITED
Year Ended March 31, 2012

Note 22: Contingent liabilities and capital commitments & Other Information

A) Contingent liabilities :

Particulars	As at March 31, 2012	As at March 31, 2011
Guarantees issued on behalf of Group Companies		
Guarantees issued on behalf of Third parties		
Claims against the Group not acknowledged as debt		
Others - Bank guarantees	200,000	200,000
	200,000	200,000

B) Financial commitments pending to be executed :

Particulars	As at March 31, 2012	As at March 31, 2011
	-	-
	-	-
	-	-

C) Operating commitments pending to be executed :

Particulars (Name of party & description)	As at March 31, 2012	As at March 31, 2011
	-	-
	-	-
	-	-
	-	-

D) Estimated amount of contracts remaining to be executed on capital and other account :

Particulars (Name of party & description)	As at March 31, 2012	As at March 31, 2011
	-	-
	-	-
	-	-
	-	-

E) Disclose the amount paid/Payable to Auditors :

Particulars	As at March 31, 2012	As at March 31, 2011
a. Statutory audit fee	1,000,000	800,000
b. Out of pocket expenses	40,799	53,870
c. Service tax on above	112,321	87,949
	1,153,120	941,819

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IL&FS RAIL LIMITED
Year Ended March 31, 2012

Note 23: Revenue from operations

Particulars	Year ended March 31, 2012		Year ended March 31, 2011	
(a) Income from services				
Advisory and project management fees	-		-	
Consultancy fee income	-		125,000,000	
Lenders' engineer and supervision fees	-		-	
Operation and maintenance income	-		-	
Toll revenue	-		-	
Periodic maintenance income	-		-	
Finance income	-		-	
Licence fee	-		-	
Operation and maintainace Grant from NHAI	-	-	-	125,000,000
(b) Construction income		2,243,921,356		398,813,674
(c) Sales (net of sales tax)		-		-
		2,243,921,356		523,813,674

Note 24: Other income

Particulars	Year ended March 31, 2012		Year ended March 31, 2011	
(a) Interest Income				
Interest on loans granted				
Interest on debentures				
Interest on call money				
Interest on bank deposits				
Interest on short term deposit	33,935,568		8,112,048	
Interest on advance towards property				
Interest Others	1,899,843	35,835,411	35,556	8,147,604
(b) Profit on sale of investment (net)				
(c) Profit on sale of fixed assets (net)				
(d) Dividend				
(e) Other non-operating income				
Advertisement income	-		-	
Excess provisions written back	-		-	
Miscellaneous income	563,970	563,970	51,462	51,462
		36,399,381		8,199,066

Note 25: Cost of materials consumed

Particulars	Year ended March 31, 2012		Year ended March 31, 2011	
(a) Material consumption	214,927,915		-	
(b) Cost of traded products	-	214,927,915	-	-
		214,927,915		-

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Note 26: Operating expenses

Particulars	Year ended March 31, 2012		Year ended March 31, 2011	
Construction contract costs	1,781,077,860		341,029,615	
Fees for technical services / design and drawings				
Diesel and fuel expenses				
Operation and maintenance expenses				
Provision for overlay expenses				
Periodic maintenance expenses				
Toll plaza expenses				
Negative grant				
		1,781,077,860		341,029,615
		<u>1,781,077,860</u>		<u>341,029,615</u>

Note 27: Employee benefit expenses

Particulars	Year ended March 31, 2012		Year ended March 31, 2011	
(a) Salaries and wages	96,368,704		92,784,177	
(b) Contribution to provident and other funds	13,862,039		11,991,368	
(c) Staff welfare expenses	3,324,379	113,555,122	2,277,378	107,052,923.00
		<u>113,555,122</u>		<u>107,052,923</u>

Footnote:

Employee Benefit Obligations:
Defined-Contribution Plans

The Company offers its employees defined contribution plan in the form of provident fund, family pension fund and superannuation fund. Provident fund, family pension fund and superannuation fund cover all regular employees. Contributions are paid during the year into separate funds under certain statutory / fiduciary-type arrangements. While both the employees and the Company pay predetermined contributions into the provident fund and pension fund, the contributions to superannuation fund are made only by the Company. The contributions are normally based on a certain proportion of the employee's salary.

Defined-Benefits Plans

The Company offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount). Benefits under the defined benefit plans are typically based on years of service and the employee's compensation (immediately before retirement). The gratuity scheme covers substantially all regular employees. In the case of the gratuity scheme, the Company contributes to a trust administered by HDFC Standard Life Insurance. Commitments are actuarially determined at year-end. On adoption of the revised Accounting Standard (AS) 15 on "Employee Benefits" notified, actuarial valuation is done based on "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions are charged to the Profit and Loss account.

i. Change in benefit obligation

	<u>31 March, 2012</u>	<u>31 March, 2011</u>
	Rupees	Rupees
Present value of obligation at the beginning of the year	3,552,343	663,141
Current Service Cost	3,443,394	2,932,712
Interest Expenses	295,770	(2,331)
Acturial (Gain) / Loss	577,280	1,398,136
Benefits Paid	(145,401)	(1,439,315)
Present value of obligations at the end of the year	<u>7,723,386</u>	<u>3,552,343</u>

ii. Fair value of Plan Assets

	<u>31 March, 2012</u>	<u>31 March, 2011</u>
	Rupees	Rupees
Fair value of plan assets at the beginning of the year	4,517,492	1,652,162
Expected return on scheme assets	477,486	246,786
Contributions by the Company	2,689,371	3,297,740
Benefits Paid	(145,401)	(1,439,315)
Acturial (Gain) / Loss	(119,296)	760,119
Fair value of plan assets at the end of the year	<u>7,419,652</u>	<u>4,517,492</u>

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

iii. Return on Plan Assets	31 March, 2012	31 March, 2011
	Rupees	Rupees
Expected return on plan assets	477,486	246,786
Actuarial (Gain) / Loss	(119,296)	760,119
Actual return on plan assets	<u>358,190</u>	<u>1,006,905</u>
iv. Amount recognised in the Balance Sheet	31 March, 2012	31 March, 2011
	Rupees	Rupees
Present value of defined benefit obligations	7,723,386	3,552,343
Fair value of Plan Assets	7,419,652	4,517,492
Net liability/(asset) recognised in the balance sheet	<u>303,734</u>	<u>(965,149)</u>
v. Expenses recognised in profit & loss Account	31 March, 2012	31 March, 2011
	Rupees	Rupees
Current service costs	3,443,394	2,932,712
Interest expense	295,770	-2,331
Expected return on investment	(477,486)	(246,786)
Net actuarial gain/(loss) recognized during the year	696,576	638,017
Expenditure recognized in Profit and Loss account	<u>3,958,254</u>	<u>3,321,612</u>
vi. Balance Sheet reconciliation	31 March, 2012	31 March, 2011
	Rupees	Rupees
Net liability/(asset) at the beginning of the year	(965,149)	(989,021)
Expenses as above	3,958,254	3,321,612
Contribution paid	(2,689,371)	(3,297,740)
	<u>303,734</u>	<u>(965,149)</u>

The actuarial calculations used to estimate defined benefit commitments and expenses are based on the following assumptions, which if changed, would affect the defined benefit commitment's size, funding requirements and expense.

vii. Principal Actuarial assumptions	31 March, 2012	31 March, 2011
Rate for discounting liabilities	8.50% p.a.	8.25% p.a.
Expected salary increase rate	6.50% p.a.	6.00% p.a.
Expected return on scheme assets	8.00% p.a.	8.00% p.a.
Attrition Rate	2.00% p.a.	2.00% p.a.
Mortality table used	LIC (1994-96) Mortality Table (ultimate)	Indian Assured Lives Mortality (1994-96) (modified) (ultimate)

viii. Experience Adjustment	31 March, Rupees	31 March, Rupees
On obligations - (Gain) / Loss	577,280	1,398,136
On plan asset - Gain /(Loss)	(119,296)	760,119

The Employer's best estimate of the contributions expected to be paid to the plan during the next 12 months Rupees 4,169,234 (Previous year Rupees 2,689,371)

The entire amount is funded with the HDFC Standard Life insurance

The estimates of future salary increases, considered in the actuarial valuation, take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The above information is certified by the actuary and relied upon by the Auditors

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

The estimates of future salary increases, considered in the actuarial valuation, take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The above information is certified by the actuary and relied upon by the Auditors.

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

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Year Ended March 31, 2012

Note 28: Finance costs

Particulars	Year ended March 31, 2012		Year ended March 31, 2011	
(a) Interest expenses				
Interest on loans for fixed period	-		1,216,164.00	
Interest on debentures	-		-	
Interest on deep discount bonds	-		-	
Other interest	-		-	1,216,164
(b) Other borrowing costs				
Guarantee commission	-		-	
Finance charges	-		-	
Upfront fees on performance guarantee	-		-	
Bank Charges	1,058,150	1,058,150	9,188	9,188
		1,058,150		1,225,352

Note 29: Administrative and general expenses

Particulars	Year ended March 31, 2012		Year ended March 31, 2011	
Legal and consultation fees	16,745,599		44,152,324	
Agency fees	-		-	
Travelling and conveyance	8,638,531		4,081,113	
Rent	5,961,679		15,063,491	
Rates and taxes	39,385		7,310	
Repairs and maintenance	1,183,194		1,250,701	
Bank commission	-		-	
Registration expenses	5,500,000		2,777,469	
Communication expenses	1,388,554		1,283,321	
Insurance	1,541,648		942,513	
Exchange rate fluctuation	672,788		-	
Office maintenance	4,180,146		3,542,043	
Power and fuel	560,628		575,122	
Auditor's remuneration	1,153,120		941,819	
Works contract tax	8,190,000		5,670,000	
Business promotion expenses	1,015,133		2,015,814	
Service Tax expenses	-		3,873,673	
Printing and stationery	-		-	
Electricity charges	-		-	
Directors' fees	280,000		360,000	
Bad debts and provision for doubtful debts	-		-	
Project management fees	-		-	
Loss on sale of fixed assets (net)	-		-	
Royalty	-		-	
Wealth Tax	21,000		-	
Miscellaneous expenses	3,992,638	61,064,043	1,623,169	88,159,882
		61,064,043		88,159,882

IL&FS RAIL LIMITED
Year Ended March 31, 2012

Note 30: Earnings per equity share

Particulars	Unit	Year ended March 31, 2012	Year ended March 31, 2011
Profit after tax and minority interest	Rupees	93,171,791	(5,962,836)
Premium on preference shares	Rupees	-	-
Tax on premium on preference shares	Rupees	-	-
Profit available for Equity Shareholders	Rupees	93,171,791	(5,962,836)
Weighted number of Equity Shares outstanding	Numbers	126,122,951	53,571,918
Nominal Value of equity shares	Rupees	10	10
Basic Earnings per share	Rupees	0.74	(0.11)
Equity shares used to compute diluted earnings per share	Numbers	126,122,951	53,571,918
Diluted Earnings per share	Rupees	0.74	(0.11)

Note 31: Previous year

Figures for the previous year have been regrouped, reclassified where necessary, to conform to the classification of the current year.

Note 32: Disclosure in terms of Accounting Standard (AS) 7 – Construction Contracts

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Contract Revenue recognised as revenue during the year	2,243,921,356	398,813,674
Aggregate amount of Contract Costs incurred during the year	2,149,628,976	398,813,674
Profits during the year	94,594,137	-
Advances received as at the year end	126,964,433	279,223,478
Retention money as at the year end	-	-
Gross amount due from customers for contract work, disclosed as asset, as at the year end	148,992,095	-
Gross amount due to customers for contract work, disclosed as liability as at the year end	-	-

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Note 33 : Disclosure of Leases:

	Name of related Party/ Group Companies	Name of related Party/ Group Companies	Total (Related parties / Group Companies)	Others	Total
I. Receipts					
(1) Finance Lease					
		N.A.			
	Gross Investment in Lease				
	Unearned Finance Income				
	Net Present Value of Minimum Lease Payments				
NPV of MLP :					
	Not later than 1 year				
	Later than 1 year and not later than 5 years				
	Later than 5 years				
Gross Investment in Lease					
	Not later than one year				
	Later than 1 year and not later than five years				
	Later than 5 years				
(2) Operating Lease					
	Minimum future lease receipts during non-cancellable periods is as follows:				
	a) not later than 1 year				
	b) later than 1 year & not later than 5 years				
	c) later than 5 years				
	Operating lease income earned during the year				
II. Payments					
(1) Finance Lease					
	Gross Investment in Lease				
	Unearned Finance Income				
	Net Present Value of Minimum Lease Payments				
NPV of MLP :					
	Not later than 1 year				
	Later than 1 year and not later than 5 years				
	Later than 5 years				
Gross Investment in Lease					
	Not later than one year				
	Later than 1 year and not later than five years				
	Later than 5 years				
(2) Operating Lease					
	N.A.				
	Minimum future lease payments during non-cancellable periods is as follows:				
	a) not later than 1 year				
	b) later than 1 year & not later than 5 years				
	c) later than 5 years				
	Operating lease expense incurred during the year				

Note 34 : Movement of MAT Credit for the year:

Particulars	March 31, 2012	March 31, 2011
Opening MAT Credit available	-	-
Addition	6,948,000	-
MAT Credit Availed during the year	-	-
Closing MAT Credit available	6,948,000	-

Note 35 : Details of Grant

From	Purpose	Sanctioned Grant Amount	Received	Utilised	Unutilised
	Not applicable				

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**IL&FS RAIL LIMITED
(FORMERLY ITNL ENSO RAIL SYSTEMS LIMITED)**

Note No. 36 - Related Party Disclosures

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

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

A.

Ultimate Holding Company:	Infrastructure Leasing & Financial Services Limited
Holding Company:	IL&FS Transportation Networks Limited
Subsidiary Company:	Rapid MetroRail Gurgaon Limited (upto 17 September, 2010)
Fellow Subsidiaries:	Rapid MetroRail Gurgaon Limited (From 18 September, 2010)
Associates	IL&FS Engineering and Construction Company Limited IL&FS Technologoes Limited
Investors with ability to exercise significant influence	ENSO Infrastructure Private Limited
Key Management Person (KMP):	Mr. Sanjiv Rai (Managing Director and CEO)

Particulars	Holding / Ultimate Holding Company	Fellow subsidiary	Associates	Companies Having Significant Influence	Key Managerial Personnel
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B. Transactions during the year
Shares capital issued

IL&FS Transportation Networks Limited	715,585,500 (308,500,000)	- (-)	- (-)	- (-)	- (-)
ENSO Infrastructure Private Limited	- (-)	- (-)	- (-)	122,166,000 (242,500,000)	- (-)

Investment made

Rapid Metro Rail Gurgaon Limited	- (-)	409,500,000 (533,000,000)	- (-)	- (-)	- (-)
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Consultancy Fee & Construction Income*

Rapid Metro Rail Gurgaon Limited	- (-)	2,335,817,183 (482,017,829)	- (-)	- (-)	- (-)
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Particulars	Holding / Ultimate Holding Company	Fellow subsidiary	Associates	Companies Having Significant Influence	Key Managerial Personnel
Operating Expenses					
Infrastructure Leasing & Financial Services Limited	575,549 (602,068)	- (-)	- (-)	- (-)	- (-)
IL&FS Transportation Networks Limited	4,000 (1,284,164)	- (-)	- (-)	- (-)	- (-)
IL&FS Technologies Limited	- (-)	- (-)	694,376 (154,452)	- (-)	- (-)
Rapid Metro Rail Gurgaon Limited	- (-)	17,788,635 (20,833,507)	- (-)	- (-)	- (-)
IL&FS Engineering and Construction Company Limited	- (-)	- (-)	1,207,243,174 (223,075,720)	- (-)	- (-)
Managerial remuneration					
Mr. Sanjiv Rai	- (-)	- (-)	- (-)	- (-)	32,030,327 (34,600,595)
Inter Corporate Deposits placed					
Infrastructure Leasing & Financial Services Limited	1,706,491,531 (401,822,542)	- (-)	- (-)	- (-)	- (-)
Inter Corporate Deposits received back					
Infrastructure Leasing & Financial Services Limited	1,183,188,253 (274,393,107)	- (-)	- (-)	- (-)	- (-)
Interest earned					
Infrastructure Leasing & Financial Services Limited	33,935,568 (8,112,048)	- (-)	- (-)	- (-)	- (-)
Corporate loans given					
Rapid MetroRail Gurgaon Limited	- (-)	- (72,700,000)	- (-)	- (-)	- (-)
Corporate loans received back					
Rapid MetroRail Gurgaon Limited	- (-)	- (99,700,000)	- (-)	- (-)	- (-)
Corporate loans taken					
IL&FS Transportation Networks Limited	- (50,000,000)	- (-)	- (-)	- (-)	- (-)
Corporate Loans paid back					
IL&FS Transportation Networks Limited	- (50,000,000)	- (-)	- (-)	- (-)	- (-)

Notes:

- 1 Amount in brackets represent previous year figures.
- 2 Reimbursement of cost is not included in above.

C. Balances at year end

Trade Payables

Infrastructure Leasing & Financial Services Limited	80,311 (44,450)	- (-)	- (-)	- (-)	- (-)
IL&FS Transportation Networks Limited	142,343 (-)	- (-)	- (-)	- (-)	- (-)
IL&FS Technologies Limited	- (-)	- (-)	- (7954)	- (-)	- (-)
IL&FS Engineering and Construction Company Limited	- (-)	- (-)	- (730957)	- (-)	- (-)

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Particulars	Holding / Ultimate Holding Company	Fellow subsidiary	Companies under common control	Companies Having Significant Influence	Key Managerial Personnel
Mobilisation advance received					
Rapid Metro Rail Gurgaon Ltd.	- (-)	126,964,433 (279,223,478)	- (-)	- (-)	- (-)
Short-term loans and advances (Asset)					
Infrastructure Leasing & Financial Services Limited	5,000 (-)	- (-)	- (-)	- (-)	- (-)
IL&FS Transportation Networks Limited	- (4,999)	- (-)	- (-)	- (-)	- (-)
IL&FS Technologies Limited	- (-)	- (-)	30,261 (-)	- (-)	- (-)
IL&FS Engineering and Construction Company Limited	- (-)	- (-)	31,837,503 (175,178,600)	- (-)	- (-)
Trade receivables Rapid Metro Rail Gurgaon Limited	- (-)	148,992,095 (-)	- (-)	- (-)	- (-)
Inter Corporate Deposits (Asset)					
Infrastructure Leasing & Financial Services Limited	673,303,278 (150,000,000)	- (-)	- (-)	- (-)	- (-)
Interest Accrued					
Infrastructure Leasing & Financial Services Limited	7,010,893 (5,016,267)	- (-)	- (-)	- (-)	- (-)

Amount in brackets represent balances as on March 31, 2011

Note 36: Segment Information

(I) Primary - Business Segments:

	Rupees							
	<i>Surface Transportation Business</i>		<i>Building Maintenance</i>		<i>Non reportable</i>		<i>Total</i>	
	As at / for the year ended March 31, 2012	As at / for the year ended March 31, 2011	As at / for the year ended March 31, 2012	As at / for the year ended March 31, 2011	As at / for the year ended March 31, 2012	As at / for the year ended March 31, 2011	As at / for the year ended March 31, 2012	As at / for the year ended March 31, 2011
Revenue								
External	2,243,921,356	523,813,674.00					2,243,921,356.00	523,813,674.00
Inter-Segment								
Segment Revenue	2,243,921,356.00	523,813,674.00	-	-	-	-	2,243,921,356.00	523,813,674.00
Total Revenue	2,243,921,356.00	523,813,674.00					2,243,921,356.00	523,813,674.00
Segment results							70,305,344.69	(14,362,209.79)
Unallocated income (excluding interest income)							563,970.00	51,462.00
Unallocated expenditure								
Interest Expenses								1,216,164.00
Interest Income unallocated							35,835,411.00	8,147,604.00
Provision for taxation (Including Wealth Tax & Fringe Benefit Tax)							13,532,935.00	(1,416,472.00)
Add: Share of Profit / (Loss) of Associates								
Add: Share of (Loss)/Profit of Minority Interest								
Net Profit / (Loss)							93,171,790.69	(5,962,835.79)
Segment assets	391,332,808.59	369,309,155.68					391,332,808.59	369,309,155.68
Unallocated Assets (Refer footnote 1)							1,690,119,719.00	726,859,370.00
Total assets							2,081,452,527.59	1,096,168,525.68
Segment liabilities	383,051,736.00	390,939,526.00					383,051,736.00	390,939,526.00
Unallocated Liabilities (Refer footnote 2)								
Total liabilities							383,051,736.00	390,939,526.00
Capital Expenditure for the year	3,612,450.00	3,500,043.00					3,612,450.00	3,500,043.00
Depreciation for the year	1,932,921.00	1,924,276.00					1,932,921.00	1,924,276.00
Non cash expenditure other than depreciation for the year								

(II) Secondary - Geographical Segments:

Rupees

Particulars	India		Outside India	
	As at / for the year ended March 31, 2012	As at / for the year ended March 31, 2011	As at / for the year ended March 31, 2012	As at / for the year ended March 31, 2011
Revenue - External	2,243,921,356.00	523,813,674.00	-	-
Segment Assets	2,081,452,527.59	1,096,168,525.68	-	-
Capital Expenditure	3,612,450.00	3,500,043.00	-	-

Footnotes: