KIRATPUR NER CHOWK EXPRESSWAY LIMITED

ANNUAL REPORT

2011-12

RAY & RAY
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF

Kiratpur Ner Chowk Expressway Limited

Report on the Financial Statements for the year ended 31st March, 2012

We have audited the accompanying financial statements of **Kiratpur Ner Chowk Expressway Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2012, and the Statement Profit and Loss and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information. These financial statements have been prepared by the Management of the Company based on Group Referral Instructions dated 26th December 2011 issued by the auditors of IL&FS Transportation Networks Limited (ITNL) ("Parent Company").

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the state of affairs, results of operations and cash flows of the Company in accordance with the accounting policies as mentioned in the Group Referral Instructions. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the standards on auditing generally accepted in India and the Group Referral Instructions. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's

Ray & Ray Mumbai Chartered Accountants

judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
(b) in the case of the Statement of Profit and Loss, of the profit/loss of the Company for the half year ended on that date and
(c) in the case of the Cash Flow Statement, of the cash flows of the Company for the half year ended on that date.

Emphasis of Matter

Without qualifying our opinion, we draw attention to the following elements of the reporting package determined on the basis of management estimates (which in turn are based on technical evaluations by independent experts):

a. Intangible Assets covered under service concession arrangements carried at Rs. N.A. of the total assets (net of current liabilities and provisions), the useful lives and the annual amortisation thereof;

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention that the financial statements have been prepared in accordance with the recognition and measurement criteria as given in the Group Referral Instructions for inclusion in the consolidated financial information of Parent Company. As a result, the financial statements may not be suitable for another purpose. Our

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report is intended solely for the Company and the Parent Company and should not to be distributed to or used by parties other than the Company or the Parent Company.

For Ray & Ray
Chartered Accountants
FRNo. 301072E

Arvind Yennemadi
Membership no:310004
Mumbai
13th April, 2012

Appendix D3 - Component Auditor Clearance: Audit of the Component's Financial Statements - Opinion Clearance Memorandum

Independent Auditor's Report on Special Purpose Financial Statements

Prepared for Consolidation Purposes

From:	**Ray & Ray Chartered Accountants, Mumbai, India**
Date:	**13th April, 2012**
Subject:	**Component Audit of Kiratpur Ner Chowk Expressway Limited for the Year ended March 31, 2012**
To:	**Deloitte Haskins & Sells, Mumbai, India**

In accordance with the GRI, we have audited, for purposes of your audit of the consolidated financial statements of ITNL, the accompanying reporting package of Kiratpur Ner Chowk Expressway Limited as of for the year ended March 31, 2012.

Management's Responsibility for the Special Purpose Financial Statements

Management is responsible for the preparation and presentation of this special purpose financial Statements in accordance with Group Referral Instructions. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the special purpose financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. This special purpose financial statement have been prepared solely to enable ITNL to prepare its consolidated financial statements.

Auditor's Responsibility

Our responsibility is to express an opinion on this special purpose financial statements based on our audit. We conducted our audit in accordance with Generally Accepted Auditing Standards pronounced by the Institute of Chartered Accountants of India and GRI. These Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the special purpose financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special purpose financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the special purpose financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and presentation of the special purpose financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the

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appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, made by management, as well as evaluating the overall presentation of the special purpose financial statements.

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

Opinion

In our opinion, the accompanying special purpose financial statements for Kiratpur Ner Chowk Expressway Limited as of 3st March, 2012 and for the year then ended has been prepared, in all material respects, in accordance with the policies and instructions contained in the referral instruction issued by ITNL dated 26th December, 2011.

Restriction on Use and Distribution

This special purpose financial statements have been prepared for purposes of providing information to ITNL to enable it to prepare the consolidated financial statements of the group. As a result, the special purpose financial statements have been prepared in accordance with the recognition and measurement criteria as given in the Group Referral Instructions for inclusion in the consolidated financial information of Parent Company. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Company and the Parent Company and should not to be distributed to or used by parties other than the Company or the Parent Company.

For Ray & Ray
Chartered Accountants
FRNo. 301072E

Arvind Yennemadi
Membership no: 310004
Mumbai
13th April, 2012

KIRATPUR NER CHOWK EXPRESSWAY LIMITED
(FOR CONSOLIDATION INTO THE FINANCIAL STATEMENTS OF IL&FS TRANSPORTATION NETWORKS LIMITED)
Balance Sheet As At March 31, 2012

Rs.

	Particulars	Note	As At March 31, 2012	
I	**EQUITY AND LIABILITIES**			
1	**SHAREHOLDERS' FUNDS**			
	(a) Share capital	2	8,55,00,000	
	(b) Reserves and surplus	3	-13,65,724	
	(c) Money received against share warrants		-	8,41,34,276
2	**SHARE APPLICATION MONEY PENDING ALLOTMENT**	4	-	-
3	**MINORITY INTEREST**		-	
4	**PREFERENCE SHARES ISSUED BY SUBSIDIARY TO MINORITY**		-	
5	**ADVANCE TOWARDS CAPITAL TO SUBSIDIARY BY MINORITY**		-	-
6	**NON-CURRENT LIABLITIES**			
	(a) Long-term borrowings	5	-	
	(b) Deferred tax liabilities (Net)	7	-	
	(c) Other long term liabilities	8	-	
	(d) Long-term provisions	11	-	-
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	9	34,45,46,032	
	(e) Other current liabilities	10	4,35,80,437	
	(f) Short-term provisions	12	-	38,81,26,469
	TOTAL			47,22,60,745
II	**ASSETS**			
1	**NON CURRENT ASSETS**			
	(a) Fixed assets	13		
	(i) Tangible assets		-	
	(ii) Intangible assets		-	
	(iii) Capital work-in-progress		-	
	(iv) Intangible assets under development		43,56,90,200	43,56,90,200
	(b) Non-current investments	14	-	
	(c) Goodwill on consolidation			
	(d) Deffered tax assets (Net)	7	-	
	(e) Long-term loans and advances	16	1,000	
	(f) Other non-current assets	18	-	1,000
2	**CURRENT ASSETS**			
	(a) Current Investments	15	-	
	(b) Inventories	20	-	
	(c) Trade receivables	21	-	
	(d) Cash and bank balances	22	3,65,69,545	
	(e) Short-term loans and advances	17	-	
	(f) Other current assets	19	-	3,65,69,545
	TOTAL			47,22,60,745

Notes 1 to 38 form part of the consolidated financial statements.

In terms of our report attached.
For Ray & Ray
Chartered Accountants
Firm Registration No.301072E

Arvind Yenemadi
Partner
Membership Number : 031004
Place: Mumbai
Date:

For Kiratpur Ner Chowk Expressway Limited

Director

Director

Ray & Ray Mumbai Chartered Accountants

RAY & RAY MUMBAI Chartered Accountants

KIRATPUR NER CHOWK EXPRESSWAY LIMITED
(FOR CONSOLIDATION INTO THE FINANCIAL STATEMENTS OF IL&FS TRANSPORTATION NETWORKS LIMITED)
Statement of Profit and Loss for the Period Ended on March 31, 2012

Rs.

	Particulars	Note		For the period ended on March 31, 2012
I	**Revenue from operations**	24		34,37,00,000
II	**Other income**	25		-
III	**Total revenue (I + II)**			**34,37,00,000**
IV	**Expenses**			
	Cost of materials consumed	26		-
	Operating expenses	27		34,37,00,000
	Employee benefit expenses	28		-
	Finance costs	29		-
	Administrative and general expenses	30		13,45,318
	Preliminary / Miscellaneous Expenditure Written Off			20,406
	Depreciation and amortization expense	13		-
	Provision for diminution in value of investments			
	Total expenses			34,50,65,724
V	**Profit before exceptional and extraordinary items and tax (III-IV)**			**-13,65,724**
VI	**Add / (Less) : Exceptional items**			-
VII	**Profit before extraordinary items and tax (V-VI)**			**-13,65,724**
VIII	**Add / (Less) : Extraordinary items**			-
IX	**Profit before taxation (VII-VIII)**			**-13,65,724**
X	**Tax expense:**			
	(1) Current tax			-
	(2) Tax relating to earlier period			-
	(3) Deferred tax			-
	Total tax expenses (X)			-
XI	**Profit from continuing operations before consolidation adjustment (IX-X)**			**-13,65,724**
	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**			**-13,65,724**
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 period (XII-XV)**			-13,65,724
	Earnings per equity share (Face value per share Rupees 10/-):	31		
	(1) Basic (Not Annualised)			-0.16
	(2) Diluted (Not Annualised)			-0.16

Notes 1 to 38 form part of the consolidated financial statements.

In terms of our report attached.
For Ray & Ray
Chartered Accountants
Firm Registration No.301072E

Arvind Yennemadi
Partner
Membership Number : 031004
Place: Mumbai
Date: 13th April, 2012

For Kiratpur Ner Chowk Expressway Limited

Director

Director

Ray & Ray Mumbai Chartered Accountants

RAY & RAY MUMBAI Chartered Accountants

KIRATPUR NER CHOWK EXPRESSWAY LIMITED
(FOR CONSOLIDATION INTO THE FINANCIAL STATEMENTS OF IL&FS TRANSPORTATION NETWORKS LIMITED)
CASH FLOW FOR THE PERIOD ENDED ON MARCH 31, 2012

Rs.

	For the period ended on March 31, 2012
Cash Flow from Operating Activities	
Profit / (Loss) Before Tax	(13,65,724)
Operating profit before Working Capital Changes	(13,65,724)
Adjustments for:	
Depreciation	-
Construction Income	(34,37,00,000)
Construction Cost	34,37,00,000
Amount Set aside/ written off for Non-Performing Assets / Investment Valuation	-
Provisions & Contingencies	-
Provision for Employee Benefits (Net)	-
Provision for overlay expenses	-
Bad Debts and Preliminary expenses written off	-
Foreign Currency Translation Reserve (Net)	-
Income from Financial Assets (Net of annuity received)	-
Net Profit / (Loss) on Sale of Long - Term Investements	-
Net Profit / (Loss) on Sale of Own Assets	-
Operating profit before Working Capital Changes	(13,65,724)
Adjustments for changes in working capital:	
(Increase) / Decrease in Other Current, Other Non-Current Assets & Trade Receivables	-
(Increase) / Decrease in Deposits under Lien	-
(Increase) / Decrease in Current Investments (Net)	-
Increase / (Decrease) in Short-term Borrowings	-
Increase / (Decrease) in Other Current, Other Non-Current Liabilities & Trade Payables	85,869
Operating Cash Flows after Working Capital Changes	(12,79,855)
Payment of Taxes	-
Net Cash Generated / (Used) in Operating Activities (A)	(12,79,855)
Cash flow from Investing Activities	
Investment in Subsidiaries & Joint Ventures	-
Proceeds from sale of Investment in Subsidiaries & Joint Ventures	-
Investment Other Long-term Investements	-
Proceeds from sale of Other Non-Current Investments	-
Investment in Associates	-
Proceeds from sale of Associates	-
Dividend received from Associates	-
Expenditure towards creation of Financial Assets	-
Decrease/(Increase) in Bank Deposits	-
Purchase of Fixed Assets (including Intangible Assets)	-
Proceeds from Sale of Fixed Assets	-
Interest & Finance charges Paid	(4,76,49,600)
Interest on Short Term Deposit	-
(Increase) / decrease in Loans & Advances related to Investment activities	(1,000)
Increase / (decrease) in payables related to Investment activities	-
Net Cash from Investing Activities (B)	(4,76,50,600)
Cash flow from Financing Activities	
Increase in Equity Share Capital	8,55,00,000
Proceeds from Long-term Borrowings	-
Repayment of Long-term Borrowings	-
Grant Received	-
Proceeds from Minority Interest	-
Dividend paid (including Tax thereon)	-
Dividend paid to Minority Interest	-
Increase /(decrease) in Advance towards capital	-
Net Cash from Financing Activities (C)	8,55,00,000
Net Increase in Cash & Cash Equivalents (A+B+C)	3,65,69,545
Cash and Cash Equivalent at the beginning of the Year (Note No.11)	-
Cash and Cash Equivalent at the end of the Year (Note No.11)	3,65,69,545
Net Increase / (Decrease) in Cash & Cash Equivalents	3,65,69,545
Notes:	
Components of Cash & Cash Equivalent	
Cash on Hand	-
Cheques on Hand	-
Balance with Scheduled Banks - Current Accounts	3,65,69,545
Balance with Scheduled Banks in term deposits (maturity less than 3 months)	-
	3,65,69,545
Fixed deposits placed for periods exceeding 3 months	-
Cash & Bank Balances	3,65,69,545

Notes 1 to 38 form part of the consolidated financial statements.

In terms of our report attached.
For Ray & Ray
Chartered Accountants
Firm Registration No.301072E

Arvind Yennemadi
Partner
Membership Number : 031004
Place: Mumbai
Date: 13th April, 2012

Ray & Ray Mumbai Chartered Accountants

For Kiratpur Ner Chowk Expressway Limited

Director

Director

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Note 1 – SIGNIFICANT ACCOUNTING POLICIES

(1) <u>Accounting for Rights under Service Concession Arrangements</u>

i. Recognition and measurement

The Group builds roads under public-to-private Service Concession Arrangements (SCAs) which it operates and maintains for periods specified in the SCAs.

Under the SCAs, where the Group has received the right to charge users of the public service, such rights are recognised and classified as "Intangible Assets". Such right is not an unconditional right to receive consideration because the amounts are contingent to the extent that the public uses the service and thus are recognised and classified as intangible assets. Such an intangible asset is recognised by the Group at cost (which is the fair value of the consideration received or receivable for the construction services delivered).

Under the SCAs, where the Group has acquired contractual rights to receive specified determinable amounts, such rights are recognised and classified as "Financial Assets", even though payments are contingent on the Group ensuring that the infrastructure meets the specified quality or efficiency requirements. Such financial assets are classified as "Receivables against Service Concession Arrangement".

Consideration for various services (i.e. construction or upgrade services, operation and maintenance services, overlay services) under the SCA is allocated on the basis of costs actually incurred or the estimates of cost of services to be delivered.

ii. Contractual obligation to restore the infrastructure to a specified level of serviceability

The Group has contractual obligations to maintain the infrastructure to a specified level of serviceability or restore the infrastructure to a specified condition before it is handed over to the grantor of the SCA. Such obligations are measured at the best estimate of the expenditure that would be required to settle the obligation at the balance sheet date. In case of intangible assets, the timing and amount of such cost are estimated and recognised on an undiscounted basis by charging costs to revenue on the units of usage method i.e. on the number of vehicles expected to use the project facility, over the period at the end of which the overlay is estimated to be carried out based on technical evaluation by independent experts. In case of financial assets, such costs are recognised in the year in which such costs are actually incurred.

iii. Revenue recognition

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

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Revenue from financial asset is recognised in the Profit and Loss Account as interest, calculated using the effective interest method from the year in which construction activities are started.

Revenue from operating and maintenance services and from overlay services is recognised in the period in which such services are rendered.

Revenue from intangible assets is recognised in the period of collection which generally coincides with the usage of the public service or where from such rights have been auctioned, in the period to which auctioned amount relates.

iv. Borrowing cost

In respect of a financial asset, borrowing costs attributable to construction of the road are charged to Profit & Loss Account in the period in which such costs are incurred.

In respect of an intangible asset, borrowing costs attributable to construction of the roads 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. Amortisation of Intangible Asset

The intangible rights which are recognised in the form of right to charge users of the infrastructure asset are amortised on the units of usage method i.e. on the number of vehicles expected to use the project facility over the concession period as estimated by the management.

A review of the estimated useful life/the concession period of the rights and number of vehicles expected to use the project facility over the balance period is undertaken by the Management based on technical evaluation by independent experts at periodic intervals to assess the additional charge for amortisation, if any

vi. Gains / Losses on intra-group transactions

As the financial assets and intangible assets recognized as aforesaid are acquired in exchange for infrastructure construction / upgrading services, gains / losses on intra group transactions are treated as realized and not eliminated on consolidation.

(2) Fixed Assets and Depreciation/Amortisation:

(a) Tangible fixed assets and depreciation

Tangible fixed assets acquired by the Group 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 Group 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

(iii) Depreciation on fixed assets, other than on assets specified in 2(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, other than those covered by SCAs, comprise of software and amounts paid for acquisition of commercial rights under an "Operation and Maintenance" agreement for a toll road project.

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

Acquired intangible assets are reported separately from goodwill if they fulfill the criteria for qualifying as an asset, implying they can be separated or they are based on contractual or other legal rights and that their market value can be established in a reliable manner.

An impairment test of such intangible assets is conducted annually or more often if there is an indication of a decrease in value. The impairment loss, if any, is reported in the Profit and Loss Account.

Intangible assets, other than those covered by SCAs, are amortised on a "straight line" basis over their estimated useful lives. The estimated useful life of software is four years. The amount paid for acquisition of the rights under the "Operations and Maintenance" agreement is amortised over the minimum balance period (as at the time of acquisition) of the concession agreement relating to the corresponding toll road project.

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(3) **Impairment of Assets:**

The carrying values of assets of the Group'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

(4) **Government Grants:**

(a) Government grants are recognised only when it is reasonably certain that the related entity will comply with the attached conditions and the ultimate collection is not in doubt.

(b) Grants received as compensation for expenses or losses are taken to the Profit and Loss Account is accounted in the period to which it relates. Grants in the nature of promoter's contribution are treated as Capital Reserve.

(c) Grants related to specific fixed assets are treated as deferred income, which is recognised in the Profit and Loss Account in proportion to the depreciation charge over the useful life of the asset.

(5) **Investments:**

(a) Investments are capitalised 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.

(6) **Inventories:**

(a) Inventories are valued at the lower of cost and net realisable value. Net realisable value is estimated at the expected selling price less estimated selling costs.

(b) Costs for trading goods are determined using the annual weighted average principle and includes purchase price and non-refundable taxes.

(c) Cost of raw material includes purchase price and non-refundable taxes.

(d) Cost of manufactured goods include direct and indirect cost

(e) Stock in trade of units in Mutual Funds are valued at the lower of cost and net asset value. Costs are determined on first-in-first-out basis. Net realisable value is determined on the basis of the net asset value of the scheme as at the year end.

(f) Inventories of electronic cards (prepaid cards) and on-board units are valued at the lower of cost and net realisable value. Cost is determined on first-in-first-out basis.

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(7) Recognition of Revenue other than from Service Concession Arrangements:

(a) 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.

(b) 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. In respect of the Group's trading activities, revenue is recognised on dispatch of goods, which coincides with the significant transfer of risks and rewards.

(c) Revenue realised from grant of advertisement rights is recognised as follows:

(i) Development fees are recognised as income during the year in which the advertisement rights are granted.

(ii) License fees are recognised as income on a "Straight-Line" basis over the duration of the license.

(d) 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.

(8) 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 Group'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.

(c) Non monetary items (such as equity investments) denominated in foreign currencies are reported using exchange rate as at the date of the transaction. Where such items are carried at fair value, these are reported using exchange rates that existed on dates when the fair values were determined.

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(d) Inter-company receivables or payables for which settlement is neither planned nor likely to occur in the foreseeable future and are in substance an extension to or a deduction from the Group's net investments in a foreign entity are translated at closing rates but the exchange differences arising are accumulated in a foreign currency translation reserve until disposal of the net investment, at which time they are recognised as income or expense in the Profit and Loss Account. Any repayment of receivables or payables forming part of net investment in foreign operations is not considered as partial disposal of investments in foreign operations and amounts previously recognised in the foreign currency translation reserve are not adjusted until the disposal of the ownership interest occurs.

(e) The Group's forward exchange contracts are not held for trading or speculation. The premium or discount arising on entering into such contracts is amortised over the life of the contracts and exchange difference arising on such contracts is recognised in the Profit and Loss Account.

(9) 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 Group.

b. Long Term

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

(i) Defined-contribution plans

These are plans in which the Group 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 Group'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, 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.

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c. **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.

(10) <u>Taxes on Income:</u>

(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 Group's entities 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.

(11) <u>Provisions, Contingent Liabilities and Contingent Assets:</u>

(a) A provision is recognised when the Group 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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(12) **Segment Reporting:**

(a) Segment revenues, expenses, assets and liabilities have been 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 Group as a whole and are not allocable to segments on a reasonable basis, are included under "Unallocated Revenue/Expenses/Assets/Liabilities".

(13) **Financial Income and Borrowing Costs:**

(a) Financial income and borrowing cost include interest income on bank deposits and interest expense on loans.

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

(c) Borrowing costs are recognised in the period to which they relate, regardless of how the funds have been utilised, except where it relates to the financing of construction of development of assets requiring a substantial period of time to prepare for their intended future use. Interest is capitalised up to the date when the asset is ready for its intended use. The amount of interest capitalised (gross of tax) for the period is determined by applying the interest rate applicable to appropriate borrowings outstanding during the period to the average amount of accumulated expenditure for the assets during the period.

(14) **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 Group 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 Group by the weighted average number of equity shares determined by assuming conversion on exercise of conversion rights for all potential dilutive securities.

(15) **Derivative Transactions:**

(a) Premium paid on acquisition of option contracts is treated as a current asset until maturity. If the premium paid exceeds the premium prevailing as at the date of the balance sheet, the difference is charged to the Profit and Loss Account. If the prevailing premium as at the balance sheet date exceeds the premium paid for acquiring option contracts, the difference is not recognised.

(b) Premium received on option contracts written is treated as a current liability until maturity. If the premium prevailing on the balance sheet date exceeds the premium received on such options, the difference is charged to the Profit and Loss Account. If the prevailing premium as at the balance sheet date falls short of the premium received for writing option contracts, the difference is not recognised.

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(c) Hedging instruments are initially measured at fair value, and are remeasured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised directly in shareholder's funds and the ineffective portion is recognised immediately in profit and loss account.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in profit and loss account.

Hedge accounting is discontinued when the hedging instrument is expired or sold, terminated or exercised or no longer qualifies for hedge accounting. At the time for forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in shareholder's funds is retained there until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in shareholder's funds is transferred to profit and loss account for the period.

(16) <u>Leases:</u>

(a) Finance leases, which effectively transfer to the Group substantial risks and benefits incidental to ownership of the leased item, are capitalised and disclosed as leased assets. Lease payments are apportioned between finance charges and reduction of lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

(b) 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.

(17) <u>Share Based Payment Transactions:</u>

(a) A jointly controlled entity operates equity-settled, share option plan for eligible employees, including directors of that entity, whether full time or not and such other persons eligible to participate therein under applicable laws.

(b) The options are valued at the difference between the trading price of the security in the Stock Exchange at the date of the grant and exercise price and are expensed over the vesting period, based on the entities estimate of shares that will eventually vest.

(c) The total amount to be expensed over the vesting period is determined by reference to the value of the options granted, excluding the impact of any non-market vesting conditions.

(d) At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable.

(18) <u>Cash and Cash Equivalents:</u>

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 Group's cash and cash equivalents in the Cash Flow Statement.

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(19) 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".

(20) Preliminary Expenses:

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

(21) Current/Non-Current Assets and Liabilities:

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

a) It is expected to be realized within 12 months after 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 satisfies any of following criteria:

c) It is expected to be settled within 12 months after the reporting date,

d) It is held for trading purpose

All other liabilities are classified as Non-current

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Note 2: Share capital

Particulars	As at March 31, 2012	
	Number	Rs.
Authorised		
Equity Shares of Rupees 10/- each	15,00,00,000	1,50,00,00,000
Issued		
Equity Shares of Rupees 10/- each	85,50,000	8,55,00,000
Subscribed and Paid up		
Equity Shares of Rupees 10/- each fully paid (refer foot note no. I and ii)	85,50,000	8,55,00,000
Total	**85,50,000**	**8,55,00,000**

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	
	Equity Shares	
	No. of Shares	Rs.
Shares outstanding at the beginning of the period / year	-	-
Shares issued during the period / year	85,50,000	8,55,00,000
Shares bought back during the period / year	-	-
Shares outstanding at the end of the period / year	85,50,000	8,55,00,000

ii. Shareholding more than 5% shares

Name of Shareholder	As at March 31,2012	
	No. of Shares held	% of total holding
IL&FS Transportation Networks Limited (Holding Company)	85,50,000	100.00%
Total	**85,50,000**	**100.00**

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Note 3: Reserves and surplus

Rs.

Particulars	As at March 31, 2012	
(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 (Refer footnote (a) below)		
Opening balance	-	
(+) Created during the year (Grant From National Highway Authority Of India) (Equity Support)	-	
(-) Written back in current year	-	-
(e) Other Reserves		
Foreign exchange flucatuation reserve	-	
Cash flow hedge reserve (refer foot note no. i)	-	-
(f) Capital Reserve on Consolidation		
Opening balance	-	
(+) On account of acquisition / merger	-	
(-) Written back in current year	-	
(g) Profit / (Loss) Surplus		
Opening balance	-	
(+) Profit for the current period / year	(13,65,724)	
(-) Consolidation adjustment	-	
(-) Transfer to general reserves	-	
(-) Transfer tò debenture redemption reserve	-	
(-) Dividends (including dividend tax)	-	
(-) Premium on preference shares of subsidiary	-	
(-)Tax on dividend and premium on preference shares of subsidiary	-	(13,65,724)
Total		(13,65,724)

Foot Note:

i. Cash flow hedge reserve

The movement in hedging reserve held by a subsidiary during the year ended March 31, 2012 for derivatives designated as Cash flow hedges is as follow:

Particulars
Balance at the beginning of the period / year
Changes in the fair value of effective portion of outstanding cash flow derivatives
Balance at the end of the period / year

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Note 4: Share Application Money Pending Allotment

Particulars
Share Application Money Pending Allotment
Total

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Note 5: Long-term borrowings

Rs.

Particulars	As at March 31, 2012	
(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. i)	-	
From financial institutions	-	
From others	-	
		-
(ii) Unsecured		
From banks	-	
From financial institutions	-	
From Holding Company	-	-
(c) Long term maturities of finance lease obligations		
(i) Secured	-	
(ii) Unsecured	-	-
Total		-

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Note 6: Short-term borrowings

RS.

Particulars	As at March 31, 2012	
(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		-

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

The entitiy have net deferred tax liabilities or deferred tax assets aggregating ` Nil/- as at March 31, 2012.

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

Particulars	As at March 31, 2012
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
Assets:	
Timing differences in respect of income	-
Timing differences in respect of depreciation	-
Timing differences in respect of employee benefits	-
Net deferred tax asset	-

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Note 8: Other long term liabilities

RS.

Particulars	As at March 31, 2012	
(a) Trade Payables		
To related parties	-	
To others	-	-
(b) Others		
Others		-
Total		-

Note 9: Trade Payables

Particulars	As at March 31, 2012	
(a) Trade Payables		
To related parties	34,44,71,580	
To others	74,452	34,45,46,032
(b) Others		
Others	-	-
Total		**34,45,46,032**

Footnote:

(a) According to the records available with the Company, there were no dues to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006. Hence disclosures, if any, relating to amounts unpaid as at the end of the year with the interest paid / payable as required under the said Act have not been given.

Note 10: Other current liabilities

Particulars	As at March 31, 2012	
(a) Interest accrued but not due on borrowings	-	
(b) Interest accrued and due on borrowings	-	
(c) Income received in advance	-	
(d) Advance received	-	
(e) Other liabilities	4,35,80,437	4,35,80,437
Total		**4,35,80,437**

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Note 11: Long-term provisions

Rs.

Particulars	As at March 31, 2012	
(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	-	
(f) Provision for overlay (refer note 12 foot note no. i)	-	
(g) Provision for contingency (refer foot note no. i)	-	-
Total		-

Foot Note:
(i) The provision for contingency relates to ____________________

Particulars	
Opening balance	
Add : Provision made during the period / year	
Less : Provision utilised / reversed during the period / year	
Closing balance	

Note 12: Short-term provisions

Particulars	As at March 31, 2012	
(a) Provision for employee benefits.	-	
(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)	-	-
Total		-

Foot Note:
(i) Provision for overlay in respect of toll roads maintained by the Group under service concession arrangements and classified as intangible assets represents contractual obligations to restore an infrastructure facility to a specified level of serviceability in respect of such asset. Estimate of the provision is measured using a number of factors, such as current contractual requirements, technology, expert opinions and expected price levels. Because actual cash flows can differ from estimates due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provision is reviewed at regular intervals and adjusted to take account of such changes.
Accordingly, financial and accounting measurements such as the revenue recognized on financial assets, allocation of annuity into recovery of financial asset, carrying values of financial assets and depreciation of intangible assets and

Movements in provision made for overlay are tabulated below:

Particulars	As at March 31, 2012
Opening balance	-
Adjustment for new acquisition / exchange difference during the year	-
Provision utilised during the year	-
Provision made during the year	-
Closing balance	-

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Note 13: Fixed assets

Rs.

	Particulars	Gross block					Accumulated depreciation					Net block	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	-	-	-	-	-	-	-	-	-	-	-	-
	Data processing equipments	-	-	-	-	-	-	-	-	-	-	-	-
	Office premises	-	-	-	-	-	-	-	-	-	-	-	-
	Office equipments	-	-	-	-	-	-	-	-	-	-	-	-
	Leasehold improvements	-	-	-	-	-	-	-	-	-	-	-	-
	Furniture and fixtures	-	-	-	-	-	-	-	-	-	-	-	-
	Electrical installations	-	-	-	-	-	-	-	-	-	-	-	-
	Plant and machinery	-	-	-	-	-	-	-	-	-	-	-	-
	Advertisement structure	-	-	-	-	-	-	-	-	-	-	-	-
	Plant and machinery - Leased	-	-	-	-	-	-	-	-	-	-	-	-
	Vehicles - Leased	-	-	-	-	-	-	-	-	-	-	-	-
	Furniture and fixtures - Leased	-	-	-	-	-	-	-	-	-	-	-	-
	Building and structures - Leased	-	-	-	-	-	-	-	-	-	-	-	-
	Land - Leased	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-	-
b)	**Intangible assets**												
	Software / Licences	-	-	-	-	-	-	-	-	-	-	-	-
	Commercial rights acquired	-	-	-	-	-	-	-	-	-	-	-	-
	Rights under service concession arrangements (refer foot note no. i)	-	-	-	-	-	-	-	-	-	-	-	-
	Trademarks and licences	-	-	-	-	-	-	-	-	-	-	-	-
	Others	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-	-
	Grand total	-	-	-	-	-	-	-	-	-	-	-	-
c)	Capital work-in-progress	-	-	-	-	-	-	-	-	-	-	-	-
d)	Intangible assets under Development (refer foot note no. i)	-	-	43,56,90,200	-	43,56,90,200	-	-	-	-	-	43,56,90,200	-

Foot Note:

i **Estimates under Service Concession Arrangement - Right under Service Concession Arrangements / Intangible assets under Developments**
Under the Service Concession Arrangements, where the Group has received the right to charge users of the public services, such rights are recognized and classified as "Intangible Assets". Such a right is not an unconditional right to receive consideration because the amounts are contingent to the extent that the public uses the service and thus are recognized and classified as intangible assets. Such an intangible asset is recognised by the Group at cost (which is the fair value of consideration received or receivable for the construction services delivered).
Accordingly, the fair value of consideration for construction services in respect of intangible assets covered under service concession arrangements of the Group, the useful lives of such intangible assets, the annual amortisation in respect thereof, and the provisions for overlay costs have been estimated by the management having regard to the contractual provisions, the evaluations of the units of usage and other technical evaluations by independent experts, the key elements having been tabulated below:

Particulars	Upto / As at March 31, 2012	Upto / As at March 31, 2011
Margin on construction services recognised in respect of intangible assets		
Carrying amounts of intangible assets	-	-
Amortisation charge in respect of intangible assets	-	-
Units of usage (No. of vehicles)	-	-
	-	-
Provision for overlay in respect of intangible assets	-	-

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Note 14: Non-current investments

Particulars	As at March 31, 2012	
(a) Investment in Unquoted Equity Instruments - Associates		
Investment in associates	-	
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	-	-
(b) Investment in Unquoted Equity Instruments (fully paid)	-	
(c) Investment in Covered Warrants (refer foot note no. i)	-	
(d) Investment in Non Convertible Debentures	-	
(e) Investment in Others	-	
Less: Provision for dimunition in the value of Investments	-	-
Total		-

Foot Note:

(i) The investment in "Covered Warrants" aggregating Rupees ________ (Previous Year Rupees ____________), issued by____

The details are as under:

Particulars	Face Value

Note 15: Current investments

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

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Note 16: Long-term loans and advances

Rs.

Particulars	As at March 31, 2012	
(a) Capital Advances		
Unsecured, considered good	-	-
(b) Security Deposits		
Secured, considered good		
Unsecured, considered good	1,000	1,000
(c) Loans and advances to related parties		
Unsecured, considered good		
- Advance recoverable in cash or kind - related parties (Advance against capital expenditure)	-	
- Option premium assets	-	
- Long term loans	-	-
(d) Other loans and advances		
Unsecured, considered good		
- Advance recoverable in cash or kind - others	-	
- Loans to others	-	-
Total		1,000

Note 17: Short-term loans and advances

Particulars	As at March 31, 2012	
(a) Loans and advances to related parties		
Unsecured, considered good		
- Advance recoverable in cash or kind - related parties	-	
- Investment in call money	-	
- Advance towards share application money	-	
- Short term loans	-	-
(d) Other loans and advances		
Unsecured, considered good		
- Advance payment of taxes (net of provision)	-	
- Advance fringe benefit tax (net of provision)	-	
- MAT credit entitled	-	
- Advance towards share application money	-	
- Advance recoverable in cash or kind	-	
- Short term loans - others	-	-
Total		-

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Note 18: Other non-current assets

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

Foot Note:
(I) Toll Receivable Account includes Rupees ______________________________

Note 19: Other current assets

Particulars	As at March 31, 2012	
(a) Unbilled revenue	-	
(b) Interest accrued	-	
(c) Receivable under service concession arrangement (refer foot note no. i)	-	
(d) Grant receivable from National Highways and Authorities of India	-	-
Total		-

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Note 20: Inventories

Rs.

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

Note 21: Trade receivables

Particulars	As at March 31, 2012	
(a) Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	-	-
(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		-

Note 22: Cash and bank balances

Particulars	As at March 31, 2012	
(a) Cash and cash equivalents		
Cash on hand	-	
Current accounts	3,65,69,545	
Fixed Deposits placed for a period less than 3 months	-	
Unpaid dividend accounts		3,65,69,545
(b) Other bank balances		
Fixed Deposits placed for a period exceeding 3 months	-	-
Total		3,65,69,545

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Note 23: Contingent liabilities and capital commitments & Other Information

A) Contingent liabilities :

Particulars (Name & description)	₹ As at March 31, 2012
Guarantees issued on behalf of Group Companies	-
Guarantees issued on behalf of Third parties	-
Claims against the Group not acknowledged as debt	-
Others (Please give description)	-

B) Financial commitments pending to be executed :

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

C) Operating commitments pending to be executed :

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

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

Particulars (Name of party & description)	₹ As at March 31, 2012
IL & FS Transportation Networks Ltd. (The Holding Company) -Project development fees	572,800,000
IL & FS Financial Services Ltd. (Fellow subsidiary Company) - Advisory fees	68,240,200
IL & FS Financial Services Ltd. (Fellow subsidiary Company) - Debt syndication fees	44,245,800

E) Disclose the amount paid/Payable to Auditors :

Particulars (Name of party & description)	₹ As at March 31, 2012
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Audit Fees	-
Taxation Matter	27,575
Certification Matter	-
Other Services	11,030
	55,150

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Note 24: Revenue from operations

Rs.

Particulars	For the period ended on March 31, 2012	
(a) Income from services		
Advisory and project management fees	-	
Lenders' engineer and supervision fees	-	
Operation and maintenance income	-	
Toll revenue	-	
Periodic maintenance income	-	
Finance income	-	
Licence fee	-	
Operation and maintainace Grant from MORTH	-	-
(b) Construction income		34,37,00,000
(c) Sales (net of sales tax)		-
		34,37,00,000

Note 25: Other income

Particulars	For the period ended on March 31, 2012	
(a) Interest Income		
Interest on loans granted	-	
Interest on debentures	-	
Interest on call money	-	
Interest on bank deposits	-	
Interest on short term deposit	-	
Interest on advance towards property	-	-
(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	-	-
		-

Note 26: Cost of materials consumed

Particulars	For the period ended on March 31, 2012	
(a) Material consumption	-	
(b) Cost of traded products	-	-
		-

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Note 27: Operating expenses

Rs.

Particulars	For the period ended on March 31, 2012	
Construction contract costs	34,37,00,000	
Fees for technical services / design and drawings	-	
Diesel and fuel expenses	-	
Operation and maintenance expenses	-	
Provision for overlay expenses	-	
Periodic maintenace expenses	-	
Toll plaza expenses	-	
Negative grant	-	34,37,00,000
		34,37,00,000

Note 28: Employee benefit expenses

Particulars	For the period ended on March 31, 2012	
(a) Salaries and wages	-	
(b) Contribution to provident and other funds	-	
(c) Staff welfare expenses	-	-
		-

Footnote: (Disclosure to be given as per AS-15)

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Note 29: Finance costs

Particulars	For the period ended on March 31, 2012	
(a) Interest expenses		
Interest on loans for fixed period	-	
Interest on debentures	-	
Interest on deep discount bonds	-	
Other interest	-	-
(b) Other borrowing costs		
Guarantee commission	-	
Finance charges	-	
Upfront fees on performance guarantee	-	-
		-

Note 30: Administrative and general expenses

Rs.

Particulars	For the period ended on March 31, 2012	
Legal and consultation fees	26,883	
Auditors' Remunaration	93,755	
Agency fees	-	
Travelling and conveyance	-	
Rent	-	
Rates and taxes	680	
Repairs and maintenance	-	
Bank commission	-	
Registration expenses	12,24,000	
Communication expenses	-	
Insurance	-	
Exchange rate fluctuation	-	
Printing and stationery	-	
Electricity charges	-	
Directors' fees	-	
Bad debts and provision for doubtful debts	-	
Project management fees	-	
Loss on sale of fixed assets (net)	-	
Royalty	-	
Miscellaneous expenses	-	13,45,318
		13,45,318

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Note 31: Earnings per equity share

Rupees

Particulars	Unit	Period ended on March 31, 2012
Profit after tax and minority interest	Rupees	-13,65,724
Premium on preference shares	Rupees	-
Tax on premium on preference shares	Rupees	-
Profit available for Equity Shareholders	Rupees	-13,65,724
Weighted number of Equity Shares outstanding	Numbers	85,50,000
Nominal Value of equity shares	Rupees	10.00
Basic Earnings per share	Rupees	-0.16
Equity shares used to compute diluted earnings per share	Numbers	85,50,000
Diluted Earnings per share	Rupees	-0.16

In the absence of clarity as to the impact of advance towards capital on the earnings of the Group, no adjustment has been made for potential dilution in computing diluted earnings per share.

Note 32: Previous period / year

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

Note 33: Disclosure in terms of Accounting Standard (AS) 7 – Construction Contracts

Particulars	Year ended March 31, 2012
Contract Revenue recognised as revenue during the year	-
Aggregate amount of Contract Costs incurred during the year	-
Profits during the year	-
Advances received as at the year end	-
Retention money as at the year end	-
Gross amount due from customers for contract work, disclosed as asset, as at the year end	-
Gross amount due to customers for contract work, disclosed as liability as at the year end	-

Note 34 : Disclosure of Leases : (TO BE GIVEN FOR March 12 & March 11)

Name of related Party/ Group Companies (A)	Name of related Party/ Group Companies (B)	Total (Related parties / Group Companies) (C=A+B)	Others (D)
I. Receipts			
(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			
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			
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 35 : Movement of MAT Credit for the period:

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

Note 36 : Details of Grant (For March 12 & March 11)

From	Purpose	Sanctioned Grant Amount	Received	Utilised
		-	-	-
		-	-	-

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Note 37: Related Party Statement

Nature of Relationship	Name of Entity	Acronym used
Holding Company	IL&FS Transportation Networks Limited	ITNL
Fellow Subsidiaries	IL&FS Trust Company Limited	ITCL
	IL&FS Financial Services Ltd.	IFIN
Associates :	NIL	NIL
Co - Venture :	NIL	NIL
Key Management personnel :	NIL	NIL

2 Details of balances and transactions during the period with related parties

Account head	Name of Entity	As At March 31, 2012
Balances:		
Share Capital	ITNL	85,500,000
Sundry Creditors	ITNL	309,330,000
Sundry Creditors	IFIN	34,744,500
Sundry Creditors	ITCL	397,080
Deposit Given	ITCL	1,000
Transactions:		**For the period ended March 31, 2012**
Project Development Fees	ITNL	343,700,000
Debt Syndication Fees	IFIN	38,605,000
Security Trustee Fees paid	ITCL	441,200
Deposit amount paid	ITCL	1,000

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Note 38: Segment Information

(I) Primary - Business Segments:

	Surface Transportation Business		*Building Maintenance*		*Non reportable*		*Total*	
	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	343,700,000.00	-	-	-	-	-	343,700,000.00	-
Inter-Segment		-	-	-	-	-	-	-
Segment Revenue								
Total Revenue	343,700,000.00	-	-	-	-	-	343,700,000.00	-
Segment results	(1,365,724.00)						(1,365,724.00)	
Unallocated income (excluding interest income)	-	-	-	-	-	-	-	-
Unallocated expenditure			-	-	-	-	-	-
Interest Expenses	-	-	-	-	-	-	-	-
Interest Income unallocated	-	-	-	-	-	-	-	-
Provision for taxation (Including Wealth Tax & Fringe Benefit Tax)	-	-	-	-	-	-	-	-
Add: Share of Profit / (Loss) of Associates	-	-	-	-	-	-	-	-
Add: Share of (Loss)/Profit of Minority Interest	-	-	-	-	-	-	-	-
Net Profit / (Loss)	(1,365,724.00)	-	-	-	-	-	(1,365,724.00)	-
Segment assets	472,260,745.00						472,260,745.00	-
Unallocated Assets (Refer footnote 1)	-	-	-	-	-	-	-	-
Total assets	472,260,745.00	-	-	-	-	-	472,260,745.00	-
Segment liabilities	388,126,469.00						388,126,469.00	
Unallocated Liabilities (Refer footnote 2)	-	-	-	-	-	-	-	-
Total liabilities	388,126,469.00	-	-	-	-	-	388,126,469.00	-
Capital Expenditure for the year	435,690,200.00	-	-	-	-	-	435,690,200.00	-
Depreciation for the year	-	-	-	-	-	-	-	-
Non cash expenditure other than depreciation for the year	-	-	-	-	-	-	-	-

(II) Secondary - Geographical Segments:

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	343,700,000.00	-	-	-
Segment Assets	472,260,745.00	-	-	-
Capital Expenditure	435,690,200.00	-	-	-

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