

Well on our way

Empowering people ← Enhancing prosperity



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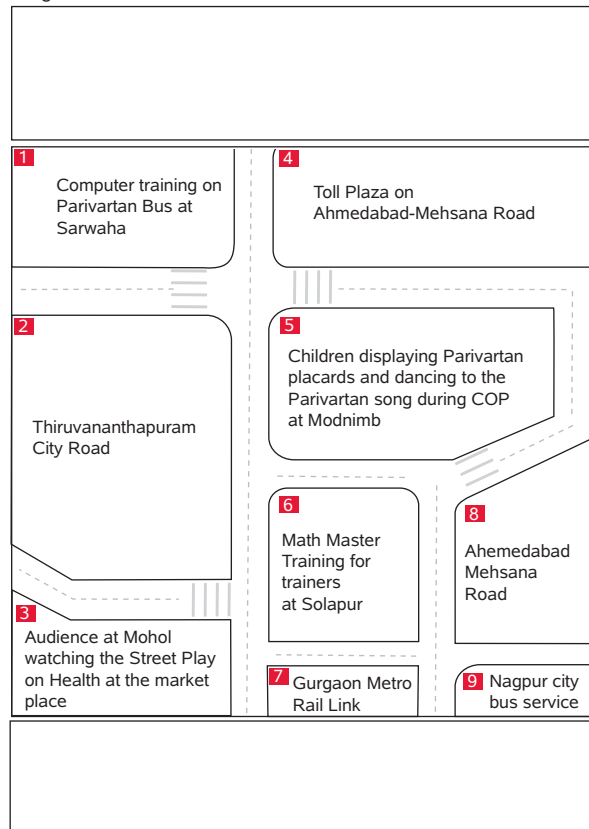
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Images on the cover



➡ The **Annual General Meeting** will be held on Friday, August 5, 2011, at 3.30 pm at Y. B. Chavan Auditorium, Gen. J. Bhosale Marg, Mumbai 400001. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies at the meeting



Belgaum Maharashtra Border Road

IL&FS Transportation Networks Limited (ITNL) is a leading Indian surface transportation infrastructure company and one of the largest private sector BOT road operators engaged in developing, designing, operating, maintaining and facilitating surface transportation infrastructure projects. ITNL aims to transform the face of surface transportation infrastructure in the country, thereby helping to drive India's economic growth trajectory and widening opportunities for sustainable development of the people

Development of transportation infrastructure is imperative for the growth of the country. However, it is important that such development is balanced and sustainable from a social perspective as well. At ITNL, we believe that the development of social infrastructure is as important as funding or execution. This humane and socially conscious approach to development is the bedrock of *Parivartan*, our unique CSR initiative and ITNL's rehabilitation and resettlement efforts

Through *Parivartan*, we seek to impart quality education and skill development to communities that reside along the area of our operations. We have collaborated with IL&FS Education & Technology Services Limited (IL&FS Education) to assist affected communities along the National Highways of Pune-Solapur in Maharashtra and Ranchi-Hazaribagh in Jharkhand, on multiple empowerment initiatives

The objective is to pave the way to social empowerment. In other words: build capabilities to develop alternative means of livelihood, enhance employability and explore possibilities for other models of intervention that are required

With the commencement of development initiatives to augment socio-economic prosperity, we are well on our way to help drive community empowerment through education and employment

Our strategy in action



Intraction with PACs at Nai Undari, Rajasthan

We have been actively engaged in the National Highways Development Project (NHDP) and other surface transportation development initiatives to better equip some of the important national highways and arterial roadways across the country

Currently, two national highway projects (NH-9 connecting Solapur to Yashwant Sagar Dam and NH-33 connecting Ranchi, Ramgarh and Hazaribagh) being developed by ITNL and a corridor (Phalodi – Balotra – Ramji Ki Gol) forming part of the RIDCOR project, entailed relocation of villagers

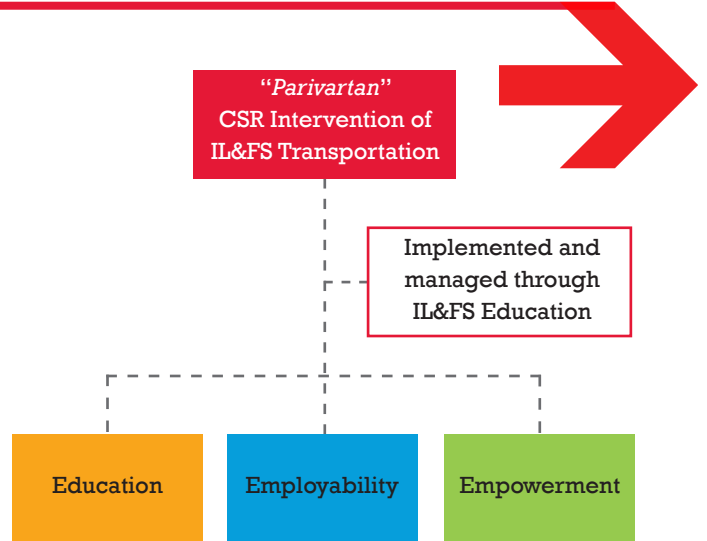
To allay the fears and apprehensions of the Project Affected Community (PAC) and Project Affected Families (PAF), ITNL has worked closely to help create an 'empowered community' across highways

These empowered communities have enabled school-going children to learn in more interactive and holistic ways and attend school enthusiastically; older unschooled adolescents to acquire reading and

writing skills; youth with vocational skills to work in local industries; awareness among adults on health and other issues; the local village community to solve issues in social development

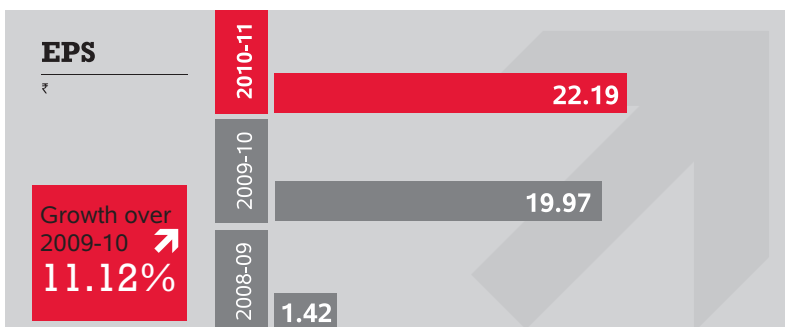
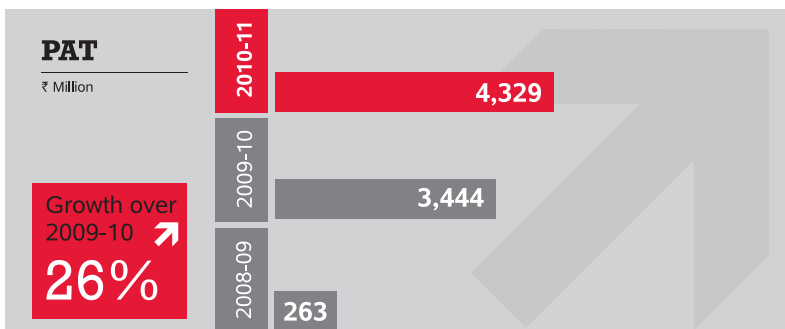
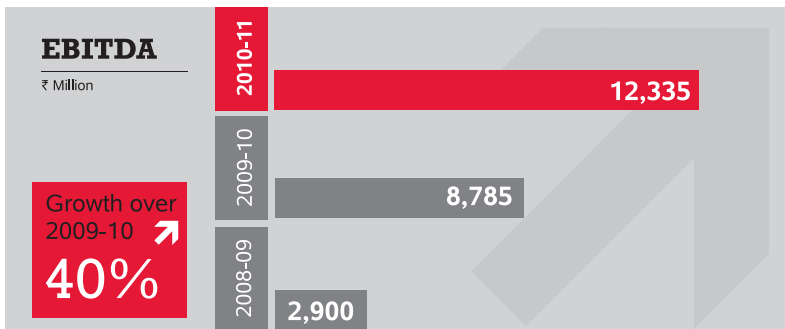
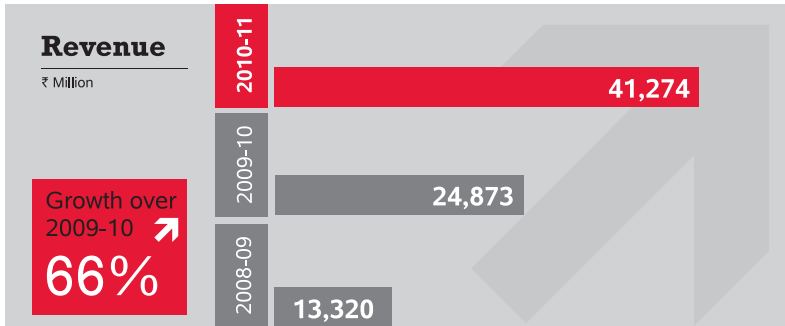
ITNL and IL&FS Education adopted a Public-Private-Community Participation (PPCP) model to facilitate the participation of all stakeholders: government, private sector and the community. Government and public sector organisations provide the means (machinery and workforce) to drive community well-being, complemented by extensive financial resources and management processes of the private sector. This initiative has been reinforced by the commitment and whole-hearted participation of the local community

At ITNL, education and employment generation represent the key transformational tools to catalyse substantial community development and deepen long-term linkages to ensure sustainability

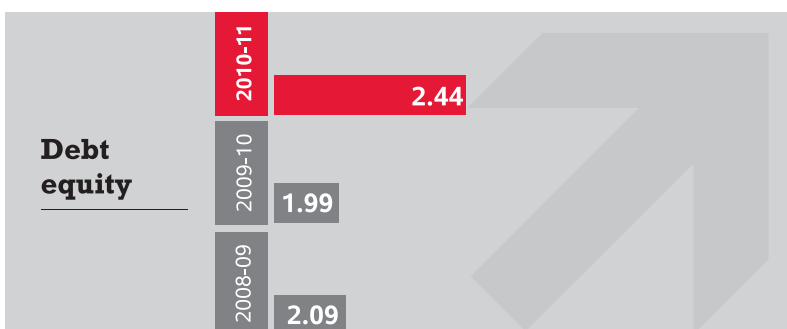
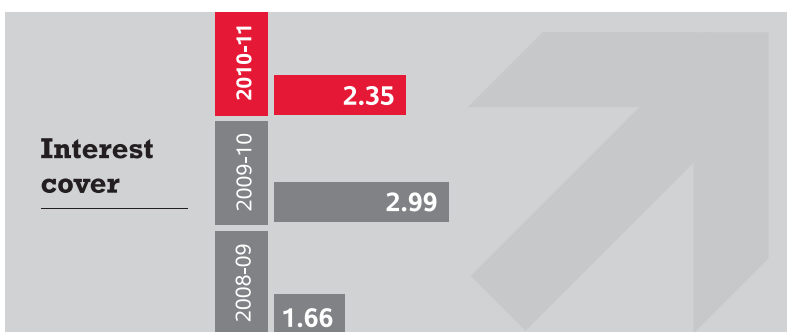
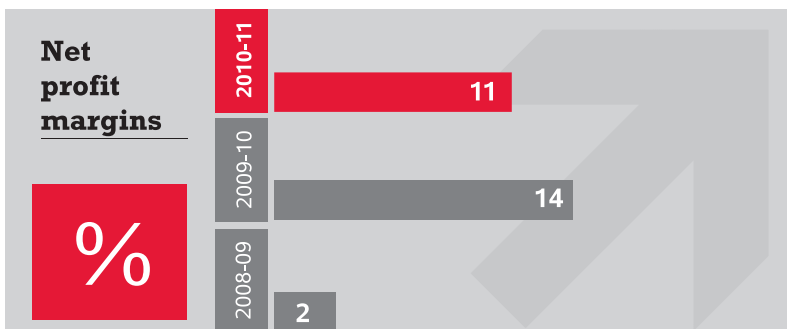
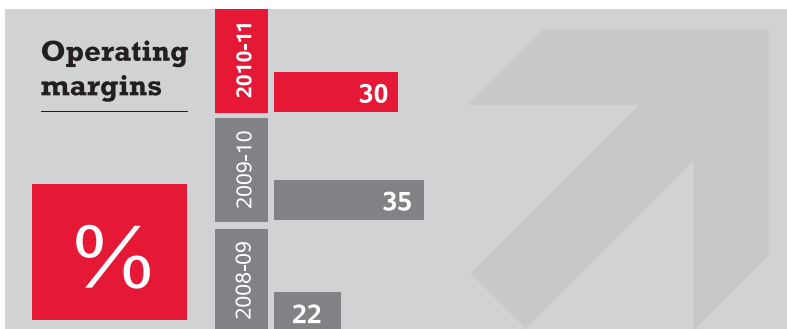
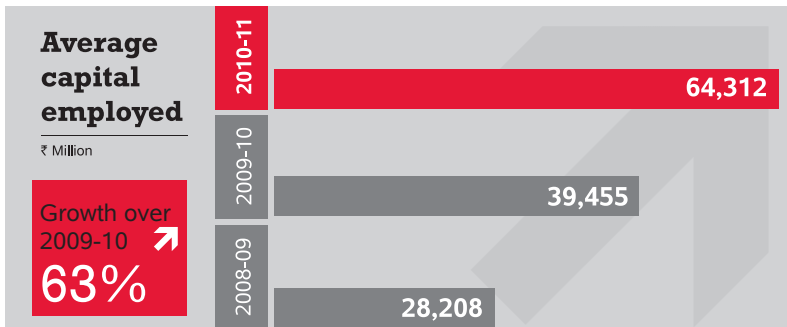


Community contact program at Ranchi

Numbers that drive our business*



Mega Highways Project, Rajasthan



Belgaum Maharashtra Border Road

*Consolidated financials

Graphs not to scale



Chairman's message



Mr. Deepak Dasgupta
Chairman, IL&FS Transportation Networks Limited

Dear Friends,

The Indian economy has gained strength and structural maturity in recent years. The country has averaged over 8% GDP growth in the last decade. The rate of domestic savings has gone up and the per capita income has grown from around \$300 to approximately \$1,700 in the two decades since the beginning of economic liberalisation in India. Enhanced GDP growth has also resulted in unprecedented growth of Government revenue —central revenues increase by over ₹ 1000 Billion annually. This has helped the Government finance education and healthcare, and various welfare schemes, such as NREGA, Sarva Shiksha Abhiyan and Bharat Nirman

The momentum of economic growth will however, be unsustainable unless we strengthen our Infrastructure. The recent performance of the infrastructure sector is less than impressive if we consider the needs. Infrastructure investment for a large country like India is relatively low (around 7.5% of GDP) compared with some other countries in Asia. In addition, the Eleventh Five Year Plan has fallen short of its targeted spend. An urgent need to accelerate government spending in the infrastructure sector has arisen

The Government has targeted an increase in the share of infrastructure spending as a percentage of GDP to 9% by the end of the Eleventh Five Year Plan. In the envisaged Twelfth Five Year Plan, it has projected investment plans of around ₹ 12 Trillion for the transportation infrastructure segment, involving significant private sector participation. However, some of the key challenges to accelerated project implementation such as persistent commodity price inflation, hardening of interest rates and slow growth in government investments owing to ballooning fiscal deficit continue to impact spending on infrastructure. The slowdown in infrastructure development will be a major impediment to achieving the desired level of inclusive socio-economic growth

ITNL views all development from a human angle. If the human angle is ignored, all development (economic or social) becomes self-defeating and unsustainable. In all our projects we endeavour to seek local participation and support. This was the underlying conviction behind the formulation and execution of Project *Parivartan*



Delhi Noida Road

Highlights of 2010-11

Awarded four new projects, commenced work on six projects and achieved financial closure on the rest

Consolidated revenues and PAT increased 66% and 26% respectively

Achieved a significant YOY growth in revenues from the toll and annuity projects

Attained an order book closure of approximately ₹110,000 Million

Project *Parivartan* primarily focuses on education, livelihood creation and holistic empowerment of project affiliated communities. The Project aims to spread the reach of quality education to children of the community, with focus on English, Mathematics, Science, Life Skills and Computer Education; enhance employability skills among youth by training them in vocational skills for employment in local industries; reinforce community linkages with existing government schemes and programmes to improve social infrastructure and general quality of life. You will be proud to know that one component of the *Parivartan* Project – the Computer on Wheels (a refurbished bus that serves as a Mobile Computer class) received the Skoch Virtual Corporation Award. Considering the scale of activities and the overriding challenges, both geographic and political, this achievement is an acknowledgement of the commitment of Team ITNL and IL&FS Group

I must also take this opportunity to share my thoughts on our business performance in the 2010-11. Project execution was the primary focus of the year, and I am happy to note that all projects undertaken over the past two years have witnessed considerable momentum

In this context, it is pertinent to appreciate that over the preceding two years, ITNL has been awarded projects worth around ₹ 80,000 Million annually and has successfully achieved financial closures and mobilised debt to the extent of ₹ 110,000 Million. The current order book is approximately ₹ 110,000 Million

Consolidated revenues increased 66% and Profit after Tax increased 26%. Growth has been achieved despite adverse market realities and on-ground

challenges, demonstrating ITNL's intrinsic strengths and capabilities. Besides, the daily average revenue both from toll and annuity projects during the year under review was ₹ 15 Million. Following the growth in toll rates and traffic, revenues are set to increase in the coming years

The Government of India's focus on inclusive development and its emphasis on private sector participation for the infrastructure development are clearly demonstrated by the steady escalation in road infrastructure projects. We foresee a fair amount of bidding in the coming years. The bid pipeline is significant with projects worth around ₹ 900,000 Million, comprising approximately 13,000 Kms. These projects include both NHAI projects and State Government projects. On the strength of our track-record, we are confident that we will be awarded and shall execute at least some of the projects in the bid pipeline. Besides, our intensive intervention model for project-impacted communities, which has endeared us to the local population, will facilitate trouble free implementation

Business as viewed in the 21st Century is not just a vehicle for revenue generation and shareholder value; it can be a significant facilitator to socio-economic change and sustainable community development. We have only taken the first steps towards realising that grand vision and the unstinted support of all our stakeholders is a positive catalyst in this endeavor

Best Wishes,

Deepak Dasgupta



CEP trainer at Pune Sholapur



Cheerful faces. Our index to measure rural transformation

The right educational opportunities are often less accessible to rural students to shape a career in today's knowledge-driven society. ITNL's rural intervention model attempts to alter this picture. We believe, with access to quality resources, rural India will have more reasons to smile



The *Parivartan* project aims to reach out to around 50 government schools and/or educational institutions at each site. The project intervention would entail the building of capacities for the intake of more students and teachers. Besides, it would also undertake suitable measures to upgrade teaching methodologies and learning techniques. In addition, the project will also encourage community development initiatives of teachers and students

50

Number of government schools /educational institutes *Parivartan* wishes to reach out at each site



Introduction of Parents & Teachers to the k-yan & multimedia at Pune Sholapur Project

A delightful vehicle for knowledge dissemination, it moves from village to village with ample space for students and ideas



The *Parivartan* Computer Bus will create an altogether different platform for teaching and learning. It's a mobile school to impart computer education and other IT-based trainings

The *Parivartan* Computer Bus aims at providing computer education and other IT-based training at the schools and locations, which lack basic IT infrastructure, electricity and skilled





Children at Wadwal displaying Digital Duniya workbooks



Interior of Parivartan Bus

IT trainers. ITNL has two buses per project (one per site) that move from village to village to provide child-friendly and delightful teaching-learning space with IT infrastructure. The buses are equipped with 17 laptops, a K-yan with screen and colourful furniture and fittings. The computer education programmes run on freeware platforms of BOSS Linux and Open Office

2823 Kms and 1425 Kms

Number of Kms the Parivartan Computer Bus has travelled between Pune – Solapur and Ranchi – Hazaribagh, respectively, in the first three months after the launch

IT programmes

For students	For youth
Learn IT Skills (Digital Duniya Programme)	Learn IT skills (CompXpress Programme)

K-yan

K-Yan is a unique combination of a projector, computer, audio system, DVD writer and TV viewer that enhances the quality of education to make the classes more interactive and exciting. The devise is equipped with multimedia content of all the subjects and concepts that form the part of the school curriculum





Children in class at Pakhni - Pune Sholapur

Schools are the foundation for the future. Upgrading schools and teacher capacities will pay back manifold against the investment we make today

ITNL entered an MOU with the Solapur Municipal Corporation to adopt and manage three of their schools. Through qualitative interventions and sustainable and cost effective solutions, we transform them into quality schools. The schools will serve as a model for other schools in the vicinity

The Total School Management Programme is divided into:

- Academic Support & Mentoring Program through a team of subject experts
- Setting up of shared IT Infrastructure
- Enhancement of Classroom Processes and teaching-learning through the use of technology/non technology based Teaching Aids
- Capacity building of teachers (in-service training programs)
- Student Enhancement
- Refurbishment of Physical Infrastructure including setting up new facilities and features of BaLA (Building as a Learning Aid)
- Monitoring of the programme in consultation with local education functionaries



**Upto 21,000
students,
800 teachers
and 92 schools**

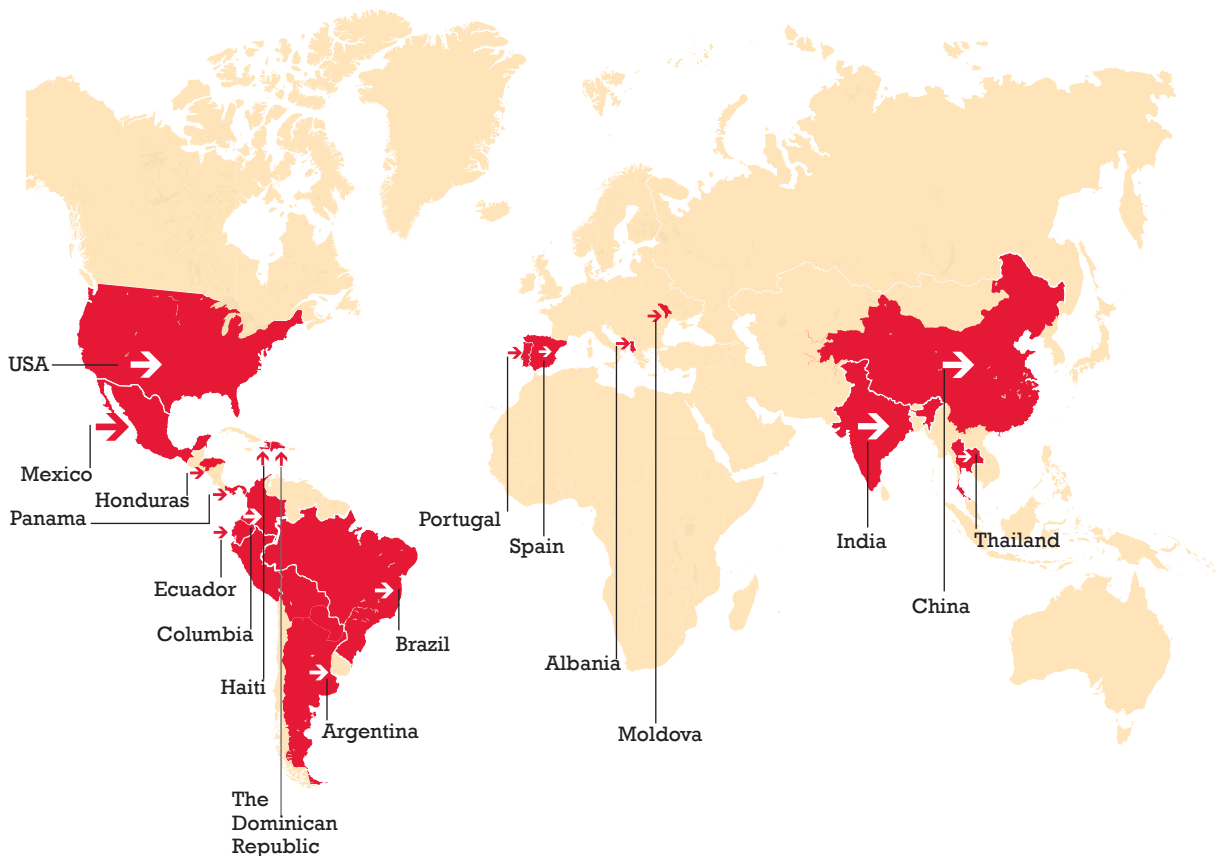
Impacted through ITNL's school initiatives



ITNL is transforming the face of surface transportation infrastructure in India

We are actively involved in the development, operations and maintenance of surface transportation infrastructure projects encompassing national and state highways, roads (including urban roads), flyovers and bridges and non-road sectors like metro rail, bus transportation and border entry points

The Company has its international presence through it's subsidiary, Elsamex S.A., Spain in following countries



Map not to scale



RIDCOR Toll Plaza

2000

Year of Incorporation

14 states

Extensive presence with a fair mix of annuity and toll concessions

9,458 lane Kms

Road asset portfolio

4,578 lane Kms

Highways commissioned

Rs 15 million

Total average daily collection from toll and annuity in FY 2011

7%

ITNL's market share of NHAI awarded projects in FY 2011

ISO 9000:2001

Certification

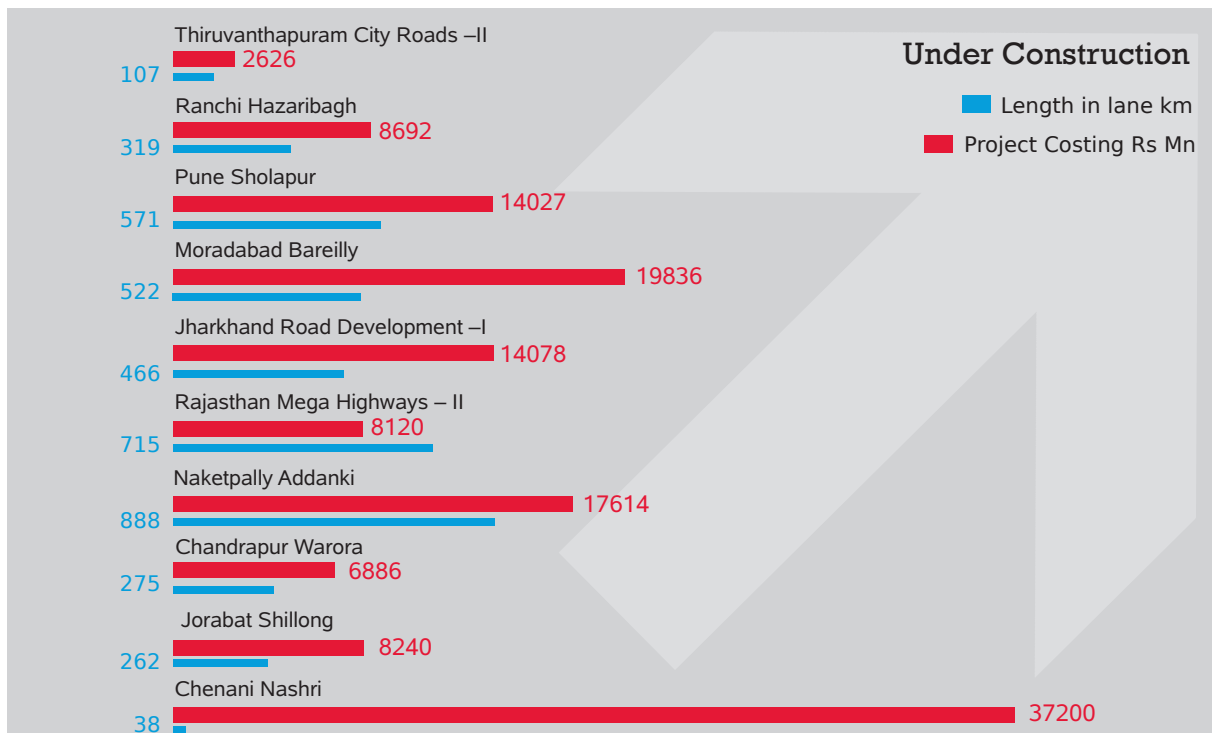
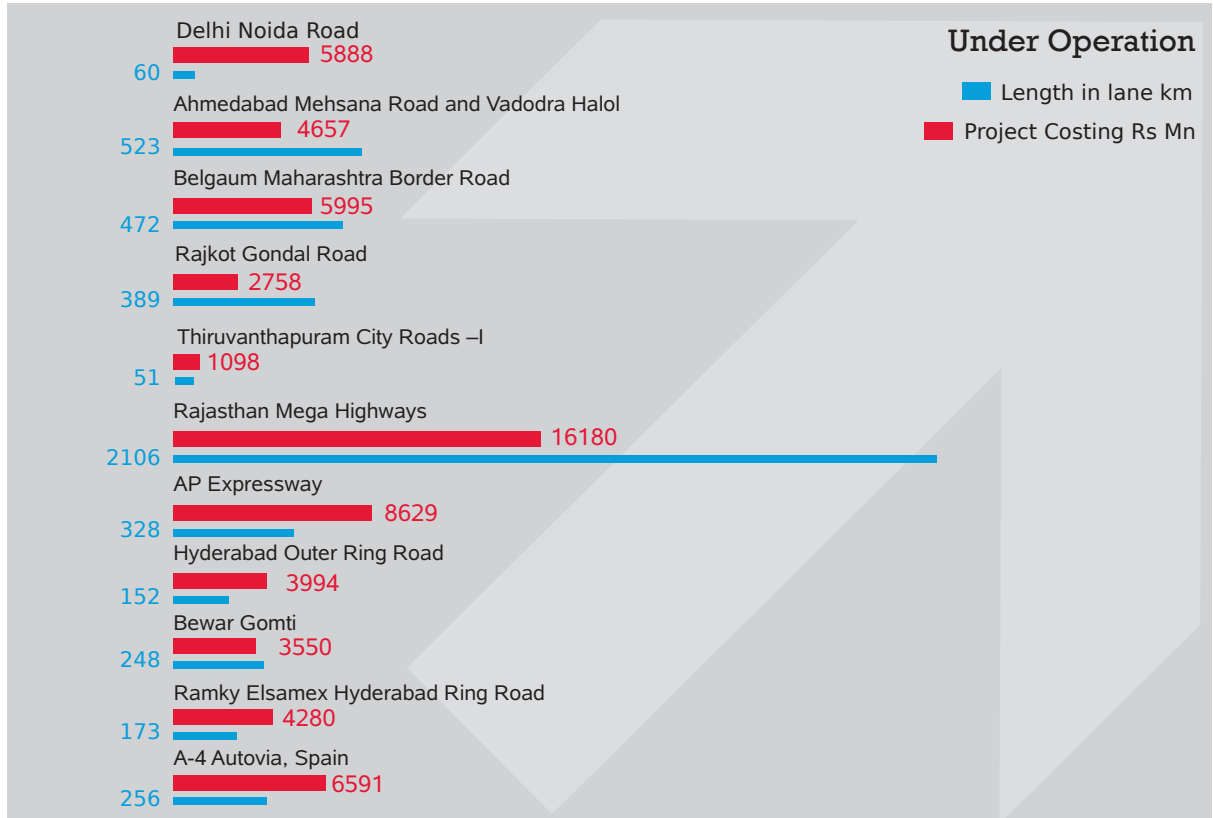
20 SPVs**2** Operating subsidiaries

The success mantra

ITNL's ethical corporate governance, transparent business practices and excellent project management skills have enabled it to secure major orders. Its in-house design centres facilitate faster design and speedy execution. The commitment of team ITNL has enabled the Company to move ahead into higher orbits of growth, despite predictable and unpredictable challenges



Portfolio of Road Projects



Graphs not to scale

Portfolio of non-road projects



Metro rail	Bus system	Border entry point
Linking Delhi metro Sikanderpur station to DLF Cyber City on NH-8 in Gurgaon	Nagpur bus system project for exclusively mobilising, running, operating and maintaining the Nagpur City Bus Services	MP border check post project



Beawar Gomti

Status of ITNL's Ongoing Projects

North Karnataka Expressway Limited
Belgaum Maharashtra Border Road

Scope: Development of four lanes with service roads on both sides aggregating to approximately 472 Lane Kms in length between Belgaum in the State of Karnataka up to Maharashtra Border

Concession: The concession was awarded by the NHAI on a BOT (Annuity) basis for a period of 17.5 years (including a construction period of two and a half years)

Date of Concession agreement : November 2001

Date of project completion : July 2004

Value (₹ Million) : 5995



West Gujarat Expressway Limited
Jetpur Rajkot Gondal Road

Scope: Widening of the existing Jetpur–Gondal road from two lanes to four lanes, the improvement of the existing four lanes between Gondal and Rajkot, the widening of the existing Rajkot bypass from two lanes to four lanes on the National Highway 8B and construction of service roads, with an aggregate length of approximately 389 Lane Kms in the State of Gujarat

Concession: The concession awarded by the NHAI on a BOT (toll) basis for a period of 20 years (including a construction period of two and a half years)

Date of Concession agreement : March 2005

Date of project completion : March 2008

Value (₹ Million) : 2758



NOIDA Toll Bridge Company Limited
Delhi to NOIDA, Uttar Pradesh

Scope: Development of a toll bridge and approach roads with approximately 60 Lane Kms connecting Delhi to NOIDA in the State of Uttar Pradesh

Concession: The concession awarded to our Promoter by the New Okhla Industrial Development Authority ("NOIDA") on a BOT (Toll) basis for a period of 30 years (including a construction period of two and a half years)

Date of Concession agreement : December 1998

Date of project completion : February 2001

Value (₹ Million) : 3733.40





**Gujarat Road and
Infrastructure Company Limited**
Vadodra-Halol Road*

Scope: Development of an approximately 190 Lane Km on State Highway No. 87 from Vadodara to Halol in the State of Gujarat

Concession: The concession awarded to our Promoter by the Government of Gujarat on a BOOT (Toll) basis, which commenced from the date of signing of Concession Agreement and shall extend till a period of 30 years from the operations date

Date of Concession agreement : October 1998

Date of project completion : October 2000

Value (₹ Million) : 1553



**Gujarat Road and
Infrastructure Company Limited**
Ahmedabad-Mehsana Road

Scope: Development of an approximately 333 Lane km section of State Highway Numbers 41 and 133 from Ahmedabad to Mehsana in the State of Gujarat

Concession: The concession awarded to our promoter by the Government of Gujarat on a BOOT (Toll) basis, which commenced from the date of Concession Agreement and shall extend for a period of 30 years from the operations date

Date of Concession agreement : December 1999

Date of project completion : February 2003

Value (₹ Million) : 3037



**Thiruvananthapuram Road
Development Company Limited**
Thiruvananthapuram City Roads (Phase I)

Scope: Development of roads with an aggregate length of approximately 51 Lane Kms in Thiruvananthapuram city in the State of Kerala

Concession: Concession awarded by the Kerala Road Fund Board on a BOT (Annuity) basis for a period of 17.5 years (including an initial construction period of two and a half years)

Date of Concession agreement : May 2004

Date of project completion : November 2006

Value (₹ Million) : 1098

*This project was designated by the World Bank as a best-practices example for its environment risk mitigation and social rehabilitation plan.

Status of ITNL's ongoing projects

Andhra Pradesh Expressway Limited
Kotakatta - Kurnool Road

Scope: Development of 328 Lane Kms connecting Kotakatta bypass to Kurnool on National Highway-7 in the State of Andhra Pradesh
Concession: Concession awarded by the NHAI on a BOT (Annuity) basis for a period of 20 years (including a construction period of two and a half years)
Date of Concession agreement : March 2006
Date of project completion : September 2009
Value (₹ Million) : 8629



Rajasthan Infrastructure Development Company of Rajasthan Limited
Mega Highways Project Rajasthan (Completed)

Scope: Development of two highway lane with paved shoulder aggregate length of 2,106 Lane km and the improvement of four corridors, connecting Phalodi to Ramji-ki-Gol, Hanumangarh to Kishangarh, Alwar to Sikandra, Lalsot to Kota, and Baran to Jhalwar in the State of Rajasthan
Concession: Concession awarded to Promoter by the Government of Rajasthan on a PPP (Toll) basis for a period of 32 years (including a construction period of two years)
Date of Concession agreement : January 2006
Date of project completion : March 2009
Value (₹ Million) : 16180



ITNL Road Infrastructure Development Company Limited
Beawar Gomti Road

Scope: Development of two lanes with an aggregate length of approximately 248 Lane Kms with an option to construct a four lane highway on the Beawar Gomti Highway connecting Beawar to Gomti in the State of Rajasthan
Concession: Concession awarded by the Department of Road Transport & Highways, Government of India, on a DBFOT (Toll) basis for an initial period of 11 years which is further extendable to 30 years in case the Company exercises the option to construct a four lane highway on the stretch within seven years from the appointed date
Date of Concession agreement : April 2009
Date of project completion : August 2010
Value (₹ Million) : 3550



Projects Under Construction



Thiruvananthapuram Road Development Company Limited Thiruvananthapuram City Roads (Phase II and Phase III)

Scope: Development of roads with an aggregate length of approximately 107 Lane Kms in Thiruvananthapuram city in the State of Kerala in three phases - Phase I, Phase II and Phase III
Concession: The concession for Phases II and III of this project was awarded by the Kerala Road Fund Board on a BOT (Annuity) basis for a period of 17.5 years (including an initial construction period of two and a half years)
Date of Concession agreement : May 2009
Value (₹ Million) : 2626



Hazaribagh Ranchi Expressway Limited Hazaribagh - Ranchi Road

Scope: Development of four lanes with an aggregate length of approximately 319 Lane Kms connecting Hazaribagh to Ranchi in the State of Jharkhand
Concession: Concession awarded by NHAI on a BOT (Annuity) basis for a period of 18 years including an initial construction period of two and a half years
Date of Concession agreement : October 2009
Value (₹ Million) : 8692



Pune Sholapur Road Development Company Limited Pune - Sholapur Road

Scope: Development of four lanes with an aggregate length of approximately 571 Lane Kms on Pune - Sholapur stretch of National Highway-9 in the State of Maharashtra
Concession: Concession awarded by NHAI on a DBFOT (Toll) basis for a period of 20 years, including an initial construction period of two and a half years
Date of Concession agreement : September 2009
Value (₹ Million) : 14027

Projects Under Construction

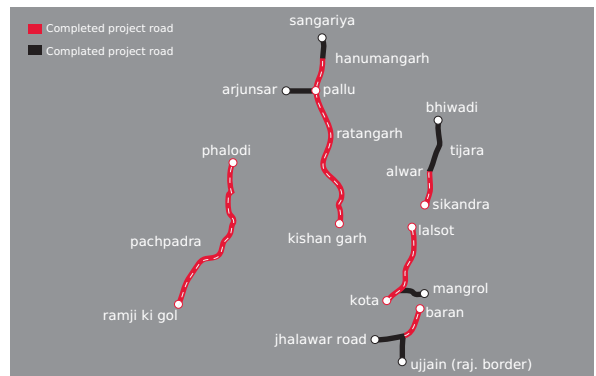
Warora Chandrapur Ballarpur Toll Road Company Limited
Chandrapur - Warora Road

Scope: Development of four lanes with an aggregate length of approximately 275 Lane Kms connecting Warora to Chandrapur to Bamni in the State of Maharashtra
Concession: Concession awarded by the PWD, Government of Maharashtra on a DBFOT (Toll) basis for a period of 30 years, including an initial construction period of two and a half years
Date of Concession agreement : March 2010
Value (₹ Million) : 6886



Rajasthan Infrastructure Development Company of Rajasthan Limited
Mega Highway Project Phase II, Rajasthan

Scope: Development of two highway lanes with an aggregate length of 715 Lane Km and includes the improvement of three corridors, connecting Alwar to Bhiwadi, Hanumangarh to Sangaria, Jhalawar to Jhalawar Road, and Arjunsar to Pallu in the State of Rajasthan
Concession: Concession awarded on PPP (Toll) basis for a period of 32 years, including a construction period of two years
Date of Concession agreement : September 2010
Value (₹ Million) : 8120



Jharkhand Road Projects Implementation Company Limited
Jharkhand Accelerated Road

Scope: Development of two lanes with an aggregate length of approximately 466 Lane Kms connecting three selected roads in the State of Jharkhand
Concession: Program Development Agreement with the Government of Jharkhand on a BOT (Annuity) basis for a period of 18 years (including three years of planning, designing and procurement of contractors and construction of selected roads)
Date of Concession agreement: RRR-September 23, 2009
 RPR I & II - October 14, 2009
Value (₹ Million) : 14078



Projects Under Construction



N.A.M. Expressway Limited

Marketpalli Addanki Medarametla Road

Scope: Widening of an existing two-lane carriageway to a four-lane carriageway, including the strengthening of existing carriageway by providing bituminous overlays with an aggregate length of approximately 888 Lane Kms from Marketpalli to Medarametla near Addanki section of SH-2 in the State of Andhra Pradesh

Concession: The concession for this project has been awarded by Roads & Building Department, Government of Andhra Pradesh under Public Private Partnership (PPP) on BOT (Toll) basis for a concession period of 24 years, including an initial construction period of two and a half years

Date of Concession agreement : July 2010

Value (₹ Million) : 17614



Moradabad Bareilly Expressway Limited

Moradabad Bareilly Road

Scope: Development of four lane of Moradabad Bareilly section of NH-24 from km 148.00 to km 262.000 (approx. length 522 lane km) in the state of Uttar Pradesh

Concession: Concession awarded by NHAI on DBFOT (Toll) basis for a period of 25 years including an initial construction period of two and half years

Date of Concession agreement : February 2010

Value (₹ Million) : 19836



Jorabat Shillong Expressway Limited

Jorabat Shillong Road

Scope: Development of four lane of Jorabat-Shillong (Barapani) section of NH-40 from km 0.000 to km 61.800 (approximately 262 lane km) in the state of Assam & Meghalaya

Concession: Concession awarded by NHAI on a DBFOT pattern under SARDP-NE on Annuity Basis for a period of 20 years including an initial construction period of three years

Date of Concession agreement : July 2010

Value (₹ Million) : 8240

Projects Under Construction



Chenani Nashri Tunnelway Limited
Chenani Nashri Tunnel

Scope: Development of four lane of Chenani to Nashri section of NH-1A from Km 89+00 to Km 130+00 (New Alignment) of NH-1A including 9 Km long tunnel (2 - Lane) with parallel escape tunnel in the state of Jammu and Kashmir

Concession: Concession awarded by NHAI on DBFOT (Annuity) basis for a period of 20 years including an initial construction period of five years

Date of Concession agreement : June 2010

Value (₹ Million) : 37200



MP Border Checkpost Development Company Limited
24 Border Checkpost

Scope: Construction, Up-gradation, Modernisation, Development, Operation and Maintenance of 24 Border Check Posts across the State of Madhya Pradesh

Concession: Concession awarded by MPRDC on a BOT (User fee basis) for a period of 4566 days including an initial construction period of 730 days

Date of Concession agreement : November 2010

Value (₹ Million) : 13500



Urban Transportation Projects



Vansh Nimay Infra Projects Limited Nagpur City Bus Project

Scope: Mobilisation, operation and maintenance of the Nagpur city bus services in the city of Nagpur on BOO basis

Concession: Concession awarded by Nagpur Municipal Corporation to Vansh Nimay Infra Projects Limited for a period of 10 years (and renewable for another five years)

Date of Concession agreement : February 2007

Value (₹ Million) : 708.82



Rapid MetroRail Gurgaon Limited Gurgaon Metro Rail Link

Scope: Development of a approximately 4.9 Kms long track for an, elevated metro line on a concession basis connecting the Delhi Metro Sikanderpur station on MG Road to NH-8 in Gurgaon in the State of Haryana

Concession: Concession for the project has been awarded to us by Haryana Urban Development Authority for a period of 99 years, including an initial construction period of two and a half years

Date of Concession agreement : December 2009

Value (₹ Million) : 11000



Profile of the Board of Directors

Deepak Dasgupta – Chairman & Independent Director

Mr. Deepak Dasgupta, a retired Indian Administrative Services officer, has served the Government of Haryana and the Central Government for over 35 years

He has headed various departments of the Government of Haryana and Government of India, including those related to infrastructure development and policy formulation. He served as the Chairman of National Highways Authority of India for over five years and as an Advisor to the Asian Development Bank. Mr. Dasgupta was also a Member of the Senior Expert Committee of IDFC Private Equity Fund and the Special Task Force on Bihar

Mr. Dasgupta holds a Master's degree in Science from Delhi University

R. C. Sinha – Independent Director

Mr. R. C. Sinha, a retired Indian Administrative Services officer, has worked in various capacities in the Government of Maharashtra and Government of India. He has headed various departments/ worked in ministries of the Government of Maharashtra, including as Collector, District Magistrate, Secretary and Additional Chief Secretary. He has also served as the Joint Secretary, Ministry of Information & Broadcasting, Government of India

During his tenure with the Government of Maharashtra, Mr. Sinha was appointed as Vice-Chairman & Managing Director of Maharashtra State Road Transport Corporation Limited, City Industrial Development Corporation of Maharashtra Limited, Vice-Chairman & Managing Director of Maharashtra State Road Development Corporation Limited, during which, the prestigious 'Mumbai-Pune Expressway' project was executed and also as Vice-Chairman and Managing Director of Maharashtra Airport Development Company Limited

Mr. Sinha holds a Bachelor's degree in Law, Master's degree in Economics from Lucknow University and a Post graduation in 'Urban Development' from the London University

Deepak Satwalekar – Independent Director

Mr. Deepak Satwalekar was the Managing Director and Chief Executive Officer of HDFC Standard Life Insurance Company Limited. Before that, he was the Managing Director of HDFC Limited since 1993. He has

been a consultant to multi lateral and bi-lateral agencies. He is a recipient of the 'Distinguished Alumnus Award' from the Indian Institute of Technology, Mumbai and is now on the Advisory Council of the said Institution. He is also an Independent Director on the Boards of several other companies

Mr. Satwalekar is currently active on the Board of Trustees of Isha Vidhya (ishavidhya.org) and Teach to Lead (teachforindia.org), which are engaged in the field of primary education for the low income and socially disadvantaged members of society in rural and urban India respectively. He is also advising a company, which is establishing a network of BPO companies in rural areas across the country

Mr. Satwalekar holds a Bachelor's degree in Technology from the Indian Institute of Technology, Mumbai and a Master's degree holder in Business Administration from the American University, Washington DC

H P Jamdar – Independent Director

Mr. H. P. Jamdar has headed various departments of the Government of Gujarat including as Secretary and Principal Secretary. During his tenure with the Government of Gujarat, Mr. Jamdar was appointed as Chairman of various state owned corporations, especially in the roads and ports sector. He even served as the President of Indian Roads Congress and the Institution of Engineers (India) and as the Vice-President of 'FIESCA'

Mr. Jamdar holds a Bachelor's degree in Civil Engineering from the Gujarat University

Ravi Parthasarathy – Non-Executive Director

Mr. Ravi Parthasarathy has been associated with the Company since January 6, 2001 and with the IL&FS Group since 1988. He is at present the Chairman of IL&FS Group. Prior to joining the IL&FS Group, he has served 20th Century Finance Corporation Limited, a financial services company as its Executive Director

Mr. Parthasarathy holds a Bachelor's degree in Science from the University of Mumbai and a post-graduate diploma in Business Administration from the Indian Institute of Management, Ahmedabad

Hari Sankaran – Non-Executive Director

Mr. Hari Sankaran has been associated with the Company since November 29, 2000 and with the IL&FS Group since 1990. As Vice Chairman & Managing

Director of IL&FS, he has been instrumental in developing and overseeing the business canvas of the Group. Mr. Sankaran has over 25 years of experience in research, project development, structuring, management and financing. He has been closely involved in the implementation of all the IL&FS Group Infrastructure Projects. Mr. Sankaran has participated in various High Powered Committees set up by Government of India for policy and legal reforms including as the Chairman of the FCCI Infrastructure Committee

Mr. Sankaran holds a Master's degree in Economics from the London School of Economics & Political Science

Arun K Saha – Non-Executive Director

Mr. Arun K. Saha has been associated with the Company since January 6, 2001 and with IL&FS Group since 1988. Mr. Saha is presently the Joint Managing Director & CEO of IL&FS and oversees activities relating to finance, operations, credit compliance and risk management of the IL&FS Group, including activities in the areas of financial services, infrastructure, asset management, distribution and management of retail assets and liabilities

Mr. Saha holds a Master's degree in Commerce from the University of Kolkata and is an Associate Member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India

Vibhav Kapoor – Non-Executive Director

Mr. Vibhav Kapoor has been associated with the Company since December 10, 2004 and with IL&FS, the parent company as its 'Group Chief Investment Officer' since July 1, 2002 and also heads the Group HRD policies and their implementation. Prior to joining the IL&FS Group, Mr. Kapoor was associated with the Merchant Banking Division of ANZ Grindlays Bank as a portfolio manager and as head of the Corporate Finance and Equity Research department of Unit Trust of India

Mr. Kapoor holds a Bachelor's degree in Arts and a Master's degree in Business Administration from the Himachal Pradesh University, Shimla

Pradeep Puri – Non-Executive Director

Mr. Pradeep Puri is an Ex Indian Administrative Services Officer. He has held important positions in the Ministry of Commerce and the Department of Economic Affairs, Ministry of Finance, Government of India, dealing with International Trade and Investment. Mr Puri was also closely associated with the Noida Toll Bridge Co. Ltd. At present, he is the Chief Executive Officer of Model Economic Township Company Limited

Mr. Puri holds a Master's degree in History from Delhi University

R. S. Chandra – Non-Executive Director

Mr. R. S. Chandra is a Managing Partner of Bessemer Venture Partners, a global investment management practice with offices in India, Israel, Boston, New York and Silicon Valley. Bessemer Venture Partners is part of the Bessemer group of companies, which includes Bessemer Trust and Bessemer Securities. Mr. Chandra has been involved with building 23 companies that have gone on to successful IPOs or been acquired by other public companies. Prior to joining Bessemer, Mr. Chandra has worked as an engagement manager with McKinsey & Company and also for Accenture and IBM

Mr. Chandra holds an MBA from the Harvard Business School and a BA from the University of California at Berkeley. Forbes Magazine on its Midas List has recognised him as a top dealmaker

K Ramchand – Managing Director

Mr. Ramchand was appointed as Managing Director of the Company on August 13, 2008 and has been associated with IL&FS Group since 1994. With over 30 years of experience in urban and transport infrastructure development sector, he has been involved in a large number of private infrastructure initiatives including the successful commissioning of various toll road projects in Gujarat and for the National Highways Authority of India. Mr. Ramchand in his role as Chief Executive Officer (Infrastructure) of IL&FS Group is associated with various initiatives in infrastructure, including SEZs and Maritime Assets. Mr. Ramchand is also a member of the Management Board of IL&FS and represents the Boards of various companies within the Group

Prior to joining IL&FS, he was associated with the Operations Research Group, Dalal Consultants, Mumbai Metropolitan Region Development Authority and City and Industrial Development Corporation of Maharashtra Limited

Mr. Ramchand holds a Bachelor's degree in Civil Engineering from Madras University and a post-graduation in 'Development Planning' from the School of Planning, Ahmedabad

Mukund Sapre – Executive Director

Mr. Mukund Sapre was appointed as an Executive Director of the Company on August 13, 2008 and has been associated with the IL&FS Group since 1992. He possesses over 28 years of industry experience. Prior to joining the Company, he was involved with international projects in the Philippines, Indonesia, Mexico and Spain and has played a vital role in implementing the 'High Speed Rail Project' and evaluating the 'Cargo Airport Project' in Mexico. He was also associated with Engineers India Limited and Gammon India Limited

Mr. Sapre holds a Bachelor's degree in Civil Engineering, a Diploma in Systems Management and also in Financial Management

The Company was the proud recipient of the following awards during the year:

“Infrastructure Company of the Year - 2011”

at the “Essar Steel Infrastructure Excellence Awards Ceremony” held on 19th April, 2011 in association with CNBC TV18



“The Innovation Award for Road Transport in Developing Countries (InARoad)”

in the category of “Finance & Economics” by the International Roads Federation (IRF), Geneva” which was awarded on the 10th May 2011 at an IRF symposium in Bucharest, Romania



“The Challenger Award”

The Scotch Foundation (Pronounced Scotch) an eminent entity awarded “The Challenger Award” recognising the RIDCOR project as being the best in class example of Private-Public-Partnerships in India

“The Infrastructure Excellence Award”

was awarded by IIFCL & ET Now at Infra 2011



The League of American Communications Professionals awarded

- (i) “The Platinum Award for excellence within its Industry”
- (ii) Scored a ranking of No. 3 in the Top 50 Annual Reports out of over 4,400 entries and
- (iii) Awarded the Most Engaging Platinum Award in the ‘Special Achievement Category’

Corporate Information



Board of Directors

Deepak Dasgupta
Chairman

Ravi Parthasarathy

Hari Sankaran

Arun K Saha

R C Sinha

H P Jamdar

Deepak Satwalekar

Pradeep Puri

Vibhav Kapoor

R S Chandra

K Ramchand - Managing Director

Mukund Sapre - Executive Director

Committees of the Board

Audit Committee

R C Sinha, Chairman

Deepak Dasgupta

H P Jamdar

Arun K Saha

Shareholders' / Investors' Grievance Committee

Arun K Saha, Chairman

K. Ramchand

Remuneration Committee

Deepak Satwalekar, Chairman

Ravi Parthasarathy

Hari Sankaran

Committee of Directors

Hari Sankaran - Chairman

Arun K Saha

Pradeep Puri

K Ramchand

Mukund Sapre

Company Secretary

Krishna Ghag

Senior Management

K. Ramchand

Managing Director

Mukund Sapre

Executive Director

Harish Mathur

Chief Executive

V. K. Raina (Dr.)

Technical Director

George Cherian

Chief Financial Officer

Krishna Ghag

Associate Vice President &
Company Secretary

Auditors

Deloitte Haskins & Sells
Chartered Accountants

Bankers

Axis Bank Limited

Registered Office

The IL&FS Financial Centre, C-22, G- Block Bandra Kurla
Complex, Bandra (East) Mumbai 400 051

Registrar & Share Transfer Agents

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound
L.B.S Marg, Bhandup (West), Mumbai 400 078



Management Discussion & Analysis



Ahmedabad Mehsana Road

1. Indian Infrastructure Industry


The centers of global growth are decidedly shifting to emerging economies, especially India, as the nation is moving forward at a phenomenal pace. It is a rarity that a country which has all along been considered as a developing economy, should emerge as one of the principal drivers of the world's economy. India is one of the fastest growing economies in the world, owing to stupendous domestic consumption, stable regulatory policies and sustained government focus on economic reforms and deregulation. However, in order to sustain this economic growth, the country needs a total resurgence in infrastructure creation. The country's policy makers have identified and tapped investments from the private sector in key areas of infrastructure like communications, transportation, power, urban infrastructure and manufacturing. This has not only enabled access to quality and efficient infrastructure, but also permitted the Government to target inclusive growth through higher spending in social sector

The XIth Five Year Plan (2007-2011) has estimated an investment of ₹ 21,000 Billion in Infrastructure. The XIIth Five Year Plan is expected to focus on governance, infrastructure and inclusive growth. The envisaged resource leveling exercise is expected to enable consistency with targeted fiscal growth and focus on building social infrastructure which will create more opportunities for investments by private participants in the Infrastructure segment

2. Opportunities

The Government is committed to increasing spending on developing infrastructure, with enhanced reliance on Public Private Participation (PPP) to further infrastructure projects. The projected estimates of Infrastructure investment during the XIIth Five Year Plan stand at approximately ₹ 45,800 Billion



The XIth Five Year Plan (2007-2011) has estimated an investment of ₹ 21,000 Billion in Infrastructure. The XIIth Five Year Plan is expected to focus on governance, infrastructure and inclusive growth. 

A. Roads

National Highways Development Project

India has the world's second largest road network, spanning over 3.3 Million kilometres. The country's roads carry about 65% of the freight and 80% of the passenger traffic. All the highways and expressways together constitute only 2% of all roads, whereas they carry 40% of the road traffic. For a country of India's size, an efficient road network is critical to enhance national integration and socio-economic development

To further develop and decongest the existing road infrastructure, the Indian Government has envisaged the National Highways Development Project (NHDP), which is being implemented through the National Highways Authority of India (NHAI). The NHDP provides a significant opportunity for the development of National Highways including construction of bridges, flyovers and elevated structures

Spread across seven phases, the NHDP includes the up-gradation of more than 50,000 kms. of National Highways

- i. A good majority of the Four-laning of the Golden Quadrilateral and East-West and North-South Corridor under NHDP Phase I and II have been completed with almost 87% of the stretches in the operational stage
- ii. Four-laning of 12,109 kms. (NHDP-III):
The National Highways Development Programme (Phase III) involves the four-laning of over 10,000 kms. of high-density corridors that are not covered in the earlier two phases of NHDP, namely, the Golden Quadrilateral and the East-West and North-South Corridor. NHDP-III covers the length and breadth of the country. Tamil Nadu, Maharashtra, Rajasthan, Bihar and Madhya Pradesh are states that have seen substantial development of highways under NHDP-III

Under the NHDP Phase III it is intended to connect state capitals and places of economic, commercial and tourist importance to stretches of National Highways and facilitate the smooth

passage of high-volume traffic. Up to April 2011, 2,294 kms. have been completed and 5,805 kms. are under implementation through 83 projects

- iii. Two laning of 14,799 kms. (NHDP-IV):
With a view to providing a balanced and equitable distribution of the improved/widened highway network across India, NHDP-IV envisages the up-gradation of 14,799 kms. into two-lane highways. This will ensure that their capacity, speed and safety match the minimum benchmarks of the National Highways. Even as pre-project work has commenced, NHDP-IV is still in the nascent stage with only 765 Kms. under implementation as of April 2011
- iv. Six-laning of 6,500 kms. (NHDP-V):
Under NHDP-V, the Government has approved the six-laning of 6500 kms. of National Highways at a cost of ₹ 412 Billion through PPP route on BOT (Toll) basis using Design Build Finance and Operate (DBFO) pattern with a maximum Viability Gap Funding (VGF) of 10%. A length of around 1,918 kms. is being implemented as on April 2011
- v. Development of 1,000 kms. of Expressways (NHDP-VI):
With the growing importance of certain urban centres of India, particularly those located within a few hundred kilometres of each other, expressways would be both viable and beneficial. Under the NHDP Phase VI, the Government has approved the construction of 1000 kms. of expressways at an estimated cost of ₹ 166.80 Billion through the PPP route on BOT (Toll) mode following a DBFO pattern with a maximum VGF of 40% for which feasibility report is under preparation. NHDP-VI is scheduled for completion by December 2015
- vi. Other Highway Projects (NHDP-VII):
Under NHDP Phase-VII, the Government has envisaged the construction of 700 kms. of stand-alone ring roads/bypasses as well as grade separators, flyovers, elevated roads, tunnels, road over bridges, under passes, etc.

at an estimated cost of ₹ 166.80 Billion through the PPP route on BOT (Toll) basis with a maximum VGF of 40%. As of April 2011, around 41 kms. are under implementation

vii. Special Accelerated Road Development Programme for the North Eastern Region (SARDP-NE) :

About 15 stretches aggregating 388 Kms. of the various National Highways in the North Eastern areas are to be developed under PPP mode through the Special Accelerated Road Development Programme for the North Eastern Region (SARDP-NE). The project has been conceived to provide connectivity to all 85 district headquarter towns of the North-East region by at least two-lane roads and upgrading all two-lane national highways connecting state capitals in the region to four-lane standards

Large Sized Highway Projects

The Government has formulated large sized highway projects, involving budgets of around USD 1 Billion each. This would involve developing more than 4,800 kms. of modern highways, spread across eight states

Some of the large sized highway projects being developed comprise the following:

S.No	Stretch	State	Length (Kms.)
1	Gwalior – Shivpuri	Madhya Pradesh	124.86
2	Shivpuri – Dewas	Madhya Pradesh	347.14
3	Walajahpet – Poonamallee	Tamil Nadu	93.00
4	Eastern Peripheral Expressway	Haryana	135.00
5	Jabalpur – Lakhnadon	Madhya Pradesh	80.90
6	Jabalpur – Rewa	Madhya Pradesh	226.54
7	Icchapuram-Srikakulam-Anandpuram	Andhra Pradesh	213.00
8	Aurangabad-Dhule	Maharashtra	130.23
9	Barwa-Adda	Bihar/Jharkhand	220.00
10	Bagodara-Dhandhuka-Bhavnagar	Gujarat	127.70

Annual Qualification for Projects awarded by NHAI

The NHAI proposes to award projects for two/four/six laning of national highways (10,000 kms.) over a period of one year. An indicative list of 100 such proposed projects have been issued by the NHAI and an annual pre-qualification process has been initiated in order to streamline and ease the process of pre-qualification of applicants for participating in the Bid. This Annual Qualification is aimed at evaluating the Technical and Financial Capacity of Applicants and deciding their eligibility of qualification for a specified threshold of project cost. The pre-qualification shall be valid till December 2011 or such date as may be decided by the NHAI

The applicants pre-qualified at this stage will not be required to submit detailed application at the project specific qualification stage. The Annual Qualification process will help reduce the turnaround time spent for bidding process thereby expediting the award of projects

and also reduce the efforts put in by the applicants to a great extent thus enabling them to submit more competitive bids

O&M Projects

NHAI has initiated the process for awarding various National Highway stretches on Operate Maintain and Transfer (OMT) contracts. This segment is likely to gain momentum as the National Highway stretches (completed under various NHDP) are likely to come up for bidding for Improvements and Maintenance

State Level Initiatives

The State Governments are implementing several infrastructure projects through the PPP mode in different sectors. The States and Union Territories have completed 176 PPP projects in different sectors with a total investment of ₹ 411.69 Billion, while projects worth around ₹ 1,641.26 Billion are under various stages of implementation. In addition, multiple PPP projects are in the pipeline, involving an estimated investment of

The NHAI proposes to award projects for two/four/six laning of national highways (10,000 kms.) over a period of one year. An indicative list of 100 such proposed projects have been issued by the NHAI ↔

₹ 1,916.22 Billion. The State Governments of Gujarat, Maharashtra, Karnataka and Andhra Pradesh, amongst others have continued implementing State Highways on PPP framework

- Gujarat Infrastructure Development Board (GIDB) has formulated “Gujarat Infrastructure Agenda – Vision 2010”, a comprehensive plan for Gujarat’s infrastructure development. Of the proposed overall investment plan of ₹ 1,169.93 Billion in various infrastructural sectors, the State is envisaging spending about ₹ 199.51 Billion in developing the road connectivity within the State
- The Karnataka State Highway Improvement Project has proposed to develop 4 road stretches in the coming year with a total length of 561.91 kms. at a cost of ₹ 15.22 Billion in association with the World Bank
- The Public Works Department, Government of Maharashtra also proposes to improve about 105 Kms. of the road network under the PPP model, estimating investments of about ₹ 12.3 Billion
- The Madhya Pradesh State Road Corporation is also proactively developing about 620 Kms. of its road network envisaging investments of about ₹ 40.38 Billion under the BOT model
- The Public Works Department, Government of Rajasthan has initiated the process for development of around 1843.58 Kms. of the state road network at an estimated investment of ₹ 55.32 Billion
- The Uttar Pradesh State Highway Authority has earmarked development of about 573.16 Kms. of state highways with an estimated investment of about ₹ 46.05 Billion

B. Railways

The Indian Railways, one of Asia’s largest railway networks and the world’s second largest under one management, is the major lifeline of India

Traditionally, railway projects which are capital intensive are mostly funded by budgetary support from the Government. The projected investment in railways, including metro railways, in the Eleventh Plan is expected to be about ₹ 200.8 Billion. The Indian Railways had recently opened up container movement activity to competition and concessions have been granted for operating container trains. The Railway Ministry has identified 50 stations to be promoted as world class stations and development of logistics parks through the PPP route

It is expected that the Indian Railways will shortly initiate projects worth ₹ 10 Billion to kick-start one of India’s most ambitious infrastructure projects to build dedicated freight corridors to connect North India with Mumbai and West Bengal. The freight corridor is integral to the ₹ 4000 Billion project to build an industrial corridor between Delhi and Mumbai with a series of industrial parks, airports, power plants and new townships. The Eastern freight corridor would ease movement of coal and other commodities to the North and the Delhi-Mumbai route would facilitate container movement.

3. Threats

Threats may arise either from major policy changes by the Government and security related developments in a specific region. These have been described below:



Proposed Interior view of Metro Rail Station

Policy Changes:

In view of the extended gestation periods and the socio-economic development of infrastructure, the government has formulated policies to encourage private partnership to develop infrastructure. The road sector has witnessed consistent policies at the Centre and the State Government levels. Thus, in the current scenario where demand for infrastructure development in the country is high, the likelihood of any major policy change, which can adversely affect infrastructure business, are negligible

Selection Criteria:

Depending on project size, the project awarding authorities set a minimum benchmark in the technical and financial criteria, which may restrict small or mid-size developers from competing in the bidding stage. However, the Company possesses financial or technical strengths to qualify for all categories of projects being implemented or which are in the pipeline

Force Majeure Threats:

A project may be abandoned at a certain region in the country due to force majeure events such as natural disasters, war and terrorism, amongst others. However, all the signed Concession Agreements provide proper risk cover in such circumstances, with no significant financial impact on the Company. Such events are appropriately covered through insurance and compensation is pre-defined in the Concession Agreements

Change in Law:

In case the Government makes changes in law which

could have an impact on infrastructure projects, the Concession Agreement provides for the Concessionaire to be insulated from any adverse impact arising from such change in law

Credit Availability

The positive environment for private participation in infrastructure development has led to multiple sectors seeking project finance from the banks and other financial institutions. This may lead to more stringent guidelines by lenders for appraising infrastructure projects. The Company has a good track record with infrastructure financiers to ensure that its projects achieve financial close

4. Sector-wise performance

The Company has a significant presence in different business verticals in the surface transportation segment namely, Roads, Urban Transport, Railways and Development of Border Check Posts. The Company has a large and diversified BOT road asset portfolio and is well poised to reap the benefits of economic growth. It has developed various Pan-India road projects and also developed complementary engineering, designing, planning and project monitoring skills. The Company has a proven track record of delivering quality assets within budgeted costs and time

a. Roads

The financial year ended March 31, 2011 augured well for the Company in the road sector. It was awarded three new projects, achieved financial closure for all the road sector projects and commenced commercial operations for one road project. The details are as follows:



Phalodi to Ramji Ki Gol Road

- (i) The Company successfully commenced commercial operations on the two lane, 116 kms. (248 lane kms.) stretch of the Gomti-Beawer Section of NH-8 from Kms. 58.245 to Kms. 177.050 in the State of Rajasthan on August 25, 2010. The Project was completed 4 months ahead of the scheduled completion date. This is a toll project awarded by the Ministry of Road Transport and Highways, Government of India
- (ii) The Company has completed the construction of the 13 kms. stretch of road consisting of 8 lanes (173 lane kms.) from Km. 95 to Km. 108 of the Hyderabad Outer Ring Road Project in the State of Andhra Pradesh. The application for issue of provisional completion certificate effective March 1, 2011 has been submitted to the Hyderabad Urban Development Authority and is awaited
- (iii) Financial closure has been achieved during the year in respect of the following projects awarded:
- Narketpally-Addanki -Medarametla stretch of 213 kms. (888 lane kms.) between Km. 0.00 and Km. 212.00 of State Highway No. 2 in the State of Andhra Pradesh in a 50:50 Joint Venture with Ramky Infrastructure Limited. The Project has been awarded by the Andhra Pradesh Road Development Corporation Limited on BOT (Toll) basis at a cost of ₹ 17,605.3 Million
 - Jorabat -Shillong stretch of 62 kms. (262 lane kms.) between Km. 0.00 and Km. 61.80 on NH-40 in the States of Assam and Meghalaya on BoT (Annuity) basis in a 50:50 Joint Venture with Ramky Infrastructure Limited. The Project has been awarded by the National Highways Authority of India with a Project Cost of ₹ 8,240 Million
 - Chenani to Nashri section of NH-1A comprising of a road stretch of approx. 11.12 kms. (38.28 lane kms.) this includes a 9 km. tunnel between Km. 89.00 and Km. 130.00 (New Alignment) in the State of Jammu & Kashmir on BOT (Annuity) basis. The Project has been awarded by the National Highways Authority of India with a Project Cost of ₹ 37,200 Million
 - Four laning of 64 kms. (275 lane kms.) of the existing 2 lane stretch on SH -264 from Warora to Chandrapur to Ballarpur to Bamni in the Chandrapur district of Maharashtra, under a Design, Build, Finance, Operate and Transfer (“DBFOT”) format in which the Company holds 35% equity. The Project was awarded by the Public Works Department, Government of Maharashtra at a cost of ₹ 6876.2 Million
- (iv) The Company is carrying out the Operations and Maintenance activities of the following road projects and maintaining the same in terms of the norms prescribed under the Concession Agreements:
- The Kotakatta Bypass – Kurnool project in Andhra Pradesh
 - The Jetpur- Gondal- Rajkot project in Gujarat
 - The Belgaum - Maharashtra Border project in Karnataka
 - The Thiruvananthapuram City Road Improvement project in Kerala
 - The Ahmedabad – Mehsana project in Gujarat
 - The Vadodara – Halol project in Gujarat
 - Various road stretches under the Mega Highways Road Project Phase I in Rajasthan
- (v) After successful commissioning of the 1053 Kms. (2106 lane kms.) of road stretches under Phase I in the State of Rajasthan through the Road Infrastructure Development Company of Rajasthan Limited (RIDCOR), a joint venture (50:50) between the Government of Rajasthan and IL&FS, the parent company in which the Company has 50% economic interest, the Government of Rajasthan has awarded seven additional road stretches under Phase II comprising 272.5 kms. (715 lane kms.) at an estimated total project cost of ₹ 8,126 Million to RIDCOR

(vi) The Company has commenced construction of the following projects awarded by the National Highways Authority of India:

- 4-Laning of 101.30 kms. (571 lane kms.) road stretch between Pune and Sholapur from Km. 144.40 to Km. 249.00 on NH-9 in the State of Maharashtra on BOT (Toll) basis
- 4-Laning of 71.16 kms. (319 lane kms.) road stretch between Ranchi and Hazaribagh on NH-33 from km. 40.50 to Km. 114.00 in the State of Jharkhand on BOT (Annuity) basis
- 4-Laning of 121 kms. (522 lane kms.) road stretch between Moradabad and Bareilly from Km. 148.00 to Km. 262.00 on NH-24 in the State of Uttar Pradesh on BOT (Toll) basis

(vii) The Company is currently developing three road stretches aggregating 98 kms. (466 lane kms.) in the State of Jharkhand under the Jharkhand Accelerated Road Development Programme (JARDP) at an estimated cost of ₹ 14,080 Million which is expected to be completed during the financial year ending March 31, 2012. The projects are being developed through a subsidiary of the Company, namely, Jharkhand Road Projects Implementation Company Limited. Additionally, a new Project of 68.70 Kms. (2 lane) proposed to be developed at a cost of ₹ 3330.7 Million has been approved by the Technical Subcommittee and is awaiting final clearance from the Government of Jharkhand

(viii) The Company is currently associated with 113 proposals with various project awarding authorities aggregating 13,452.29 Kms. which are under various stages of development

b. State Border Check Posts

The Company in consortium with Spanco Limited with equity participation in the ratio of 51:49 respectively was awarded a Concession by the Madhya Pradesh Road Development Corporation Limited for Up-gradation, Modernisation, Development, Operation and Maintenance of 24 Border Check Posts across the State of Madhya Pradesh on BOT basis. The Project is fee based with a concession period of 4566 days and an estimated project cost of ₹ 13,500 Million

c. Urban Transport :

- (i) Vansh Nimay Infraprojects Limited (VNIL), a subsidiary, is operating a Bus Service in the city of Nagpur, Maharashtra under a concession from the Nagpur Municipal Corporation (NMC) for a period of 10 years. During the year under review, VNIL had signed a Supplementary Agreement with NMC on March 3, 2010 for the addition of 300 new buses under the JNNURM Scheme to its existing fleet of 230 buses
- (ii) Rapid MetroRail Gurgaon Limited, a subsidiary commenced execution of the 5.1 kms. elevated metro rail loop line, connecting Sikanderpur station of Delhi Metro to the Central Business District of Gurgaon through DLF Cyber City at an estimated cost of ₹ 10,800 Million. The project achieved financial closure in June, 2010 and the construction activity commenced in December 2010

5. Risks & Concerns

The Indian infrastructure industry has tremendous scope to accommodate private partnerships. The Management is positive about the Company's long-term outlook. It has a proven capability to assess and manage business risks. In the current economic environment, the Company perceives the following risks and concerns:

i) Market Competition:

The immense scope in the road sector development business has resulted in increased competition from emerging firms. The Company is operating in a highly competitive market. With improved strategy, processes and systems, the Company endeavours to differentiate and ensure strong growth and profitability

ii) Economy:

Inefficient fiscal control may threaten margins and profitability, especially during an industry downturn. The Company employs strict internal and budgetary controls, adequately supported by an effective Management Information System to keep costs under control

iii) Delay in clearances / approvals by Government for the project:

There could be delays in obtaining various clearances/approvals necessary for commencement of the project. The Company provides assistance to the Concessing

Authorities to facilitate clearances. Although the concession agreement provides for timelines to complete the conditions prescribed therein, it also has provisions to extend such timelines

iv) Retention of experienced manpower:

The Company lays considerable emphasis on training and leadership development. A good retention scheme is institutionalised to safeguard the organisation from any sudden and significant talent flight. A good succession planning process is at the root of the Company's people practices. The reward and compensation structure is periodically reviewed in consultation with expert agencies to ensure that talent is retained

v) Price Inflation Risk:

Fluctuating raw material prices have been witnessed over the past couple of years. The Company has a centralised cost estimation department for standard methods to be adopted to factor in likely increase in prices, while preparing project estimates. The Company has a mechanism to compensate the contractors adequately in case of increase in costs which helps maintain the quality of work

vi) Slowdown in Government Spending:

The projections made in the XIth Five Year Plan, estimated the total spend on infrastructure at ₹ 21,000 Billion, of which the Government spend was estimated at around ₹ 13,000 Billion. The preliminary outlook for the XIIth Five Year Plan has estimated requirement of investments in Infrastructure to the tune of ₹ 45,800 Billion of which only 50% is expected to be funded through private participation. Thus the reduction in government spend is not foreseen in the near future on Infrastructure

vii) Force Majeure

There is adequate insurance cover for the project to take care of any unforeseen events. The Concession Agreement provides extension of the Project commencement period / completion period / operations period to offset the losses incurred by the Concessionaire due to force majeure events. The Concession Agreement provides for proper risk cover in such circumstances with no adverse financial impact



Nagpur City Bus

viii) Increased cost of borrowings

The norms being implemented through the country's monetary policy to contain the rising inflation has resulted in increased cost of borrowings. The Company is factoring in such costs during project formulation and finalising its strategy for bidding and exploring possible solutions to mitigate any adverse impact on this count

6. Outlook:

The Government of India has realised that in order to drive inclusive development, infrastructure creation is the key. This suggests that there is increased scope for private sector participation and that there would be a steady increase in new projects being formulated. The Company currently has a large and well balanced asset portfolio, which will enable it to leverage the emerging opportunities

The Company is optimistic that the portfolio of projects would significantly improve its financial performance. It is also targeting large sized highway projects

The Company is also closely monitoring investments made in the BOT projects and continuously reviewing and strengthening its systems and procedures and has obtained ISO 9001:2008 certification



Delhi Noida Toll Plaza

The Company is optimistic about the growth of the infrastructure industry in India and in its ability to achieve targets on account of the following:

- the number of projects in its order book;
- robust pipeline arising from the priority accorded to infrastructure development;
- strong, efficient and skilled workforce and
- continuing support from bankers

7. Internal Control Systems and its Adequacy:

The Company has institutionalised a well established Internal Audit & Risk Management framework, which covers all aspects of financial and operational controls. The internal audit is carried out by a firm of Chartered Accountants who report directly to the Audit Committee of the Board of Directors. The Corporate Audit function plays a key role in providing to both the operating management and the Audit Committee of the Board an objective view and reassurance of the overall control systems and effectiveness of the risk management processes across the Company. The Corporate Audit also assesses opportunities for improvement in business processes, systems and controls and provides recommendations designed to add value to operations

The scope and authority of the Internal Auditor is derived from the Internal Audit Plan approved by the Audit Committee. Internal audits are conducted every quarter covering operations, accounting, secretarial and administration functions and with specific reference to compliances based on the audit plan, which is approved

by the Audit Committee at the beginning of the year. The Audit Committee meets at regular intervals, when internal audit reports (relating to the period in question) are placed before the Audit Committee for review, discussion and subsequent action

Every employee plays a key role in fostering a working environment of responsibility, accountability and ethical behavior. Risk Management and Internal Audit systems complement each other

The Company has grown over the last three years with a consequent change in the risk profile. The identification and management of risk is an integral part of its strategy in achieving its long term goal. It strives to identify opportunities that enhance organisational values, while managing and mitigating risks that adversely impact its future performance

8. Discussion on financial performance with respect to operational performance

During the financial year 2010-11, the Company's turnover increased by 81% to ₹ 17,009.80 Million from ₹ 9,415.36 Million in the financial year 2009-10. This is on account of the increase in construction revenue as a result of greater number of projects in which construction activity has been undertaken. Such projects increased from one in 2009-10 to six during 2010-11

As a consequence of the increase in construction activity there is an increase in the construction expenditure, besides other operating expenditure relating to Operations and Maintenance and other activities

Other key operating data for the year comprise of the following:

Earnings before Interest, Tax, Depreciation and Amortisation reduced from ₹ 6,439.53 Million in 2009-10 to ₹ 6,170.55 Million in 2010-11, registering a decline of 6% over that of the previous year. EBITDA for 2010-11 recognises a provision of ₹ 100 Million for reduction in the value of investments. The EBITDA margin for the year has reduced from 68% in 2009-10 to 36% in 2010-11. The significant reduction in EBITDA margin can be ascribed to the change in composition of the turnover and operating expenses as a result of the Company's construction activity

In earlier years, where the Company did not undertake responsibility for construction, the income was predominantly from Project Development Fees, which were recognised fully in the year of billing. With the responsibility for construction being undertaken by the Company, the margins are recognised over the period of construction

As a result of the growth in the business there has been an increase in the employee cost and general administration arising from increased head count

There was increase in financing cost by ₹ 130 Million in 2010-11 as a result of higher borrowings to fund the higher level of activities and working capital and also due to an increase in interest rates in the latter half of the year. The debt equity ratio as at March 31, 2011 stood at 1.06: 1 as against 0.97: 1 as at March 31, 2010

Profit before tax reduced from ₹ 4,971.27 Million in 2009-10 to ₹ 4,517.39 Million in 2010-11, registering a 10% decline over that of the previous year

Profit after tax reduced from ₹ 3,247.29 Million in 2009-10 to ₹ 2,880.36 Million in 2010-11, a 11% decline over that of the previous year

Earnings per share on basic and diluted basis stood at ₹ 14.83 per share as at March 31, 2011 as against ₹ 18.93 per share as at March 31, 2010 translating to a price to earnings ratio of 15.84 times as on March 31, 2011 as against 14.71 times as at March 31, 2010

The price to book ratio was 2.45 times as at March 31, 2011 compared to 3.43 times as at March 31, 2010

9. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company is driven by its dynamic work force, imbued by the spirit of making the organisation an industry frontrunner. The Company's focus is to build an organisation of highly motivated employees, having the ability to execute ambitious business goals with



Kotakatta Kurnool Road

passion and commitment, thereby exceeding customer aspirations

The Company has formulated an attractive reward and compensation structure to sustain high motivation levels of its people. Besides, its scalable recruitment and retention strategies enable it to attract and retain high caliber employees

The Company encourages its employees to participate in various development programmes, which are conducted at all levels using internal resources and /or engaging external facilitators and trainers for upgrading the skills-set on a periodic basis, enabling them to compete with the unpredictable challenges ahead

10. CAUTIONARY STATEMENT

Certain statements made in the Management Discussion and Analysis Report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections and so on whether express or implied. Several factors could make significant difference to the Company's operations. These include climatic conditions and economic conditions affecting demand and supply, government regulations and taxation, natural calamities and so on over which the Company does not have any direct control

Directors' Report

The Shareholders

IL&FS Transportation Networks Limited

Your Directors have pleasure in presenting the Eleventh Annual Report alongwith the Audited Statements of Accounts for the year ended March 31, 2011

Financial Results

The financial results of the Company are as under:



	Year ended 31.03.2011	Year ended 31.03.2010
Total Income	17,009.80	9,415.36
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)	6,270.55	6,439.53
Profit Before Tax	4,517.39	4,971.27
Profit After Tax	2,880.36	3,247.29
Balance Brought Forward	3,014.27	771.31
Profit available for appropriation	5,894.63	4,018.60
Appropriation:		
Dividend Proposed/Paid	(679.94)	(582.80)
Tax on Dividend	(110.30)	(96.80)
General Reserve	(288.04)	(324.73)
Balance carried forward	4816.35	3,014.27

Dividend

Your Directors have recommended payment of dividend of ₹ 3.5 per share (Previous Year: ₹ 3/- per share) for the year under review. The proposed dividend, if approved at the Annual General Meeting, will absorb a sum of ₹ 790.24 Million including tax on dividend of ₹ 110.30 Million (Previous Year: ₹ 679.60 Million including dividend tax of ₹ 96.80 Million)

Utilisation of Public Issue Proceeds

As you are aware, the Company had initiated an Initial Public Offering ("IPO") of its equity shares in the Financial Year 2009-10. Out of the total issue size of ₹ 7,000 Million, a sum of ₹ 1,104 Million pertained to Trinity Capital (Two) Limited, the selling shareholder who offered their shares for sale under the IPO. The total proceeds received by the Company amounted to ₹ 5,896 Million resulting in a fresh issue of 22,852,938 Equity Shares at ₹ 258 per share. The net proceeds received from the IPO have been fully utilised by the Company as follows:



Particulars	Utilised
Pre-payment & Repayment of debt	5,000.00
General Corporate Purposes	605.58
Issue Related Expenses	290.48
Total	5896.06

There was no variation in the utilisation of net proceeds as against those stated in the Prospectus dated March 18, 2010

Performance Review

Your Company continues to maintain its leading position in the Surface Transport Sector with 22 projects in its portfolio in various stages aggregating to around 12,000 lane kilometers (including around 1,400 lane km in respect of which your Company is the lowest/preferred bidder). All the projects that were awarded during 2009-10 are under various stages of construction and most of them are expected to be completed before end of financial year 2012-13. As at March 31, 2011, 9 projects have been operational with an aggregate length of approximately 4,300 lane kilometers

While the initial months of the financial year witnessed a number of projects being awarded by National Highways Authority of India (NHAI), there was a marked slow down for a significant period thereafter. Towards the end of the financial year there was once again resurgence in the project awards. The Company was awarded 2 projects by the NHAI namely, the Chenani Nashri Tunnel Project in the State of Jammu & Kashmir and Jorabat Shillong road project in the North East. Other than the NHAI Projects, the Company were also awarded a road project by the Government of Andhra Pradesh and a project for development of entry points by the Government of Madhya Pradesh

NHAI has opted to increase the average size of road projects being tendered, placing big players in the sector at an advantageous position as compared to other smaller players. The current trend puts the Company at an advantageous position as compared to other smaller players. The increased importance to the sector and the targets set by NHAI will give sufficient opportunities to ITNL, which is eminently positioned to capture and enhance its portfolio by exploiting the business opportunity

Amongst the other sectors of transport in the ambit of the Company, construction on the Rail project in Gurgaon commenced during the financial year and



Beawer Gomti Road

is proceeding on schedule. The Urban Bus Transport system in the city of Nagpur continued its slow progress

Amidst continued difficult economic conditions in Europe, Elsamex S.A., acquired in the year 2008 reported a marginal profit for the financial year 2010, aided partly by the restructuring of its operations involving:

- (i) Streamlining the International and Spanish business
- (ii) Strengthening presence in high value add and predictable income segments (Concessions, Project Management etc)
- (iii) Re-establishing financing lines for Elsamex on a standalone basis

The increased importance to the sector and the targets set by NHAI will give sufficient opportunities to ITNL, which is eminently positioned to capture and enhance its portfolio by exploiting the business opportunity

Subsidiaries

The Consolidated Financial Statements have been prepared in accordance with the Accounting Standards 21, 23 and 27 of the Institute of Chartered Accountants of India. As required under Section 212(8) of the Companies Act, 1956, the Statement of holdings in subsidiaries and Consolidated Accounts pursuant to Accounting Standard (AS-21) issued by the Institute of Chartered Accountants of India, form part of the Annual Report. In terms of the Notification dated February 8, 2011 issued by the Ministry of Corporate Affairs (MCA), amending Section 212 of the Companies Act, 1956, the Board of Directors of the Company at its Meeting held on February 9, 2011 noted the provisions of the Circular of the MCA and passed the necessary resolution granting the requisite approvals for not attaching a copy of the Balance Sheet, Profit and Loss Account and Reports etc of the subsidiaries along with the Annual Report of the Company for the financial year 2010-11. The disclosure relating to financials of the subsidiaries is included in the consolidated balance sheet. The accounts of subsidiary companies are therefore not attached with this Annual Report. However, the accounts of the subsidiaries will be made available on the website of the Company and on request, for inspection to Shareholders seeking such information, at the Registered Office of the Company

Directors

Mr. Ravi Parthasarathy, Mr. Hari Sankaran, Mr. H P Jamdar and Mr. Mukund Sapre, Directors are liable to retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible offer themselves for re-appointment. Your Directors recommend their re-appointment

Auditors

Messrs Deloitte Haskins & Sells, Chartered Accountants, Statutory Auditors, retire at the ensuing Annual General Meeting and have expressed their willingness to continue as Statutory Auditors, if re-appointed

Deposits

Your Company has not accepted any Fixed Deposits during the year under review

Corporate Governance

Your Company believes in adhering to good governance practices and has fully complied with the requirements/disclosures that have to be made in this regard. A Report on Corporate Governance is enclosed and forms part of this Annual Report. A certificate from the Statutory Auditors on compliance with the provisions of Corporate Governance is also annexed to this Report

Particulars of Employees

The information regarding particulars of remuneration etc of certain employees required under Section 217(2A) of the Companies Act, 1956 and the rules made thereunder is given in an Annexure which forms part of this report. In terms of Section 219(1)(b)(iv) of the Companies Act, 1956, the Director's Report and Accounts are being sent to the Shareholders without this Annexure. Any Shareholder interested in obtaining this Annexure may write to the Company Secretary at the Registered Office of the Company



Thiruvanthapuram City Road



Vadodara Halol Toll Plaza

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based on the representations received from the Operating Management, confirm that:

- (1) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures
- (2) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit of the Company for that period
- (3) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities
- (4) they have prepared the annual accounts on a going concern basis

Foreign Exchange Earnings and Expenditure

The foreign exchange expenditure during the year was ₹ 139.51 Million

Since the Company does not have any manufacturing facility, the other particulars required to be provided in terms of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable

Acknowledgments

The Directors place on record their appreciation for the continued support and co-operation received from the various Government Authorities including National Highways Authority of India and other Regulatory Authorities, Banks, Financial Institutions and Shareholders of the Company

The Directors would also like to place on record their appreciation for the contribution and dedication of the employees of the Company at all levels

By the Order of the Board

Deepak Dasgupta
Chairman

Mumbai, April 29, 2011

Report on Corporate Governance



Belgaum Maharashtra Border Road

1. Company's Philosophy on Corporate Governance

Corporate Governance is the application of best management practices, compliance of law and adherence to ethical standards to achieve the Company's objective of enhancing shareholder value and discharge of social responsibility. Corporate Governance is a journey for constantly improving sustainable value creation. The Corporate Governance framework in the Company has been strengthened with the adoption of the Code of Conduct and the Code of Conduct for Prevention of Insider Trading. The Company is committed to meet aspirations of its Stakeholders and is striving to be a part of the social development of the country

2. Board of Directors

Composition

The Company's policy is to maintain an optimum combination of Executive & Non-Executive Directors. The Board presently comprises of 12 Directors, including 2 Executive and 10 Non-Executive Directors, of which 4 are Independent Directors. The Directors are professionals, have expertise in their respective functional areas and bring a wide range of skills and experience to the Board

None of the Directors on the Board is a member of more than ten committees or chairman of more than

five committees across all the companies in which he is a director. As required under Clause 49 of the Listing Agreement, necessary disclosures regarding committee positions have been made by the Directors

During the year under review, the Board met 4 (four) times on the following dates:

- (i) May 25, 2010, (ii) August 4, 2010, (iii) November 12, 2010 and (iv) February 9, 2011

The Agenda and the explanatory notes forming part of agenda are prepared and is circulated in advance to the Directors. Presentations are made on operations / business to the Board by the Managing Director / Executive Director

Category & Attendance of Directors

The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the year under review, alongwith the number of directorships and committee memberships held by them in other companies as on March 31, 2011 are given below. The directorships in other companies exclude those held in private limited companies, associations, companies incorporated outside India and alternate directorships. The Chairmanship / Membership of the Committees include memberships of Audit and

Shareholders' / Investors' Grievance Committees. The details of attendance of the Directors at the Annual General Meeting held on August 4, 2010 is also provided



Name	Category	Attendance at Board meeting		Attendance at Annual General Meeting	Number of Directorships in other public companies		Number of Committee positions held in other public companies	
		Held	Attended		Chairman	Member	Chairman	Member
Mr. Deepak Dasgupta (Chairman)	Non-Executive, Independent	4	4	Yes	-	3	1	2
Mr. R. C. Sinha	Non-Executive, Independent	4	4	Yes	-	2	-	-
Mr. H P Jamdar	Non-Executive, Independent	4	4	Yes	-	1	-	-
Mr. Deepak Satwalekar	Non-Executive, Independent	4	3	Yes	-	7	2	2
Mr. Ravi Parthasarathy	Non-Executive, Non-Independent	4	3	Yes	8	3	-	-
Mr. Hari Sankaran	Non-Executive, Non-Independent	4	4	Yes	-	14	-	2
Mr. Arun K Saha	Non-Executive, Non-Independent	4	4	Yes	1	13	2	6
Mr. Vibhav Kapoor	Non-Executive, Non-Independent	4	3	Yes	-	6	-	-
Mr. Pradeep Puri	Non-Executive, Non-Independent	4	2	No	-	10	2	2
Mr. R S Chandra	Non-Executive, Non-Independent	4	4	Yes	-	2	-	-
Mr. K Ramchand (Managing Director)	Executive, Non-Independent	4	4	Yes	-	13	1	3
Mr. Mukund Sapre (Executive Director)	Executive, Non-Independent	4	4	Yes	-	13	-	9

Directors seeking re-appointment

Details of the Directors seeking re-appointment at the forthcoming Annual General Meeting as required under Clause 49 IV (G) of the Listing Agreement are annexed to the Notice convening the Annual General Meeting and forms part of this Annual Report

3. Audit Committee

Composition

The Audit Committee of the Company presently comprises of 4 Non-Executive Directors namely, Mr. R C Sinha as Chairman, Mr. Deepak Dasgupta, Mr. H P Jamdar and Mr. Arun K Saha, Members. Except for Mr. Saha, all other members are Independent Directors. Mr. Krishna Ghag, Company Secretary is the Secretary of the Audit Committee

The composition, role, terms of reference as well as powers of the Audit Committee are in accordance with the provisions of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956

Terms of reference

The terms of reference inter alia, include overseeing of the company's financial reporting process, reviewing the financial statements with the Management, recommending appointment / reappointment of auditors, fixation of audit fees, reviewing the adequacy of internal audit function, periodic discussions with auditors about their scope and adequacy of internal control systems, discussion on any significant findings made by Internal Auditors and follow up action. The Committee also reviews information prescribed under Clause 49(II)(E) of the Listing Agreement with the Stock Exchanges

Meetings held

During the year under review, five Audit Committee meetings were held on the following dates:

(i) May 25, 2010, (ii) August 4, 2010, (iii) November 12, 2010, (iv) February 9, 2011 and (v) March 17, 2011

Attendance:

The attendance at the meetings of the Audit Committees held, during the period April 1, 2010 to March 31, 2011 are given below:



Name of Director	Designation	Category of Directorship	No of Meetings	
			Held	Attended
Mr. R C Sinha	Chairman	Non- Executive, Independent	5	5
Mr. Deepak Dasgupta	Member	Non- Executive, Independent	5	5
Mr. H P Jamdar	Member	Non- Executive, Independent	5	5
Mr. Arun K Saha	Member	Non-Executive, Non-Independent	5	5

The Managing Director, Executive Director and Chief Financial Officer of the Company attend the meetings. The representatives of the Statutory and Internal Auditors are also present at the meetings

The last Annual General Meeting (AGM) of the Company was held on August 4, 2010 and Mr. R.C. Sinha, Chairman of the Audit Committee was present at the AGM

4. Shareholders' / Investors' Grievance Committee

Composition:

The Shareholders' / Investors' Grievance Committee comprises of 2 Directors, namely, Mr. Arun K Saha, Non-Executive Director as Chairman and Mr. K Ramchand, Managing Director. Mr. Krishna Ghag, Company Secretary, is the Compliance Officer

Terms of Reference

The terms of reference specifically includes redressal of shareholders/investors grievances pertaining to transfer/dematerialisation/rematerialisation of shares, non-receipt of dividend /annual report/ notices, etc



Meetings held

During the year under review, five Committee meetings were held on the following dates:

(i) May 25, 2010, (ii) June 22, 2010, (iii) September 21, 2010, (iv) October 25, 2010 and (v) January 17, 2011

Attendance



Name of Director	Designation	Category of Directorship	No of Meetings	
			Held	Attended
Mr. Arun K Saha	Chairman	Non- Executive Non-Independent	5	5
Mr. K Ramchand, Managing Director	Member	Executive Non-Independent	5	5

Details of Investor complaints received and redressed:

The Company had received 698 complaints during the period April 1, 2010 to March 31, 2011 and the same were resolved. There was no complaint lying unresolved as on March 31, 2011

5. Committee of Directors

Composition

The Board of Directors of the Company had constituted a Committee of Directors to approve the proposals concerning day to day operations for smooth conduct of the business. The Committee comprises of Mr. Hari Sankaran, Mr. Arun K Saha, Mr. Pradeep Puri, Non Executive Directors, Mr. K. Ramchand, Managing Director and Mr. Mukund Sapre, Executive Director

Meetings held

The Committee of Directors met 12 times during the period under review on (i) May 3, 2010, (ii) May 26, 2010, (iii) June 22, 2010, (iv) July 12, 2010, (v) August 16, 2010 (vi) September 21, 2010, (vii) October 25, 2010, (viii) November 18, 2010, (ix) December 23, 2010, (x) January 24, 2011, (xi) March 2, 2011 and (xii) March 30, 2011

Attendance



Name of Director	Designation	Category of Directorship	No of Meetings	
			Held	Attended
Mr. Deepak Satwalekar	Chairman	Non-Executive, Independent	2	2
Mr. Ravi Parthasarathy	Member	Non-Executive, Non-Independent	2	1
Mr. Hari Sankaran	Member	Non-Executive, Non-Independent	2	2

6. Remuneration Committee

Composition

The Remuneration Committee of the Company comprises of 3 Non-Executive Directors, namely, Mr. Deepak Satwalekar as Chairman, Mr. Ravi Parthasarathy and Mr. Hari Sankaran

Terms of Reference:

The terms of reference inter alia include determining the Company's policy on specific remuneration packages including pension rights and other compensation for employees of the Company, reviewing the performance of the employees, approving the annual remuneration and performance related pay to Whole-time Directors and the employees of the Company for each financial year

Meetings held

During the year under review, two Remuneration Committee meetings were held on the following dates:

(i) May 22, 2010 and (ii) March 17, 2011

Remuneration Policy

The Company's remuneration policy is driven by the success and performance of the Company and the individual employee. Through its compensation programme, the Company endeavours to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed pay, benefits and performance related pay. The performance related pay is determined by business performance and the performance of individual employee measured through the annual appraisal process

(i) (a) Executive Directors

The Company pays remuneration to its Managing Director and Executive Director by way of salary, perquisites and allowances (fixed component) & performance related pay (variable component). This is determined based on individual employee wise performance and the Company's overall performance in a financial year, as may be determined by the Remuneration Committee of the Board, at the end of each financial year, subject to the overall ceilings stipulated in Sections 198 and 309 of the Companies Act, 1956

The details of remuneration and perquisites paid to Mr K Ramchand, Managing Director and Mr. Mukund Sapre, Executive Director for the financial year ended March 31, 2011 are as follows:



Terms of Agreement	Mr K Ramchand (Managing Director)	Mr Mukund Sapre (Executive Director)
Period of appointment	5 years	5 years
Date of appointment	August 13, 2008	August 13, 2008
Salary (₹)	15,429,949	7,617,511
Perquisites (₹)	3,421,787	2,207,521
Retirement Benefits (₹)	4,499,552	1,650,000
Performance Linked Incentive (₹)	13,500,000	10,000,000
Notice Period	One month	
Severance Fees	There is no separate provision for payment of severance fees	
Stock Option	The Company does not have any Stock Option Plan for its employees	

(b) Non-Executive Directors:

(a) The Company pays Sitting Fees @ ₹ 15,000 per meeting (net of tax) to its Non-Executive Directors for attending meetings of the Board and other Committees of the Board. The Company also reimburses out-of-pocket expenses incurred by the Directors for attending the meetings. The details of sitting fees paid during the period April 1, 2010 to March 31, 2011 are given below:



Name of Director	Sitting fees (₹)
Mr. Deepak Dasgupta	150,003
Mr. R. C. Sinha	150,003
Mr. H P Jamdar	150,003
Mr. Deepak Satwalekar	100,002
Mr. Ravi Parthasarathy	66,668
Mr. Hari Sankaran	266,672
Mr. Arun K Saha	433,342
Mr. Vibhav Kapoor	50,001
Mr. Pradeep Puri	33,334
Mr. R S Chandra	66,668

- (b) Details of shares and convertible instruments held by the Non-Executive Directors as on March 31, 2011:



Name of Director	No of shares held
Mr. Deepak Dasgupta	79
Mr. Arun K Saha	1,579
Mr. R C Sinha	53
Mr. Hari Sankaran	79
Mr. Pradeep Puri	79

- (c) None of the Non-Executive Directors had any material pecuniary relationship or transactions with the Company

- (d) No Commission was paid to Non-Executive Directors during the year under review

7. General Body Meetings

Details of Annual General Meeting (AGM) / Extra Ordinary General Meeting (EGM) held during the last 3 years are given below:



Financial Year	Venue	Date	Time	AGM / EGM	Special Resolutions passed
2007-08	The IL&FS Financial Centre, C-22, G-Block, Bandra – Kurla Complex, Bandra (East), Mumbai 400 051	August 29, 2008	3.00 p.m.	AGM	2
2008-09	The IL&FS Financial Centre, C-22, G-Block, Bandra – Kurla Complex, Bandra (East), Mumbai 400 051	August 4, 2009	12.00 noon	EGM	2
	The IL&FS Financial Centre, C-22, G-Block, Bandra – Kurla Complex, Bandra (East), Mumbai 400 051	September 9, 2009	10.30 a.m.	AGM	-
2009-10	Y. B. Chavan Auditorium, Gen. J. Bhosale Marg, Mumbai 400021	August 4, 2010	3.30 pm	AGM	2

None of the resolutions were required to be passed through postal ballot. At present, no Special Resolutions are proposed to be passed through postal ballot

8. Disclosures

- (a) The Company has followed all relevant Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 while preparing the Financial Statements
- (b) There were no materially significant related party transactions i.e. transactions of a material nature, with its promoters, directors or the management, their subsidiaries or relatives etc. during the financial year under review that may have potential conflict with the interests of the Company at large except for those disclosed in the financial statements for the year ended March 31, 2011

- (c) Pursuant to the disclosures made by the Senior Management personnel of the Company to the Board, there were no material, financial and commercial transactions undertaken by them, which could have potential conflict with the interest of the Company at large
- (d) The Company makes presentations to Institutional Investors & Equity Analysts on the Company's performance on a quarterly basis
- (e) There were no instances of non-compliance by the Company, no penalties/strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority on any matters related to the capital markets during the period April 1, 2010 to March 31, 2011
- (f) In terms of Clause 49 (V) of the Listing Agreement, the Managing Director and Chief Financial Officer have furnished the requisite Certificates to the Board of Directors
- (g) The Board of Directors of the Company has adopted a Code of Conduct, which lays down various principles of ethics and compliance. The Code has been circulated to all the Directors and employees of the Company and has also been posted on the Company's website

Further, all the members of the Board and Senior Management personnel have affirmed compliance with the Company's Code of Conduct. A declaration to this effect signed by the Managing Director forms part of this report

- (h) The Company has complied with all the mandatory requirements under the provisions of Clause 49 of the Listing Agreement relating to Corporate Governance for the period April 1, 2010 to March 31, 2011
- (i) Compliance with Non Mandatory requirements;
 - i. The Code of Conduct adopted by the Company provides a mechanism for employees to report about unethical behaviour, actual or suspected fraud or violation of the Code
 - ii. The Company continues to adopt best practices to ensure the regime of unqualified financial statements. No audit qualifications have been reported on the Company's Standalone Financial Statements for the year ended March 31, 2011
 - iii The Company has set up a Remuneration Committee as per the provisions of Clause 49 of the Listing Agreement

9. Means of Communication



Financial Results	Quarterly and Annual Results are published in prominent newspapers viz. The Economic Times & Maharashtra Times. The results are also posted on the Company's website
News Releases	Official news releases are sent to the Stock exchanges as well as displayed on the Company's website
Website	The Company's website: www.itnindia.com provides comprehensive information about its business. Section on "Investors Relations" serves to inform and service the Shareholders allowing them to access information at their convenience. Presentations made to Institutional Investors and the shareholding pattern of the Company on weekly basis is also displayed on the website
Management Discussion & Analysis	This forms a part of the Annual Report which is mailed to the Shareholders of the Company



10. General Shareholder Information:

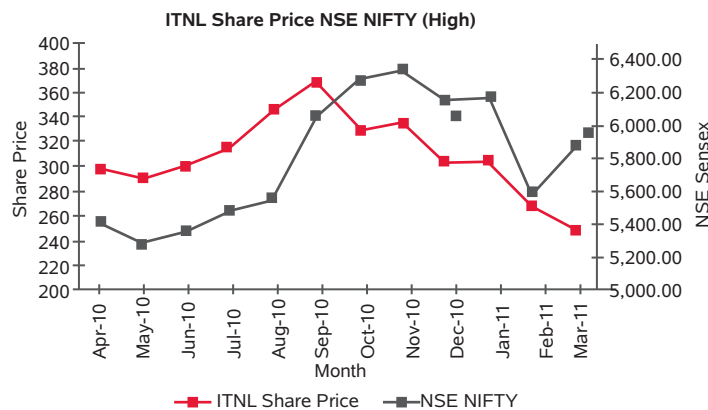
- I Annual General Meeting(AGM) :
Day/Date Friday, August 5, 2011
Time 3.30 pm
Venue Y B Chavan Auditorium Gen. J. Bhosale Marg,
Mumbai 400 021
- II Financial year : 1st April to 31st March
- III Date of Book Closure : Thursday, July 28, 2011 to Friday, August 5, 2011
- IV Dividend Payment Date : The dividend, if declared, shall be paid / credited before
September 2, 2011
- V Listing on Stock Exchanges : (i) National Stock Exchange of India Limited (NSE)
(ii) Bombay Stock Exchange Limited (BSE)

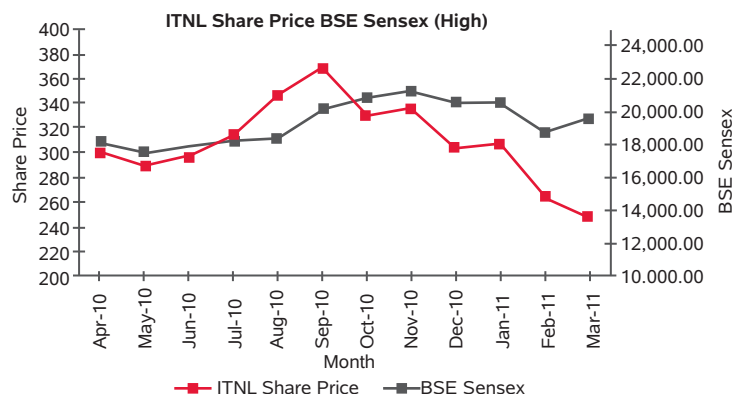
Listing fees as applicable have been paid
- VI Scrip Code : IL&FSTRANS EQ – NSE
533177 – BSE
- VII Market Price Data (High/Low during each month) on NSE & BSE:



Month	NSE		BSE	
	High	Low	High	Low
Apr-10	300.00	267.55	299.70	267.75
May-10	289.90	253.35	289.75	256.05
Jun-10	299.00	272.05	297.40	272.00
Jul-10	314.65	280.15	314.40	281.60
Aug-10	346.00	291.30	345.50	290.00
Sep-10	367.80	312.10	367.75	313.50
Oct-10	329.50	302.40	330.00	301.10
Nov-10	334.70	265.20	334.80	265.00
Dec-10	304.20	280.00	304.00	281.60
Jan-11	305.00	244.80	305.85	245.00
Feb-11	267.75	184.20	264.30	201.00
Mar-11	248.50	172.00	248.40	189.10

- VIII Performance of Company's share price in comparison with NSE NIFTY and BSE SENSEX during the FY 2010-11





IX Registrar and Share Transfer Agents:

Name & Address: Link Intime India Private Limited
 C-13, Pannalal Silk Mills Compound,
 L.B.S Marg, Bhandup (West), Mumbai 400 078
 Telephone No : +91-22-25960320
 Fax : +91-22-25960329
 Email : rnt.helpdesk@linkintime.co.in

X Share Transfer System

The share transfer requests received for physical shares at the Registrar and Share Transfer Agents will be processed and delivered within a month from the date of lodgement, if the documents are complete in all respects. Requests for dematerialisation / rematerialisation of shares are processed and confirmation given to the depositories within 15 days from the date of receipt

In order to expedite the process of share transfers, the Board has delegated the powers to Shareholders' / Investors' Grievance Committee comprising of the Managing Director and Non-Executive Director, who shall attend to the share transfer formalities on a periodical basis to ensure that the transfer requests are processed in time. The Committee will also consider requests received for transmission of shares, issue of duplicate certificates and split / consolidation of certificates

XI Distribution of shareholding as on March 31, 2011



Number of Equity Share holdings	Number of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of Shares
1 - 500	43,049	96.31	3,226,838	1.66
501 - 1000	743	1.66	589,550	0.30
1001 - 2000	401	0.90	605,158	0.31
2001 - 3000	147	0.33	379,921	0.20
3001 - 4000	73	0.16	258,672	0.13
4001 - 5000	56	0.13	265,116	0.14
5001 - 10000	99	0.22	731,645	0.38
10001 & above	128	0.29	188,210,832	96.88
Total	44,696	100.00	194,267,732	100.00



XII Shareholding Pattern as on March 31, 2011



Sr. No	Category	No. of Shares	Percentage
1	Promoter Holding	135,000,000	69.49
2	Promoter Group Holding	10,867,769	5.59
3	Mutual Funds	7,677,866	3.96
4	Financial Institutions / Banks	635,555	0.33
5	Foreign Institutional Investors	9,563,202	4.92
6	Bodies Corporate	2,339,560	1.20
7	Foreign Bodies Corporate	21,268,181	10.95
8	NRI	414,488	0.21
9	Individuals	6,501,111	3.35
	Total	194,267,732	100.00

XIII Dematerialisation of Shares as on March 31, 2011

The shares of the Company are compulsorily traded in electronic mode and are available for trading with both the depositories in India namely, National Securities Depository Limited and Central Depository Services (India) Limited. As on March 31, 2011, 194,267,620 shares representing 99.99% of the Company's total paid-up share capital (including 75.08% held by the Promoter & Promoter Group) were held in dematerialised mode

XIV Unclaimed Shares under IPO

The details of the Shares remaining unclaimed and lying in the Escrow Account of the Company as at March 31, 2011 are given below:



Particulars	Details
(i) Number of shareholders at the beginning of the year	752
(ii) Number of outstanding shares in the suspense account at the beginning of the year	47,292
(i) Number of shareholders who approached the Company and to whom shares were transferred from suspense account during the year	716
(ii) Number of shares transferred from the suspense account during the year	45,415
(i) Number of shareholders at the end of the year	36
(ii) Number of outstanding shares in the suspense account at the end of the year	1,877

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares

XV The Company has not issued any GDR/ADR Warrants or any other convertible instruments

XVI The Company does not have any manufacturing plant

XVII Address for correspondence:

IL&FS Transportation Networks Limited

Registered office:
The IL&FS Financial Centre,
C-22, G-Block, Bandra – Kurla Complex,
Bandra (East), Mumbai 400051
Telephone: + 91 22 26533333
Fax : + 91 22 26523979
Email: itnlinvestor@iflindia.com

Link Intime India Private Limited

Registrar & Share Transfer Agent
C-13, Pannalal Silk Mills Compound,
L.B.S Marg, Bhandup (West), Mumbai 400 078
Telephone No: +91-22-25960320
Fax: +91-22-25960329
Email: rnt.helpdesk@linkintime.co.in

Declaration regarding Compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct

The Company has adopted a Code of Conduct for the Board of Directors and the employees of the Company. The Code has been circulated to all the members of the Board of Directors and the employees of the Company, which is also put on the Company's website, www.itnlindia.com

I hereby confirm that the Company has in respect of the financial year ended March 31, 2011 received from all the members of the Board of Directors and the Senior Management Personnel a declaration of compliance with the Code of Conduct of the Company as applicable to them

For IL&FS Transportation Networks Limited

Mumbai, April 21, 2011

K Ramchand
Managing Director

Auditor's Certificate

To,
The Members of
IL&FS Transportation Networks Limited

We have examined the compliance of conditions of corporate governance by IL&FS Transportation Networks Limited, for the year ended on March 31, 2011, as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement for the year ended on March 31, 2011.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company

For DELOITTE HASKINS & SELLS

Chartered Accountants
(Registration No. 117366W)

Sanjiv V. Pilgaonkar
Partner
(Membership No. 39826)

Mumbai, April 29, 2011



Auditors' Report

TO THE MEMBERS OF IL&FS TRANSPORTATION NETWORKS LIMITED

1. We have audited the attached Balance Sheet of **IL&FS TRANSPORTATION NETWORKS LIMITED** (the "Company") as at March 31, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion
3. As required by the Companies (Auditor's Report) Order, 2003 ("CARO" / the "Order") issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
 - a. we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d. in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
- e. in our opinion and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the Companies Act, 1956, in the manner so required and a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
 - ii. in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - iii. in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date
5. On the basis of the written representations received from the Directors as on March 31, 2011 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2011 from being appointed as a director in terms of Section 274(1) (g) of the Companies Act, 1956

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No. 117366W)

Sanjiv V. Pilgaonkar
Partner
(Membership No. 39826)

Mumbai, April 29, 2011



ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph (3) of our report of even date

- i. Having regard to the nature of the Company's business / activities / result, clause (xiii) of paragraph 4 of CARO is not applicable to the Company
- ii. In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets
 - b. The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification
 - c. The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company
- iii. According to the information and explanation given to us, the nature of the activities of the Company did not require it to hold inventories during the year. Accordingly, the provisions of paragraph 4(ii) of CARO are not applicable to the Company
- iv. The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly, provisions of paragraphs 4(iii) (a) to (g) of CARO are not applicable to the Company
- v. In our opinion and according to the information and explanations given to us, having regard to the explanation that some of the items purchased are of special nature and suitable alternative sources do not exist for obtaining comparable quotations, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for sale of services. The nature of the Company's business is such that, it does not involve purchase or sale of goods. During the course of our audit, we have not observed any major weaknesses in such internal control system
- vi. In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - a. The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered
 - b. Where each of such transaction is in excess of ₹ 0.5 Million in respect of any party, the transactions have been made at prices which are, prima facie, reasonable having regard to the prevailing market prices at the relevant time
- vii. According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year and no order has been passed in this respect by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal
- viii. In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business
- ix. According to the information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956, for the nature of services rendered by the Company. Accordingly, the provisions of paragraph 4(viii) of CARO are not applicable to the Company
- x. According to the information and explanation given to us in respect of statutory dues:
 - a. The Company has generally been regular in depositing undisputed dues, including Provident Fund, Service Tax, Custom Duty, Income Tax, Wealth Tax and other material statutory dues applicable to it with the appropriate authorities during the year. According to the information and explanation given to us, there were no dues payable on account of Investor Education and Protection Fund, Employee's State Insurance, Sales Tax, Excise Duty and Cess during the year
 - b. There were no undisputed amounts payable in respect of Sales Tax, Service Tax, Custom Duty, Income Tax, Wealth Tax, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2011 for a period of more than six months from the date they became payable



- c. There were no disputed dues as regards Sales Tax, Service Tax, Custom Duty, Income Tax, Wealth Tax, Excise Duty and Cess that have not been deposited as at the year end
- xi. The Company does not have any accumulated losses as at the year end. The Company has not incurred cash losses during the financial year covered by our audit and in immediately preceding financial year
- xii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not borrowed any sum from financial institutions nor raised any sum by issue of debentures
- xiii. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of paragraph 4(xii) of CARO are not applicable to the Company
- xiv. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures or other investments. Accordingly, the provisions of paragraph 4(xiv) of CARO are not applicable to the Company
- xv. According to the information and explanations given to us, the Company has given guarantees for ₹ 4,075.69 Million to the lenders of one of the Company's subsidiary. In our opinion, having regard to the relationship with the subsidiary in respect of whose loans the guarantees have been furnished and exposure of the Company in the subsidiary, the terms and conditions of the guarantees are not, prima facie, prejudicial to the interest of the Company
- xvi. In our opinion and according to the information and explanations given to us, term loans availed by the Company were, prima facie, applied for the purpose for which they were obtained, other than temporary deployment pending application
- xvii. In our opinion and according to the information and explanations given to us, and on overall examination of the balance sheet of the Company, funds raised on short term basis have, prima facie, not been used during the year for long term investments
- xviii. According to the information and explanation given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of paragraph 4(xviii) of CARO are not applicable to the Company
- xix. According to the information and explanations given to us, the Company has not issued any debentures during the year. Therefore, the provisions of paragraph 4(xix) of CARO are not applicable to the Company
- xx. The Management has disclosed (in note no. 1 of the Schedule O to the financial statements) the end use of money raised by public issue and we have verified the same
- xxi. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No. 117366W)

Sanjiv V. Pilgaonkar
Partner
(Membership No. 39826)

Mumbai, April 29, 2011



BALANCE SHEET

as at March 31, 2011

₹ in Million

	Schedule	As at March 31, 2011		As at March 31, 2010	
SOURCES OF FUNDS					
Shareholders' funds					
Capital	A	1,942.68		1,942.68	
Reserves and surplus	B	15,904.97		13,814.85	
			17,847.65		15,757.53
Loan funds					
Secured Loans	C	90.86		–	
Unsecured Loans	D	18,850.00		15,250.00	
			18,940.86		15,250.00
Deferred tax liability (net) (Refer schedule "O" note no. 5)			26.64		1.90
			36,815.15		31,009.43
APPLICATION OF FUNDS					
Fixed assets					
Gross block	E	544.15		460.42	
Less: Depreciation		176.18		81.20	
Net block		367.97		379.22	
Capital work in progress / capital advances		6.72		7.38	
			374.69		386.60
Investments	F		21,083.96		13,953.81
Current assets, loans and advances					
Inventories	G	–		–	
Unbilled revenue		475.26		–	
Sundry debtors		8,386.84		4,756.11	
Cash and bank balances		75.58		1,429.15	
Other current assets		496.46		712.42	
Loans and advances		17,636.76		14,431.12	
		27,070.90		21,328.80	
Less : Current liabilities and provisions	H				
Current liabilities		10,901.55		3,960.62	
Provisions		812.85		699.16	
		11,714.40		4,659.78	
Net current assets			15,356.50		16,669.02
			36,815.15		31,009.43
Significant accounting policies					
Notes forming part of the financial statements					
Schedules "A" to "O" annexed hereto form part of the financial statements					

In terms of our report attached.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Mumbai, April 29, 2011

For and on behalf of the Board

K. Ramchand
Managing Director

George Cherian
Chief Financial Officer

Arun K. Saha
Director

Krishna Ghag
Company Secretary



PROFIT AND LOSS ACCOUNT

for the year ended March 31, 2011

₹ in Million

	Schedule	Year ended March 31, 2011	Year ended March 31, 2010
INCOME			
Income from operations	I	16,158.03	8,454.65
Other income	J	851.77	960.71
		17,009.80	9,415.36
EXPENSES			
Operating expenses	K	9,532.34	2,226.92
Employee costs (refer schedule "O" note no. 17 and 18)		512.01	325.43
Administration and general expenses	L	694.90	423.48
Interest and finance charges	M	1,555.03	1,425.08
		12,294.28	4,400.91
PROFIT BEFORE DEPRECIATION, DIMINUTION AND TAX		4,715.52	5,014.45
Depreciation		98.13	43.18
PROFIT BEFORE TAX AND DIMINUTION		4,617.39	4,971.27
Provision for diminution in value of investments		100.00	—
PROFIT BEFORE TAX		4,517.39	4,971.27
Provision for tax			
Current tax		1,612.27	1,681.81
Deferred tax charge/(credit) (net)		24.76	42.17
		1,637.03	1,723.98
PROFIT AFTER TAX		2,880.36	3,247.29
Balance of profit brought forward		3,014.27	771.31
PROFIT AVAILABLE FOR APPROPRIATION		5,894.63	4,018.60
Appropriations:			
General reserve		288.04	324.73
Proposed dividend		679.94	582.80
Tax on dividend		110.30	96.80
Balance of profit carried forward to Balance Sheet		4,816.35	3,014.27
Basic and Diluted earnings per share (Face Value per share ₹ 10)		14.83	18.93
(Refer schedule "O" note no. 30)			
Significant accounting policies	N		
Notes forming part of the financial statements	O		
Schedules "A" to "O" annexed hereto form part of the financial statements			

In terms of our report attached.
For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Mumbai, April 29, 2011

For and on behalf of the Board

K. Ramchand
Managing Director

George Cherian
Chief Financial Officer

Arun K. Saha
Director

Krishna Ghag
Company Secretary



CASH FLOW STATEMENT

for the year ended March 31, 2011

₹ in Million

Particular	Year ended March 31, 2011	Year ended March 31, 2010
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	4,517.39	4,971.27
Adjustments for		
Interest Income	(726.28)	(538.26)
Profit on sale of Investment	(40.09)	(93.10)
Provisions written back	(0.66)	(1.32)
Provision for compensated absences	2.77	3.53
Reversal of provision for gratuity	(1.64)	(1.94)
(Profit) / Loss on sale of fixed assets (net)	(0.66)	1.19
Depreciation	98.13	43.18
Interest and finance charges	1,555.03	1,425.08
Foreign exchange difference	–	13.02
Provision for / write back of doubtful debts / advances	(4.00)	7.29
Dividend Income	(32.51)	–
Provision for diminution in the value of investment	100.00	–
Operating profit before Working Capital Changes	5,467.48	5,829.94
Adjustments for		
(Increase)/decrease in debtors	(3,626.73)	(4,400.90)
(Increase)/decrease in loans and advances	(4,528.92)	(3,384.03)
Increase in current liabilities and provisions	7,069.20	3,340.26
Cash Generated from Operating Activities	4,381.03	1,385.27
Direct taxes paid (Net)	(1,805.00)	(2,105.13)
Net Cash (used in) / generated from Operating Activities (A)	2,576.03	(719.86)
Cash Flow from Investing Activities		
Purchase of fixed assets	(94.76)	(278.79)
Proceeds from sale of fixed assets	9.18	2.45
Investment in Subsidiary (Refer schedule "O" note no. 7.a)	(4,354.43)	(1,305.56)
Investment in Others	(1,532.77)	(284.70)
Advance towards investments in Subsidiary	(580.70)	(4,532.60)
Advance towards investments in Others	(1,016.96)	(69.80)
Investments in Mutual fund	–	(2,500.71)
Proceeds from sale of investments	496.21	147.13
Proceeds from redemption of Mutual Fund investments	2,509.63	–
Short term loans given	(2,628.90)	(2002.25)
Short term loans recovered	1,978.09	666.05
Refund of Advance towards investments	412.25	–
Other Loans given	(831.50)	(817.90)
Other Loans recovered	–	1,574.95
Amount refunded / (placed) in call money (net)	(120.00)	210.00
Interest income	573.51	465.03
Fixed deposits with original maturity exceeding 3 months encashed / placed	1.58	(1.56)
Advance given against property	(149.43)	(814.80)
Dividend received	23.60	–
Net Cash used in Investing Activities (B)	(5,305.40)	(9,543.06)

CASH FLOW STATEMENT

for the year ended March 31, 2011

₹ in Million

Particular	Year ended March 31, 2011	Year ended March 31, 2010
Cash Flow from Financing Activities		
Proceeds from Issue of Shares	–	5,896.06
Share Issue expenses	(201.14)	(138.00)
Recovery of Share Issue expenses	48.66	–
Proceed from secured loans (net)	90.86	–
Proceeds from unsecured loans	20,230.00	23,570.00
Repayment of unsecured loans	(16,630.00)	(15,960.00)
Interest and finance charges paid	(1,481.51)	(1,452.43)
Dividend paid	(582.69)	(214.27)
Tax paid on Dividend	(96.80)	(36.41)
Net Cash generated from Financing Activities (C)	1,377.38	11,664.95
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(1,351.99)	1402.03
Cash and Cash Equivalent at the beginning of the year	1,426.46	24.43
Cash and Cash Equivalent at the end of the year	74.47	1,426.46
Net Increase / (Decrease) in Cash and Cash Equivalents	(1,351.99)	1,402.03
Notes:		
1. Components of Cash & Cash Equivalents		
Cash and Cheques on hand	0.78	0.14
Balance with Scheduled Banks – Current Accounts	73.69	1,426.32
	74.47	1,426.46
Fixed deposits placed for a period exceeding 3 months	1.11	2.69
Cash and Bank Balances as per schedule 'G'	75.58	1,429.15
Significant Accounting policies	N	
Notes forming part of the financial statements	O	
Schedules "A" to "O" annexed hereto form part of financial statements		

In terms of our report attached.
For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Mumbai, April 29, 2011

For and on behalf of the Board

K. Ramchand
Managing Director

George Cherian
Chief Financial Officer

Arun K. Saha
Director

Krishna Ghag
Company Secretary



SCHEDULES

forming part of the Financial Statements

₹ in Million

	As at March 31, 2011	As at March 31, 2010
SCHEDULE A : CAPITAL		
Authorised		
250,000,000 (Previous year 250,000,000) equity shares of ₹ 10 each	2,500.00	2,500.00
Issued, Subscribed and Paid Up		
194,267,732 (Previous year 194,267,732) equity shares of ₹ 10/- each fully paid up (Refer footnote) (refer schedule "O" note no. 1)	1,942.68	1,942.68
Total Capital	1,942.68	1,942.68

Footnote:

Of the above, 135,000,000 (Previous year 135,000,000) equity shares are held by the holding company viz. Infrastructure Leasing & Financial Services Limited and its nominees.

₹ in Million

	As at March 31, 2011		As at March 31, 2010	
SCHEDULE B : RESERVES AND SURPLUS				
Securities premium account				
Balance as per last Balance Sheet	10,320.57		4,943.52	
Addition during the year	–		5,667.53	
Less: Share Issue expense (Refer schedule "O" note no. 1)	–		(290.48)	
		10,320.57		10,320.57
General reserve account				
Balance as per last Balance Sheet	427.48		102.75	
Addition during the year	288.04		324.73	
		715.52		427.48
Foreign currency translation reserve				
Balance as per last Balance Sheet	52.53		133.72	
Less : Adjustment on account of repayment of loan (net of deferred tax previous year ₹ 19.40 Million)	–		(37.68)	
Less : Adjustment on account of revaluation of loan (net of deferred tax previous year ₹ 22.40 Million)	–		(43.51)	
		52.53		52.53
Balance in Profit and Loss Account		4,816.35		3,014.27
Total Reserves and Surplus		15,904.97		13,814.85



SCHEDULES

forming part of the Financial Statements

₹ in Million

	As at March 31, 2011	As at March 31, 2010
SCHEDULE C : SECURED LOANS		
Loans from Banks		
Bank overdrafts	90.86	—
(First pari passu charge over current assets and receivable)		
Total Secured Loans	90.86	—

₹ in Million

	As at March 31, 2011	As at March 31, 2010
SCHEDULE D : UNSECURED LOANS		
From a subsidiary		
Short Term Loan	700.00	—
Other Interest free deposit	—	750.00
From banks		
Short Term Loans	7,300.00	7,500.00
Other than Short term loans	9,850.00	7,000.00
(Amount repayable within a year ₹ 6,600 Million (Previous year ₹ 3,500 Million))		
From Others	1,000.00	—
Short Term Loans		
Total Unsecured Loans	18,850.00	15,250.00



SCHEDULES

forming part of the Financial Statements

Description of Assets	Gross Block (at cost)				Depreciation			Net Block		
	Opening as at April 1, 2010	Additions	Deductions	Closing as at March 31, 2011	Accumulated up to March 31, 2010	For the year	Deductions	Accumulated up to March 31, 2011	As at March 31, 2011	As at March 31, 2010
Buildings	14.96	—	—	14.96	0.61	0.24	—	0.85	14.11	14.35
Plant & Machinery	33.45	33.41	6.71	60.15	7.72	5.67	0.64	12.75	47.42	25.73
Furniture & Fixtures	11.20	4.21	0.01	15.40	6.21	2.96	—	9.17	6.23	4.99
Office Equipment	13.35	9.79	0.09	23.05	8.47	4.18	0.05	12.59	10.46	4.88
Data Processing Equipment	19.66	11.25	0.14	30.77	12.45	4.65	0.06	17.04	13.73	7.21
Vehicles	41.06	26.11	4.75	62.42	13.74	9.34	2.40	20.69	41.72	27.32
Leasehold Improvements	8.76	3.69	—	12.45	0.26	3.40	—	3.66	8.79	8.50
Tangible Assets Total	142.44	88.46	11.70	219.20	49.46	30.44	3.15	76.75	142.45	92.98
Software License	257.98	6.97	—	264.95	22.09	63.04	—	85.13	179.82	235.89
Commercial Rights Acquired (Refer schedule "O" note no. 6)	60.00	—	—	60.00	9.65	4.65	—	14.30	45.70	50.35
Intangible Assets Total	317.98	6.97	—	324.95	31.74	67.69	—	99.43	225.52	286.24
Total	460.42	95.43	11.70	544.15	81.20	98.13	3.15	176.18	367.97	379.22
Previous Year	201.30	283.78	24.66	460.42	59.04	43.18	21.02	81.20	379.22	

SCHEDULE E : FIXED ASSETS

₹ in Million

SCHEDULES

forming part of the Financial Statements

₹ in Million

	Number	Face Value ₹	As at March 31, 2011	As at March 31, 2010
SCHEDULE F : INVESTMENTS				
A) Long term (Refer schedule "O" note no. 7) (at cost less provision for diminution in value)				
I Investments in subsidiary companies				
In Unquoted equity shares: fully paid				
Gujarat Road and Infrastructure Company Limited	76,542,250	10	442.50	442.50
North Karnataka Expressway Limited	7,720,823	10	77.21	151.45
East Hyderabad Expressway Limited	21,689,400	10	216.89	216.89
ITNL International Pte. Limited (Nominal value US\$ 1 each)	28,050,001		1,340.15	1,340.15
ITNL Road Infrastructure Development Company Limited	40,000,000	10	400.00	400.00
Elsamex S.A. (Nominal value Euro 60.10121 each) (Refer schedule "O" note no. 8)	260,949		2,722.34	2,722.34
Vansh Nimay Infraprojects Limited (Refer schedule "O" note no. 9)	9,000,000	10	92.00	80.00
ITNL Enso Rail Systems Limited	44,850,000	10	448.50	140.00
Hazaribagh Ranchi Expressway Limited	37,000	10	0.37	0.37
Pune Sholapur Road Development Company Limited	160,000,000	10	1,600.00	0.50
West Gujarat Expressway Limited	9,800,000	10	98.00	98.00
Moradabad Bareilly Expressway Limited	221,660,000	10	2,216.60	0.50
Jharkhand Road Projects Implementation Company Limited	153,165,000	10	1,531.65	1,199.15
Chenani Nashri Tunnelway Limited	347,590,000	10	3,475.90	–
MP Border Checkpost Development Company Limited	25,500	10	0.26	–
Badarpur Tollway Operations Management Limited	49,994	10	0.50	–
Rapid MetroRail Gurgaon Limited	27,083	10	0.27	–
In units: fully paid				
ITNL Road Investment Trust Scheme I	1,038,541	1,000	1,038.54	1,031.32
II Trade investments unquoted equity shares: fully paid				
Thiruvananthapuram Road Development Company Limited	17,030,000	10	170.30	130.25
Andhra Pradesh Expressway Limited	16,513,060	10	165.13	165.13
Pipavav Railway Corporation Limited	12,000,000	10	179.00	179.00
ITNL Toll Management Services Limited	24,500	10	0.25	0.25
Warora Chandrapur Ballarpur Toll Road Limited	17,490	10	0.17	0.17
Narketpalli Addanki Expressway Limited	–	10	–	0.25
Jorabat Shillong Expressway Limited	21,000,000	10	210.00	–
NAM Expressway Limited	116,754,970	10	1,167.55	–
III Trade investments quoted equity shares: fully paid				
Noida Toll Bridge Company Limited	47,195,007	10	1,871.58	1,871.58



SCHEDULES

forming part of the Financial Statements

₹ in Million

	Number	Face Value ₹	As at March 31, 2011	As at March 31, 2010
SCHEDULE F : INVESTMENTS Contd.				
IV Investment in covered warrants: fully paid (Refer schedule "O" note no. 10)				
Infrastructure Leasing & Financial Services Limited (underlying shares of Road Infrastructure Development Company of Rajasthan Limited 50 Million covered warrant (previous year 50 Million covered warrant)) (underlying shares of Chhatisgarh Highways Development Company Limited 7.40 Million covered warrant (previous year Nil covered warrant)) (underlying shares of Jharkhand Accelerated Road Development Company Limited 7.40 Million covered warrant (previous year Nil covered warrant))	64,800,000	10	648.00	500.00
V Investment in optionally convertible debentures: fully paid				
5% Andhra Pradesh Expressway Limited	7,864,000	100	786.40	786.40
VI Redeemable optionally convertible cumulative preference shares in a Subsidiary: fully paid (Refer schedule "O" note no. 11)				
West Gujarat Expressway Limited	20,000,000	10	296.90	296.90
VII Compulsory convertible preference Shares in a Subsidiary: fully paid (Refer schedule "O" note no. 12)				
Rapid MetroRail Gurgaon Limited	28,700,000	10	287.00	–
B) Current Investments at lower of cost and market value: fully paid (Refer schedule "O" note no. 7)				
I Investments in Mutual Fund Units			–	2,500.71
			21,483.96	14,253.81
Less: Provision for diminution			(400.00)	(300.00)
Total Investments			21,083.96	13,953.81
Aggregate Cost of unquoted Investments			19,612.38	9,881.52
Aggregate Cost of quoted Investments			1,871.58	4,372.29
Aggregate Market Value of Quoted Investments			1,250.67	1,540.92
Net Asset value of units in Mutual Funds			–	2,500.71

SCHEDULES

forming part of the Financial Statements

₹ in Million

	As at March 31, 2011	As at March 31, 2010
SCHEDULE G : CURRENT ASSETS, LOANS & ADVANCES		
CURRENT ASSETS		
Inventories	–	–
Unbilled Revenue	475.26	–
Sundry Debtors (Unsecured) (Refer schedule "O" note no 13.a)		
– Debts outstanding for a period exceeding six months		
– Subsidiary companies		
– Considered good	1,671.43	1,229.59
– Considered doubtful	–	4.00
– Others		
– Considered good	810.25	71.79
– Considered doubtful	3.00	3.00
– Other Debts (Considered good)		
– Subsidiary companies	4,851.96	3,352.00
– Others	1,053.20	102.73
	8,389.84	4,763.11
Less: Provision for doubtful debts	3.00	7.00
	8,386.84	4,756.11
Cash and Bank Balances		
Cash in hand	0.78	0.14
Balances with Scheduled Banks – in Current Accounts *	73.69	1,426.32
– in Deposit Accounts	1.11	2.69
* Include ₹ Nil (previous year Includes ₹ 883.47 Million being proceeds from initial public offering pending utilisation ; Refer schedule "O" note no. 1)		
	75.58	1,429.15
OTHER CURRENT ASSETS		
Option premium assets account (Refer schedule "O" note no. 14.a)	1.25	1.25
Interest accrued	482.31	329.54
Interest due but not received	12.90	–
Receivable against sale of Investments	–	381.63
	496.46	712.42
LOANS AND ADVANCES		
(Unsecured unless otherwise stated, considered good)		
Advances recoverable in cash or in kind or for value to be received (Refer schedule "O" note no. 13.b)		
Subsidiary Companies	344.56	198.14
Others	7,461.37	3,226.35
	7,805.93	3,424.49
Less: Provision for doubtful advances	0.29	0.29
	7,805.64	3,424.20



SCHEDULES

forming part of the Financial Statements

₹ in Million

	As at March 31, 2011	As at March 31, 2010
SCHEDULE G : CURRENT ASSETS, LOANS & ADVANCES Contd.		
Investment in Call Money	120.00	–
Advance payment of taxes (net of provision)	836.14	645.90
Advance Fringe Benefits Tax (net of provision)	3.99	1.35
Deposits	42.15	429.86
Short term loans		
Subsidiary Companies		
Vansh Nimay Infraprojects Limited	83.00	110.00
Elsamex India Private Limited	–	30.09
West Gujarat Expressway Limited	202.50	35.00
East Hyderabad Expressway Limited	519.40	–
Hazaribagh Ranchi Expressway Limited	250.00	–
Others	2,097.00	2,326.00
	3,151.90	2,501.09
Other than short term loans		
Subsidiary Companies		
Gujarat Road and Infrastructure Company Limited (Secured)	308.80	308.80
ITNL Road Infrastructure Development Company Limited	213.00	133.30
Jharkhand Road Projects Implementation Company Limited	470.00	–
Others	798.90	517.10
	1,790.70	959.20
Advance towards Capital / Share Application Money in subsidiaries		
North Karnataka Expressway Limited	–	412.00
Pune Sholapur Road Development Company Limited	–	1,599.50
Gujarat Road and Infrastructure Company Limited (Refer schedule "O" note no. 15)	600.00	600.00
Elsamex S.A.	0.02	0.02
Hazaribagh Ranchi Expressway Limited	724.50	654.50
Jharkhand Road Projects Implementation Company Limited	–	62.50
Vansh Nimay Infraprojects Limited	53.00	–
Chenani Nashri Tunnelway Limited	244.10	–
Moradabad Bareilly Expressway Limited	–	2,216.10
MP Border Checkpost Development Company Limited	213.60	–
in others		
Thiruvananthapuram Road Development Company Limited	–	40.30
Regional Airport Holdings International Limited	80.00	–
Jorabat Shillong Expressway Limited	0.05	–
Warora Chandrapur Ballarpur Toll Road Limited	616.91	–
Road Infrastructure Development Company of Rajasthan Limited	320.00	–
Hyderabad Expressway Limited	69.80	69.80
	2,921.98	5,654.72
Advance towards Property	964.24	814.80
	17,636.76	14,431.12
Total Current Assets, Loans & Advances	27,070.90	21,328.80



SCHEDULES

forming part of the Financial Statements

₹ in Million

	As at March 31, 2011	As at March 31, 2010
SCHEDULE H : CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry creditors other than Micro and Small Enterprises (Refer schedule "O" Note No. 16)	4,759.27	543.69
Payable to subsidiary companies	96.88	3.24
Advance received from customers (including ₹ 5,278.36 Million from subsidiaries ; previous year ₹ 3,055.68 Million)	5,682.74	3,055.68
Interest payable but not due	49.70	–
Option premium liabilities account (Refer schedule "O" Note No. 14. a)	116.09	227.44
Other liabilities	196.87	130.57
	10,901.55	3,960.62
PROVISIONS		
Provision for compensated absences	22.01	19.24
Provision for wealth tax (net of advance)	0.48	0.32
Proposed dividend	679.94	582.80
Unpaid Dividend	0.12	–
Tax on dividend	110.30	96.80
	812.85	699.16
Total Current Liabilities and Provisions	11,714.40	4,659.78

₹ in Million

	Year ended March 31, 2011	Year ended March 31, 2010
SCHEDULE I : INCOME FROM OPERATIONS		
I. Advisory, supervision, tolling, operation and maintenance		
Advisory and project development fees	4,263.49	6,757.94
Supervision fees	1,302.85	150.15
Operation and maintenance income	496.98	374.33
Sub –Total	6,063.32	7,282.42
II. Construction Income	10,094.71	1,172.23
Total Income From Operations	16,158.03	8,454.65



SCHEDULES

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₹ in Million

	Year ended March 31, 2011	Year ended March 31, 2010
SCHEDULE J : OTHER INCOME		
Interest		
on bank deposits (Tax deducted at source ₹ Nil (Previous year ₹ Nil))	0.06	0.11
on debentures (Tax deducted at source ₹ 4.67 Million (Previous year ₹ 3.93 Million))	46.66	39.32
on Call Money (Tax deducted at source ₹ 2.33 Million (Previous year ₹ 2.80 Million))	23.33	20.88
on loans (Tax deducted at source ₹ 53.27 Million (Previous year ₹ 49.46 Million))	532.64	439.76
on Advance against property (Tax deducted at source ₹ 12.36 Million (Previous year ₹ 3.82 Million))	123.60	38.20
Profit on sale of unquoted Long Term trade investments	40.09	93.10
Profit on sale of fixed assets (net of loss)	0.66	–
Income from Material Testing (Tax deducted at source ₹ Nil (Previous year ₹ Nil))	–	0.09
General management services	–	293.59
Dividend Income	32.51	–
Miscellaneous income	52.22	35.66
Total Other Income	851.77	960.71

₹ in Million

	Year ended March 31, 2011	Year ended March 31, 2010
SCHEDULE K : OPERATING EXPENSES		
Construction Contract Costs (refer schedule "O" note no. 19)	8,705.18	1,032.80
Fees for Legal and technical services	549.66	1,059.72
Operation and maintenance expenses	250.68	134.40
Toll Plaza Expenses	26.82	–
Total Operating Expenses	9,532.34	2,226.92



SCHEDULES

forming part of the Financial Statements

₹ in Million

	Year ended March 31, 2011	Year ended March 31, 2010
SCHEDULE L : ADMINISTRATION AND GENERAL EXPENSES		
Electricity	4.29	3.36
Travelling and conveyance	101.08	85.69
Printing and stationery	7.11	3.26
Rent	78.49	51.62
Rates and taxes	0.63	24.76
Repairs and maintenance – Others than building and machinery	28.88	13.26
Cost of shared services	–	0.16
Communication expenses	14.22	7.76
Insurance	33.33	12.17
Legal and consultation fees	82.18	89.90
Directors' fees	1.47	1.68
Bank Commission	45.54	29.43
Provision for doubtful debts/advances	–	7.29
Registration expenses	0.33	2.05
Bid documents	17.49	25.84
Foreign exchange fluctuation (net)	4.89	16.53
Brand Subscription Fees	117.69	–
Miscellaneous expenses (Refer schedule "O" note no. 21)	157.29	48.72
Total Administration and General Expenses	694.90	423.48

₹ in Million

	Year ended March 31, 2011	Year ended March 31, 2010
SCHEDULE M : INTEREST AND FINANCE CHARGES		
Interest on loans for fixed period	1,484.23	1,361.18
Upfront Fees	16.77	13.90
Finance Charges	54.03	50.00
Total Interest and Finance Charges	1,555.03	1,425.08



SCHEDULES

forming part of the Financial Statements

SCHEDULE N : SIGNIFICANT ACCOUNTING POLICIES

1. Basis for 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, and the applicable accounting standards referred to in Section 211(3C) of the Companies Act, 1956. All income and expenditure having a material bearing on the financial statements are recognised on an accrual basis

2. Use of estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including current liabilities) as of the date of the financial statements, the reported income and expenses during the reporting period and disclosure of contingent liabilities. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates

3. 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

- (iii) Depreciation on fixed assets, other than on assets specified in Notes 3(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 ₹ 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 and amounts paid for acquisition of commercial rights under an "Operation and Maintenance" agreement of a toll road project



SCHEDULES

forming part of the Financial Statements

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 fulfil 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 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 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 of the concession agreement relating to the corresponding toll road project as it existed at the time of acquisition

4. Impairment of Assets

The carrying values of assets of the Company’s cash-generating unit 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

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

Inventories are valued at the lower of cost and net realisable value. Costs are determined using the annual weighted average principle and includes purchase price and non-refundable taxes. Net realisable value is estimated at the expected selling price less estimated selling costs

7. Revenue Recognition

The Company’s service offerings include advisory and management services, supervisory services (including as lenders’ engineers), operation and maintenance services, toll collection services for toll road projects and rendering assistance to applicant for toll road concessions with the bidding process. The Company also trades in certain materials used in the maintenance of roads

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. In respect of the Company’s trading activities, revenue is recognised on dispatch of goods, which coincides with the significant transfer of risks and rewards

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



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Contract revenue and costs associated with the construction of roads is recognised as by reference to the stage of completion of the projects at the Balance Sheet date. The stage of completion of a project is determined by the proportion that the contract cost incurred for work performed up to the Balance Sheet date bears to the estimated total contract costs

8. Work in Progress (Unbilled Revenue)

Work in progress for projects under execution as at balance sheet date are valued at cost less provision, if any, for estimated losses. The costs of projects in respect of which revenue is recognised under the Company's revenue recognition policies but have not been billed are adjusted for the proportionate profit recognised. The cost comprises of expenditure incurred in relation to execution of the project. Provision for estimated losses, in any, on uncompleted contracts are recorded in the period in which such losses become probable based on current estimates

9. Foreign Currency Transactions

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 period is recognised as income or expense in the Profit and Loss Account

Foreign currency denominated 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) outstanding as at the period end are valued at closing-date rates, and unrealised translation differences are included in the Profit and Loss Account

Non monetary items (such as equity investments) denominated in foreign currencies are reported using the 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

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 Company's net investments in a non – integral foreign operations are also translated at closing rates but the exchange differences arising are accumulated in the 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

The Company'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

10. 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 period in which the employees perform the services that the payment covers



SCHEDULES

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(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 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

The actuarial gains and losses are recognised immediately in the Statement of Profit and Loss Account

(c) Others

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 in the year in which the employees perform the services that the benefit covers 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

11. Taxes on Income

Taxes include taxes on the Company's taxable profits, 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

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

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 in future against which deductible timing differences can be utilised. When the Company carries 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

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 taxable profit will be available to allow all or a part of the aggregate deferred tax asset to be utilised

12. Lease Accounting

Leases of assets where the lessor retains substantially all the risks and benefits of ownership of the assets 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

13. Provisions, Contingent Liabilities and Contingent Assets

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. 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. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the notes to the financial statement. A contingent asset is neither recognised nor disclosed

14. Segment Reporting

The accounting policies adopted for segment reporting are in accordance with the accounting policy of the Company. Segment revenue, expenses, assets and liabilities have been identified to segments on the basis of their relationship to the operating activities of the Segment. Revenues, expenses, assets and liabilities,



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which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under “Unallocated Revenue / Expenses / Assets / Liabilities”

15. Financial Income and Borrowing Costs

Financial income and borrowing costs include interest income on bank deposits and interest expense on loans

Interest income is accrued evenly over the period of the corresponding instrument

Dividend Income is recognised when the right to receive the payment is established

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 or 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

16. 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

17. Cash Flow Statements

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

18. Earnings per Share

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

Diluted earnings per share is calculated by dividing the net profit after tax for the period 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

19. Derivative Transactions

Premium paid on acquisition of option contracts is treated as current asset until maturity. If the premium paid exceeds the premium prevailing as at the date of the balance sheet, the difference 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

Premium received on option contracts written is treated as current liability until maturity. If 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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SCHEDULE O : NOTES FORMING PART OF THE FINANCIAL STATEMENT

1. Public Issue of equity shares

During the financial year ended March 31, 2010, the Company had issued 22,852,938 equity shares having a face value of ₹ 10 per share at a price of ₹ 258 per share (including share premium of ₹ 248 per share) though an initial public offering ("IPO")

Out of the proceeds aggregating ₹ 5,896.06 Million, a sum of ₹ 228.53 Million was credited to Share Capital and the balance amount of ₹ 5,667.53 Million was credited to Securities Premium Account. Share issue expenses aggregating ₹ 290.48 Million (excluding ₹ 48.66 Million incurred on behalf of a shareholder whose holdings were divested at the time of the IPO and which sum has been recovered from the shareholder) have been charged to the Securities Premium Account in accordance with the provisions of section 78(2) of the Companies Act, 1956

The utilisation of the issue proceeds is tabulated below:

Particulars	₹ in Million	
		Amount utilised upto March 31, 2011
Payments towards share issue expenses		290.48
Repayment of debt		5,000.00
General Corporate purposes		605.58
Total		5,896.06

There is no amount lying in current accounts as at year end. The unutilised amount lying as at the end of the previous year ₹ 883.47 Million has been included as a part of the Cash and Cash Equivalents in the Cash Flow Statement for the year ended March 31, 2010. The utilisation of the issue proceeds is restricted to the objects of the IPO

2. Capital commitments

Particulars	₹ in Million	
	As at March 31, 2011	As at March 31, 2010
Estimated amount of contracts remaining on capital account and not provided for (against which advances paid aggregate ₹6.72 Million; Previous year ₹7.38 Million).	8.85	7.96
Exercise price payable in respect of call option contracts (see note no. 12 (a) below)	1.25	1.25

In respect of investment in special purpose vehicles

- Hazaribagh Ranchi Expressway Limited – Contribution to Equity Share Capital of ₹ 1,269.03 Million (Previous year ₹ 969.40 Million) against which advances paid aggregate ₹ 724.50 Million (Previous year ₹ 654.50 Million)
- NAM Expressway Limited – Contribution to Equity Share Capital of ₹ 832.20 Million (Previous year ₹ Nil) against which advances paid aggregate ₹ Nil (Previous year ₹ Nil).
- Jharkhand Road Projects Implementation Company Limited – Contribution to the Equity Share Capital of ₹ 18.35 Million (Previous year ₹ 150.85 Million) against which advances paid aggregate ₹ Nil (Previous year ₹ 62.50 Million)
- Pune Sholapur Road Development Company Limited – Contribution to the Equity Share Capital of ₹ Nil (Previous year ₹ 1,599.50 Million) against which advances paid aggregate ₹ Nil (Previous year ₹ 1,599.50 Million)



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- e. Vansh Nimay Infraprojects Limited – Acquisition of additional Nil (previous year 10%) stake from existing shareholder at the price of ₹ Nil (previous year ₹ 12/-) per share aggregating to ₹ Nil (previous year ₹ 12 Million) against which advances paid aggregate ₹ Nil (previous year ₹ Nil)
Contribution to the Equity Share Capital of ₹ 75 Million (Previous year ₹ Nil) against which advances paid aggregate ₹ 53 Million (previous year ₹ Nil)
- f. Moradabad Bareilly Expressway Limited – Contribution to the Equity Share Capital of ₹ Nil (previous year ₹ 2,216.10 Million) against which advances paid aggregate ₹ Nil (previous year ₹ 2,216.10 Million)
- g. Subscription to Covered Warrants to be issued by Infrastructure Leasing & Financial Services Limited equivalent to its investment at Nil (previous year 7,400,000) equity shares each held in Chhattisgarh Highway Development Company Limited and Jharkhand Accelerated Road Development Company Limited
- h. Warora Chandrapur Ballarpur Toll Road Limited– Contribution to the Equity Share Capital of ₹ 619.83 Million (previous year ₹ Nil) against which advances paid aggregate ₹ 616.91 Million (previous year ₹ Nil)
- i. Global Parking Plaza Limited– Contribution to the Equity Share Capital of ₹ 30 Million (previous year ₹ Nil) against which advances paid aggregate ₹ Nil (previous year ₹ Nil)
- j. The Company to participate / acquire an equity stake to the extent of ₹ 70 Million (previous year ₹ Nil) in the Project Company to be incorporated by a consortium for undertaking the development of a fully automatic car and two wheeler parking complex
- k. The Company has invested ₹ 0.27 Million in the equity and ₹ 287.00 Million in Compulsory Convertible Preference of Rapid Metrorail Gurgaon Limited (“RMGL”). In addition, the Company has along with ITNL Enso Rail Systems Limited agreed with the senior lenders of RMGL to make good shortfall arising out of the cash losses of RMGL during the moratorium period and arrange for cost overruns, if any
- l. Chenani Nashri Tunnelway Limited – Contribution to the Equity Share Capital of ₹ 4,084.10 Million (previous year ₹ Nil) against which advances paid aggregate ₹ 244.10 Million (previous year ₹ Nil)
- m. Jorabat Shillong Expressway Limited – Contribution to the Equity Share Capital of ₹ 460 Million (previous year ₹ Nil) against which advances paid aggregate ₹ 0.05 Million (previous year ₹ Nil)
- n. Regional Airport Holdings International Limited – Contribution to the Equity Share Capital of ₹ 200 Million (previous year ₹ Nil) against which advances paid aggregate ₹ 80 Million (previous year ₹ Nil)
- o. MP Border Checkpost Development Company Limited – Contribution to the Equity Share Capital of ₹ 1,019.75 Million (previous year ₹ Nil) against which advances paid aggregate ₹ 213.60 Million (previous year ₹ Nil)
- p. Subscription to 11.5% Non Convertible Debentures (NCDs) of ₹ 520 Million of Road Infrastructure Development Company of Rajasthan Limited (RIDCOR) for a period of 5 years against which advances paid aggregate ₹ 320 Million (previous year ₹ Nil)
- q. Subscription to Covered Warrants to be issued by Infrastructure Leasing & Financial Services Limited equivalent to its investment at 17,020,000 (previous year Nil) equity shares each held in Jharkhand Road Projects Implementation Company limited
- r. Hyderabad Expressway Limited – Contribution to the Equity Share capital of ₹ 69.80 Million (previous year ₹ 69.80 Million) against which advances paid aggregate ₹ 69.80 Million (previous year ₹ 69.80 Million)

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3. Contingent liabilities

₹ in Million

Particulars	As at March 31, 2011	As at March 31, 2010
Income tax demand contested by the Company	25.71	27.53
Counter guarantee issued to holding company for guarantees furnished by it to the lenders of subsidiaries (Deposit received ₹ Nil, Previous Year ₹ 750 Million)	–	1,457.08
Guarantees/counter guarantees issued in respect of borrowing facilities of a foreign subsidiary company	4,075.69	3,508.01

Letter of financial support issued to Chhattisgarh Highway Development Company Limited to enable it to continue its operations and meet its financial obligation as and when they fall due, during the period October 1, 2009 to March 31, 2011

The Company does not expect any outflow of economic resources in respect of the above and therefore no provision is made in respect thereof

Certain bankers have issued guarantees aggregating ₹ 812.94 Million as at March 31, 2011 (₹ 455.79 Million as at March 31, 2010) against a first charge on the receivables (including loan and advance) of the company

4. Joint ventures

- a. The Company has the following Joint Ventures as on March 31, 2011 and its proportionate share in the assets, liabilities, income and expenditure of the joint venture entities on the basis of the financial statements as at / for the year ended of those entities is given below:

₹ in Million

Name of the Joint Venture Company	Percentage of holding	Assets (see footnote 1)	Liabilities (see footnote 1)	Contingent Liabilities	Capital Commitments	Income	Expenditure
Noida Toll Bridge Company Limited	25.35%	1,478.48	351.47	10.12	–	221.33	113.19
	(25.35%)	(1,506.70)	(428.36)	(8.58)	(–)	(217.17)	(147.69)
Jorabat Shillong Expressway Limited	50.00%	610.03	400.00	–	2,554.25	–	3.34
	(–)	(–)	(–)	(–)	(–)	(–)	(–)
N.A.M Expressway Limited	50.00%	1,168.85	–	–	6,258.56	14.48	8.44
	(–)	(–)	(–)	(–)	(–)	(–)	(–)

Footnotes:

- Current liabilities have been netted off against assets while reporting the figures of assets above. Consequently, amounts shown against liabilities are restricted to loan funds
 - Figures in brackets relate to previous year
- b. During the current year the Company entered into two new joint ventures viz Jorabat Shillong Expressway Limited and N.A.M Expressway Limited with equity participation to the extent of 50.00% and 50.00 % respectively



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5. Deferred tax

The Company has a net deferred tax liability of ₹ 26.64 Million (Previous year ₹1.90 Million). The components are as under:

Particulars	₹ in Million	
	As at March 31, 2011	As at March 31, 2010
in respect of depreciation	(38.28)	(10.70)
in respect of employee benefits	9.65	6.39
in respect of provision for doubtful debts / advances and others	1.99	2.41
Net deferred tax (liability) / asset	(26.64)	(1.90)

Note:

- The Company has not recognised any deferred tax asset against provision created for diminution in value of investments in absence of virtual certainty of future taxable capital gains against which the diminution could be offset
- Deferred tax assets aggregating ₹ Nil (previous year ₹ 41.80 Million) which have been directly adjusted against Foreign Currency Translation Reserves recognised in respect of the Company's receivables which are regarded as an extension to the Company's net investments in foreign entities have not been included above

6. Intangible assets and amortisation

During the year 2006–07, the Company incurred a cost of ₹60.00 Million for acquiring commercial rights under the "Operations and Maintenance" agreement ("O&M contract") for one of the road projects from the erstwhile contractor. Under the terms of the O&M contract, the Company is entitled to routine maintenance price and the operation price for maintaining and operating the project. The Company expects benefits under the O&M contract to accrue until the end of the concession period which is not expected to be earlier than May, 12th 2029. Accordingly, the expenditure incurred by the Company for acquisition of the rights is treated as an intangible asset and is being amortised on a straight line basis over the minimum balance period of the concession i.e. 22 years and 7 months (from the date of acquisition of the said commercial rights)

7. Movements in investments

a. Unquoted equity shares purchased and retained as at the year end:

Name of the Company	March 31, 2011		March 31, 2010	
	Face Value (₹)	No. of Shares	Face Value (₹)	No. of Shares
Hazaribagh Ranchi Expressway Limited	—	—	10	37,000
ITNL International Pte. Limited. (Nominal value US\$ 1)	—	—	—	23,050,000
Elsamex S.A. (Nominal value Euro 60.1021)	—	—	—	25,094
ITNL Enso Rail Systems Limited	10	30,850,000	10	11,125,000
Moradabad Bareilly Expressway Limited	10	221,610,060	10	49,940
Jharkhand Road Project Implementation Company Limited	10	33,250,000	10	119,915,000
Warora Chandrapur Balarpur Toll Road Company Limited	—	—	10	17,490
Narketpalli Addanki Expressway Limited	—	—	10	24,970



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Name of the Company	March 31, 2011		March 31, 2010	
	Face Value (₹)	No. of Shares	Face Value (₹)	No. of Shares
Vansh Nimay Infraprojects Limited (Formerly known as Vansh Nimay Infraprojects Private Limited)	10	1,000,000	–	–
Pune Sholapur Road Development Company Limited	10	159,950,000	10	50,000
Rapid Metro Rail Gurgaon Limited	10	27,083	–	–
Chenani Nashri Tunnelway Limited	10	347,590,000	–	–
Jorabat Shillong Expressway Limited	10	21,000,000	–	–
Badarpur Tollway Operations Management Ltd.	10	49,994	–	–
MP Border Checkpost Development Co. Ltd.	10	25,500	–	–
Thiruvananthapuram Road Development Company Limited	10	4,005,000	–	–
NAM Expressway Limited	10	116,754,970	–	–

Note: The amount of ₹3,918 Million invested in Pune Sholapur Road Development Company Limited, Moradabad Bareilly Expressway Limited, Jharkhand Road Projects Implementation Company Limited and Thiruvananthapuram Road Development Company Limited had been advanced in the previous financial year and therefore the transaction has not been reflected in the Cash Flow Statement for the year ended March 31, 2011

b. Units purchased and retained as at the year end:

Name of the Company	March 31, 2011		March 31, 2010	
	Face Value (₹)	No. of Units	Face Value (₹)	No. of Units
ITNL Road Investment Trust	1,000	7,220.60	1,000	221

c. Redeemable Optionally Convertible Cumulative Preference Shares purchased and retained as at the year end (Refer note no. 11):

Name of the Company	March 31, 2011		March 31, 2010	
	Face Value (₹)	No. of Shares	Face Value (₹)	No. of Shares
West Gujarat Expressway Limited	–	–	10	10,200,000



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- d. Compulsory Convertible Preference Shares purchased and retained as at the year end (Refer note no. 12):

Name of the Company	March 31, 2011		March 31, 2010	
	Face Value (₹)	No. of Shares	Face Value (₹)	No. of Shares
Rapid MetroRail Gurgaon Limited	10	28,700,000	–	–

- e. Covered Warrant purchased and retained as at year end (Refer note no. 10):

Name of the Company	March 31, 2011		March 31, 2010	
	Face Value (₹)	No. of Debentures	Face Value (₹)	No. of Debentures
Jharkhand Accelerated Road Development Company Limited	100	7,400,000	–	–
Chhattisgarh Highway Development Company Limited	100	7,400,000	–	–

- f. Equity shares sold during the year:

Name of the Company	March 31, 2011		March 31, 2010	
	Face Value (₹)	No. of Shares	Face Value (₹)	No. of Shares
Tamil Nadu Road Development Company Limited	–	–	10	4,900,019
Narketpalli Addanki Expressway Limited	10	24,970	–	–
North Karnataka Expressway Limited	10	7,423,853	–	–

- g. Equity shares acquired & sold during the year:

Name of the Company	March 31, 2011		March 31, 2010	
	Face Value (₹)	No. of Shares	Face Value (₹)	No. of Shares
Hazaribagh Ranchi Expressway Limited	–	–	10	13,000

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h. Mutual Fund Investments purchased and sold during the period:

Name of the Scheme	March 31, 2011		March 31, 2010	
	NAV (₹)	No. of units	NAV (₹)	No. of units
Axis Liquid Fund	–	–	1019.12	98,124.324
Birla SunLife cash Plus	–	–	14.72	13,584,003.478
HDFC Liquid Fund	–	–	18.45	8,130,389.771
ICICI Prudential Liquid Plan Premium	–	–	136.04	1,837,717.760
JP Morgan India Liquid Fund	–	–	11.89	16,819,160.388
Kotak Liquid Fund	–	–	18.66	10,719,549.779
L&T Liquid Fund	–	–	12.65	19,767,533.802
Reliance Liquidity Fund	–	–	13.86	18,040,381.590
Religare Liquid Fund	–	–	12.63	15,829,296.863
DWS Insta Cash Plus Fund	–	–	11.94	8,376,963.351
JM High Liquidity Fund	–	–	14.40	6,946,663.518
LICMF Liquid Fund – Growth Plan	–	–	16.86	14,827,819.362
S232 SBNPP Money Fund	–	–	19.38	7,738,021.543
ICICI Prudential Flexible Income Plan Premium	100.023	2,529,941.193	–	–
LICMF Liquid Fund – Dividend Plan	10.980	17,532,345.390	–	–
Kotak Liquid (Institutional Premium) – Daily Dividend	12.228	5,086,974.985	–	–

The above purchase movement is due to switching of units from one mutual fund plan to another mutual fund plan. This did not involve Cash flow movement and therefore the transaction has not been reflected in the Cash Flow Statement for the year ended March 31, 2011

i. Mutual Fund Investments purchased and retained as at the period end:

Name of the Scheme	March 31, 2011		March 31, 2010	
	NAV (₹)	No. of units	NAV (₹)	No. of units
Axis Treasury Advantage Fund	–	–	1,000.00	100,024.293
Birla SunLife Savings Fund	–	–	10.01	19,993,332.799
HDFC Cash Management Fund	–	–	10.03	14,957,526.956
ICICI Prudential Flexible Income Plan Premium	–	–	105.73	2,365,072.916
JM Morgan India Treasury Fund	–	–	10.01	19,987,792.787
Kotak Flexi Debt Scheme Institutional	–	–	10.05	19,910,711.676
L & T Freedom Income STP Inst	–	–	10.16	24,624,948.743
Reliance Money Manager Fund– Institutional Option	–	–	1,001.26	249,749.128
Religare Ultra Short Term Fund	–	–	10.02	19,974,771.461
DWS Ultra Short Term Fund	–	–	10.02	9,985,026.526
JM Money Manager Fund Super Plus Plan	–	–	10.01	9,997,274.942
LICMF Income Plus Fund	–	–	10.00	25,007,765.514
S252 SBNPP Ultra ST Fund	–	–	10.04	14,948,925.264
SBI Magnum Insta Fund	–	–	16.75	5,971,329.052



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j. Mutual Fund Investments sold during the period:

Name of the Scheme	March 31, 2011		March 31, 2010	
	NAV (₹)	No. of units	NAV (₹)	No. of units
Axis Treasury Advantage Fund	1000.00	100,082.325	—	—
Birla SunLife Savings Fund	10.01	20,004,649.328	—	—
HDFC Cash Management Fund	10.03	14,967,218.820	—	—
ICICI Prudential Flexible Income Plan Premium	100.02	2,529,941.193	—	—
JM Morgan India Treasury Fund	10.01	20,007,608.485	—	—
Kotak Flexi Debt Scheme Institutional	10.05	20,115,440.886	—	—
L & T Freedom Income STP Inst	10.16	24,639,505.960	—	—
Reliance Money Manager Fund— Institutional Option	1001.37	249,911.550	—	—
Religare Ultra Short Term Fund	10.017	19,983,485.137	—	—
DWS Ultra Short Term Fund	10.018	10,005,500.794	—	—
JM Money Manager Fund Super Plus Plan	10.01	10,003,095.140	—	—
LICMF Income Plus Fund	10.00	25,239,346.320	—	—
S252 SBNPP Ultra ST Fund	10.04	14,960,631.805	—	—
SBI Magnum Insta Fund	16.75	5,974,605.922	—	—

8. The Company has pledged 171,959 equity shares representing 51% of the overall shareholding in Elsames S.A., in favour of certain lenders for a Term Loan facility availed by Elsames S.A
9. The Company has deposited 8,000,000 shares of Vansh Nimay Infrastructure Limited (“Borrower”) with IL&FS Trust Company Limited (“Security Trustee”) to secure the dues of the Borrower including without limitation all principal amounts, interest expenses, penalties, costs, fees, etc payable by the borrower in relation to the facility extended by the Consortium of Financial Institutions and Banks under the Pooled Municipal Debt Obligation Facility (“PMDO”)
10. The Company’s investment in “Covered Warrants” aggregating to ₹ 648 Million (previous year ₹ 500 Million) issued by Infrastructure Leasing & Financial Services (“IL&FS”) are variable interest debt instruments under which the holder is entitled to a proportionate share of the dividend, if any, declared by Road Infrastructure Development Company of Rajasthan Limited (“RIDCOR”), Jharkhand Accelerated Road Development Company Limited (“JARDCL”) and Chhatisgarh Highways Development Company Limited (“CHDCL”) on the equity shares. The details are as under:

Name of Company	Face value of shares	No. of Shares (in Million)	Holding Period (in years)	Date of redemption of principal amount
RIDCOR	10	50	35	March 15, 2042
	(10)	(50)	(35)	
JARDCL	10	7.40	20	March 29, 2031
	(—)	(—)	(—)	
CHDCL	10	7.40	20	March 29, 2031
	(—)	(—)	(—)	

Note: – Figures in brackets relate to previous year.



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However, the Company is not entitled to rights and privileges, which IL&FS enjoys as a shareholder. The instruments are unsecured. The Company's investment in the said "Covered Warrants" is included in the schedule of Investments

11. The Company's investment in redeemable optionally convertible cumulative preference shares of West Gujarat Expressway Limited ("WGEL") are convertible, at the option of the investor, into 1 equity share and carry a coupon of 2% per annum, accrued annually in arrears ("Coupon"). An additional coupon consisting of 95% of the balance distributable profits, that may be available with WGEL after it has met all other obligations, would accrue on the said preference shares ("Additional Coupon")

The Coupon and the Additional Coupon are payable annually only if WGEL has surplus cash after servicing its lenders and meeting plough back requirements towards capital expenditure as may be decided by its board of directors. The unpaid Coupon would annually be cumulated. The unpaid additional coupon would be accumulated in a year in which there are distributable profits, which are not distributed. The unpaid coupon and unpaid additional coupon carry a special coupon at 10% per annum compounded with annual rests and shall accrue as special coupon to the Investor in addition to the Coupon and Additional Coupon ("Special Coupon")

12. The Company's investments in compulsorily convertible preference shares of Rapid Metrorail Gurgaon Limited are fully and compulsorily convertible into equity shares within 90 days from achieving the commercial operation date of the project

13. Amounts due from companies under the same management:

a. Included in Sundry Debtors

₹ in Million

Name of the Company	As at March 31, 2011	As at March 31, 2010
Andhra Pradesh Expressway Limited	8.68	109.19
West Gujarat Expressway Limited	225.93	147.08
Chenani Nashri Tunnelway Limited	3,605.25	—
East Hyderabad Expressway Limited	14.43	38.89
Hazaribagh Ranchi Expressway Limited	91.90	952.84
ITNL Road Infrastructure Development Company Limited	207.43	428.13
Jorabat Shillong Expressway Limited	876.79	—
Moradabad Bareilly Expressway Limited	610.20	935.60
MP Border Checkpost Development Company Limited	1,003.50	—
Pune Sholapur Road Development Co. Limited	770.55	1,169.34
Warora Chandrapur Ballarpur Toll Road Limited	189.00	—
N.A.M. Expressway Limited	674.71	—
Thiruvananthapuram Road Development Company	102.89	53.79
IL&FS Waste Management and Urban Service Limited	—	11.15



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b. Included in advances recoverable in cash or in kind or for value to be received

₹ in Million

Name of the Company	As at March 31, 2011		As at March 31, 2010	
	Amount	Maximum amount outstanding during the year	Amount	Maximum amount outstanding during the year
Andhra Pradesh Expressway Limited	8.23	22.72	21.10	21.10
West Gujarat Expressway Limited	68.62	68.62	66.63	66.63
Gorakhpur Expressway Limited	–	–	–	0.01
Chhattisgarh Highway Development Company Limited	1.94	1.94	1.81	2.03
IL&FS Maritime Infrastructure Company Limited	0.38	6.36	1.66	7.52
IL&FS Investment Managers Limited	–	–	–	0.19
IL&FS Ecosmart Limited	–	–	–	0.03
IL&FS Water Limited	–	–	–	0.04
IL&FS Cluster Development Initiative Limited	–	–	–	0.03
IL&FS Infrastructure Development Corporation Limited	–	–	0.04	0.04
Urban Mass Transit Company Limited	–	–	0.01	0.01
Tamilnadu Water Investment Company Limited	–	–	0.01	0.01
Road Infrastructure Development Company of Rajasthan Limited	–	–	–	0.10
IL&FS Energy Development Company Limited	–	–	–	0.01
IL&FS Technologies Limited	–	–	0.01	0.20
East Hyderabad Expressway Limited	4.84	5.22	1.77	4.08
Vansh Nimay Infraprojects Private Limited	1.66	1.66	0.47	1.12
Moradabad Bareilly Expressway Limited	4.13	6.41	0.02	0.02
Jharkhand Road Projects Implementation Company Limited	0.09	0.45	1.47	1.47
Chenani Nashri Tunnelway Limited	2.54	2.54	–	–
MP Border Checkpost Development Company Limited	0.14	–	–	–
NAM Expressway Limited	18.06	18.06	–	–
Jharkhand Accelerated Road Development Company Limited	0.25	0.34	0.87	1.08
Gujarat International Finance Tec–City Company Limited	0.06	0.06	–	0.10
Hazaribagh Ranchi Expressway Limited	70.20	70.20	0.10	3.81
ITNL Road Infrastructure Development Company Limited	48.32	48.32	0.55	1.36
Jorabat Shillong Expressway Limited	39.10	39.10	–	–
Elsamex S.A. Spain	141.94	141.94	105.25	105.25
Urjankur Shree Datta Power Company Limited	0.01	0.01	–	–

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14. Derivatives and foreign currency exposures

- a. The Company as a part of its strategic initiatives to consolidate/restructure its investments in surface transport sector, has made direct investments in certain special purpose entities ("SPE"s) engaged in that sector and also invested in units of a scheme of ITNL Road Investment Trust (the "Scheme") which in turn has made investments in such SPEs. Amounts invested include derivative instruments in the form of call options

The amounts outstanding as at March 31, 2011 in respect of derivative transactions are summarised below:

Category	No. of instruments	Call option premium (₹ in Million)	Exercise price payable (₹ in Million)
Call options written for sale of equity shares to the Scheme as aforesaid	2 (3)	116.09 (227.44)	6.11 (9.08)
Call option for equity shares in an SPE bought	1 (1)	1.25 (1.25)	1.25 (1.25)

Note: – Figures in brackets relate to previous year.

Premium received by the Company towards call option sold by it have been aggregated under the head "Option Premium Liabilities" classified as a part of "Current Liabilities". Conversely, premiums paid by the Company towards call options purchased by it have been aggregated under the head "Option Premium Assets" and classified as a part of "Other Current Assets". During the year, the Company exercised its rights under the call option in respect of equity share in an SPE, at an exercise price of ₹ Nil (in redeemable optionally convertible preference shares in an SPE, at an exercise price of ₹ 10.20 Million (see note no.7.d)). A party having call option sold by the Company has exercise its rights under the call option in respect of equity share in an SPE at an exercise price of ₹ 2.97 Million. Options in respect of "Option Premium Liabilities" amounting ₹ 39.22 Million and options in respect of "Option Premium Assets" amounting ₹ 1.25 Million (previous year ₹ 1.25 Million) are to be exercised after a period of 12 months from the period end

The underlying instruments in respect of the options are unquoted and the Company intends to exercise the option, as these transactions have been entered into for strategic reasons. No losses have been identified in respect of the above derivatives necessitating a charge to the Profit and Loss Account. The aggregate exercise price payable is included as part of the Company's capital commitments (Refer note no. 2)

b. Foreign currency exposures

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

i. Amounts receivable/Investments in foreign currency on account of the following

Particulars	As at March 31, 2011		As at March 31, 2010	
	₹ in Million	Foreign currency in Million	₹ in Million	Foreign currency in Million
Advance towards equity in a subsidiary company	0.02	EUR 0.00	0.02	EUR 0.00
Investments in subsidiary companies	1,340.15	USD 28.05	1,340.15	USD 28.05
	2,722.34	EUR 41.59	2,722.34	EUR 41.59
Receivable from a subsidiary	–	–	121.12	EUR 2.00



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ii. Amounts payable in foreign currency on account of the following

Particulars	As at March 31, 2011		As at March 31, 2010	
	₹ in Million	Foreign currency in Million	₹ in Million	Foreign currency in Million
Fees for Legal and Technical fees	92.92	EUR 1.47	9.91	EUR 0.16
Initial Public Offer expenses payable	-	-	12.34	USD 0.27

Note: USD = US Dollar; EUR = Euro

15. As required under the restructuring package of Gujarat Road and Infrastructure Company Limited (GRICL), approved by the Corporate Debt Restructuring Cell on 17th June 2004, the Company as one of the promoters of GRICL advanced ₹ 600.00 Million towards Preference Share Capital. Out of the above advance, ₹ 150.00 Million was to be applied against issue of 1% Non Cumulative Convertible Preference Shares and ₹ 450.00 Million against issue of 8% Redeemable Convertible Preference Shares. GRICL proposes to convert this advance into subordinated debt. Pending completion of the process for the conversion, the Company has classified the amount as “Advance towards Share Application Money”

16. 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 period end together with the interest paid / payable as required under the said Act have not been given

17. Employee cost

Employee cost includes

Particulars	₹ in Million	
	Year ended March 31, 2011	Year ended March 31, 2010
Salaries	430.27	270.83
Contribution to provident and other funds	28.71	13.97
Staff welfare expenses	24.26	16.47
Deputation Cost	28.77	24.16
Total	512.01	325.43

Employee cost is net of salaries of ₹ 20.40 Million (Previous year ₹ 61.95 Million), and contribution to provident and other funds of ₹ 1.15 Million (Previous year ₹ 5.21 Million) towards amounts recovered / recoverable in respect of staff on deputation with other entities

18. Employee benefit obligations

Defined–Contribution Plans

The Company offers its employees defined contribution plans in the form of provident fund, family pension fund and superannuation fund. Provident fund, family pension fund and superannuation fund cover substantially 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 contribution to superannuation fund are made only by the Company. The contributions are normally based on a certain proportion of the employee’s salary

A sum of ₹ 19.87 Million (Previous year: ₹ 12.97 Million) has been charged to the Profit and Loss account in this respect

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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 rendered and the employee's eligible compensation (immediately before retirement). The gratuity scheme covers substantially all regular employees. In the case of the gratuity scheme, the Company contributes funds to the Life Insurance Corporation of India which administers the scheme on behalf of the Company. Commitments are actuarially determined at year-end. Actuarial valuation is based on "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions are charged to the Profit and Loss Account

The net value of the defined-benefit commitment is detailed below:

	₹ in Million	
	As at March 31, 2011	As at March 31, 2010
Present Value of Commitments	31.29	22.98
Fair Value of Plans	(39.66)	(29.07)
Transfer difference (net)	0.64	–
Prepaid amount taken to the balance sheet	(7.73)	(6.09)

	₹ in Million	
Defined benefit commitments: Gratuity	Year ended March 31, 2011	Year ended March 31, 2010
Opening balance	22.98	18.19
Interest costs	1.85	1.36
Current Service Cost	7.50	5.99
Benefits paid	(1.05)	(1.37)
Transfer to other employer	(2.46)	–
Actuarial (gain) / loss	2.48	(1.19)
Closing balance	31.29	22.98

	₹ in Million	
Plan assets: Gratuity	Year ended March 31, 2011	Year ended March 31, 2010
Opening balance	29.07	22.34
Expected return on plan assets	2.75	2.06
Contributions by the Company	10.46	2.94
Benefits paid	(1.05)	(1.37)
Transfer to other employer	(2.63)	–
Transfer from other employer	0.81	–
Actuarial gain / (loss)	0.27	3.10
Fair value of plan assets	39.66	29.07

The plan assets are managed by the Life Insurance Corporation of India, the holding pattern of Investment (Conventional PGS Fund)



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₹ in Million

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
a. Central & State Government Securities	22.21	16.28
b. Bonds / Debentures	14.28	10.47
c. Equity Shares	2.38	1.74
d. Money Market Instrument / FD	0.79	0.58
Total	39.66	29.07

₹ in Million

Return on plan assets: Gratuity	Year ended March 31, 2011	Year ended March 31, 2010
Expected return on plan assets	2.75	2.06
Actuarial gain / (loss)	0.27	3.10
Actual return on plan assets	3.02	5.16

Expenses on defined benefit plan recognised in the Profit and Loss Account:

₹ in Million

	Year ended March 31, 2011	Year ended March 31, 2010
Current service costs	7.50	5.99
Interest expense	1.85	1.36
Expected return on investment	(2.75)	(2.06)
Net actuarial (gain) / loss	2.21	(4.29)
Charge to the profit and loss account	8.82	1.00

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 pension expense

	Year ended March 31, 2011	Year ended March 31, 2010
Rate for discounting liabilities	8.25%	7.75%
Expected salary increase rate	6.00%	4.50%
Expected return on scheme assets	8.00%	8.00%
Attrition rate	2.00%	2.00%
Mortality table used	LIC (1994–96) Ultimate Table	

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



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The amounts of the present value of the obligation, fair value of the plan assets, surplus or deficit in the plan, experience adjustments arising on plan liabilities and plan assets for the current year and previous four annual periods are given below:

₹ in Million

Gratuity (Funded Plan)	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
Defined benefit obligations	31.29	22.98	18.19	19.48	3.45
Plan Assets	39.66	29.07	22.34	21.14	7.64
Unfunded liability transferred from Group Company	–	–	–	0.08	–
(Surplus) / Deficit	(7.73)	(6.09)	(4.15)	(1.58)	(4.18)

₹ in Million

	Year ended March 31, 2011	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007
Experience adjustments on plan liabilities gain/(loss)	(1.00)	0.85	(6.54)	(8.91)	(0.60)
Experience adjustments on plan assets gain/(loss)	(0.26)	3.10	(1.23)	0.95	0.08

19. Disclosure in respect of Construction Contracts

₹ in Million

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Contract revenue recognised as revenue during the year	10,094.71	1,172.23
Aggregate amount of Contract Costs incurred and recognised profits up to reporting date	10,094.71	1,172.23
Advances received as at	5,535.33	319.23
Retention Money as at	156.95	23.25
Gross amount due from customers for contract work, disclosed as asset, as at	475.26	–
Gross amount due to customers for contract work, disclosed as liability, as at	1420.19	–

20. Managerial remuneration

Details of managerial remuneration are as follows:

₹ in Million

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Salary & Allowances	17.62	9.61
Deputation Cost	33.43	16.74
Contribution to Provident and other funds	1.65	1.35
Perquisites	5.63	7.48
Commission provided for Non–Executive Directors	10.00	–
Total	68.33	35.18



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Of the above, ₹ nil (Previous Year ₹ 2.62 Million) has been recovered from other entities. The managerial remuneration for the period does not include contribution to the gratuity fund as these amounts are actuarially determined for the Company as a whole and separate figure relating to the managerial personnel are not available

Computation of net profit in accordance with Section 349 of the Companies Act, 1956 in respect of remuneration payable to managerial personnel

Particulars	₹ in Million	
	Year ended March 31, 2011	Year ended March 31, 2010
Profit before tax	4,517.39	4,971.27
Add: Loss on sale of fixed assets	—	1.19
Less: Profit on sale of fixed / capital assets	0.66	—
Add: Managerial Remuneration	68.33	35.18
Less: Profit on sale of investments	40.09	93.10
Net profit as per section 198	4,544.97	4,914.54
Maximum Managerial remuneration permissible	499.95	540.60
Restricted to	68.33	35.18

21. Miscellaneous expenses

Miscellaneous expenses in Schedule L – “Administration and General Expenses” include the following:

Particulars	₹ in Million	
	Year ended March 31, 2011	Year ended March 31, 2010
Payment to Auditors (Refer Notes below)		
For Audit Fees	6.54	3.25
For Tax Audit Fees	0.20	0.10
For Other Services (assurance)	9.88	7.49
For Out of Pocket Expenses	0.10	0.04
Loss on sale of fixed assets	—	1.19
Donation	7.25	0.25

Notes :—

1. Service tax which is being claimed for set off as input credit has not been included in the expenditure for other services above
2. In addition an amount of ₹ Nil (previous year ₹ 10.30 Million) in respect of assurance services availed for the proposed Initial Public Offering (“IPO”) has been offset against Securities Premium Account as a part of Share Issue Expenses



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22. Expenditure in foreign currency

Particulars	₹ in Million	
	Year ended March 31, 2011	Year ended March 31, 2010
Foreign Travel	15.95	77.43
Legal and consultation Fees	86.81	792.11
Seminar and conference expenses	1.64	0.66
Purchase of lab instruments	31.53	1.87
Share issue expenses	–	12.34
Others	3.58	28.76

23. Remittance in foreign currency on account of dividends

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Year to which it relates	–	2008–09
Number of non resident shareholders	–	2
Number of shares of ₹10/– each	–	12,846,819
Amount remitted (₹ in Million)	–	16.06

24. The Company holds certain properties under a non-cancellable operating lease. The Company's future lease rentals under the operating lease arrangements as at the year end are as under:

Future Lease rentals	₹ in Million	
	For the year ended March 31, 2011	For the year ended March 31, 2010
Within one year	66.77	51.40
Over one year but less than 5 years	105.42	95.47
More than 5 years	76.02	8.24
Amount charged to the Profit and Loss Account for rent	57.95	29.15

The lease terms do not contain any exceptional / restrictive covenants nor are there any options given to Company to renew the lease or purchase the properties. The agreements provide for changes in the rentals if the taxes leviable on such rentals change

25. During the year, the advance towards capital amounting to ₹ Nil (previous year ₹ 450 Million) and Interest free deposit of ₹ 75 Million (previous year nil) received from North Karnataka Expressway Limited ("NKEL") was converted into a short term loan. As this conversion did not involve any cash or cash equivalents, it has not been reflected in the Cash Flow Statement.
26. The sum of ₹ 236.18 Million payable to vendors of certain fixed assets as at March 31, 2009, was excluded from the Cash Flow Statement for the year ended March 31, 2009. This sum has been paid during the year 2009–10 and has been included as a part of "Cash Flows from Investing Activities" in the Cash Flow Statement for that year



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27. Segment Information

a. Primary – Business Segments

₹ in Million

	Services for Surface Transportation Business		Non-Reportable		Total	
	As at March 31, 2011	As at March 31, 2010	As at March 31, 2011	As at March 31, 2010	As at March 31, 2011	As at March 31, 2010
Revenue						
External	16,158.69	8,454.74	–	–	16,158.69	8,454.74
Inter-Segment	–	–	–	–	–	–
Segment Revenue	16,158.69	8,454.74	–	–	16,158.69	8,454.74
Total Revenue	16,158.69	8,454.74	–	–	17,009.80	9,415.36
Segment results	5,485.68	5,474.49	–	–	5,485.68	5,474.50
Unallocated income (excluding interest income)	–	–	–	–	124.84	422.35
Unallocated expenditure	–	–	–	–	264.38	38.76
Interest Expenses	–	–	–	–	1,555.03	1,425.08
Interest Income unallocated	–	–	–	–	726.28	538.27
Provision for taxation (Including Wealth Tax & Fringe Benefit Tax)	–	–	–	–	1,637.03	1,723.98
Net Profit / (Loss)	–	–	–	–	2,880.36	3,247.29
Segment assets	17,137.21	10,282.29	13.97	13.97	17,151.18	10,296.26
Unallocated Assets	–	–	–	–	31,378.37	25,372.95
Total assets	–	–	–	–	48,529.55	35,669.21
Segment liabilities	10,707.26	3,743.50	–	–	10,707.26	3,743.50
Unallocated Liabilities	–	–	–	–	19,974.64	16,168.18
Total liabilities	–	–	–	–	30,681.90	19,911.68
Capital Expenditure	96.08	278.79	–	–	96.08	278.79
Depreciation	98.13	43.18	–	–	98.13	43.18
Non cash expenditure other than depreciation: (Employee benefits, provision for diminution)	–	–	–	–	101.13	8.88

b. Secondary – Geographic Segments

₹ in Million

	India		Outside India		Total	
	As at March 31, 2011	As at March 31, 2010	As at March 31, 2011	As at March 31, 2010	As at March 31, 2011	As at March 31, 2010
Revenue						
External	16,158.69	8,454.74	–	–	16,158.69	8,454.74
Assets						
Segment assets	17,009.24	10,069.89	141.94	226.37	17,151.18	10,296.26
Capital Expenditure	96.08	278.79	–	–	96.08	278.79

1. Unallocated assets include investments, advance towards investments, loans, interest accrued but not due, option premium assets account, advance tax and fixed deposits
2. Unallocated liabilities include secured loans, unsecured loans, interest accrued but not due, deferred tax liability, advance towards capital, provision for tax and option premium liabilities account



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28. Related Party Disclosures

Current Year

a. Name of the Related Parties and Description of Relationship

Nature of Relationship	Name of the Entity	Acronym used
Holding Company	Infrastructure Leasing & Financial Services Limited	ILFS
Subsidiaries	ITNL Road Infrastructure Development Company Limited	IRIDCL
	Gujarat Road and Infrastructure Company Limited	GRICL
	East Hyderabad Expressway Limited	EHEL
	ITNL International Pte Limited, Singapore	I IPL
	Elsamex SA,	ELSA
	Vansh Nimay Infraprojects Limited	VNIL
	Hazaribagh Ranchi Expressway Limited	HREL
	Pune Sholapur Road Development Company Limited	PSRDCL
	West Gujarat Expressway Limited	WGEL
	ITNL Enso Rail Systems Limited	IERSL
	Moradabad Bareilly Expressway Limited	MBEL
	Jharkhand Road Projects Implementation Company Limited	JRPICL
	Chenani Nashri Tunnelway Limited	CNTL
	MP Border Checkposts Development Company Limited	MPCDCL
	Badarpur Tollway Operations Management Limited	BTOML
Subsidiaries – Indirect	North Karnataka Expressway Limited	NKEL
	Elsamex Internacional, SL	
	Grusamar Ingenieria Y Consulting, SL	
	Sánchez Marcos Señalización e Imagen, S.A	
	Proyectos De Gestion Sistemas Calculo Y Analisis S.A	
	Elsamex India Private Limited	EIPL
	CIESM-INTEVIA S.A. Sociedad Unipersonal (formerly known as Centro De Investigacion Elpidio Sanchez Marcos S.A.)	
	Control 7, S. A	
	Geotecnia 7, S.A	
	Mantenimiento Y Conservacion De Vialidades, DE C.V	
	ESM Mantenimiento Integral DE S.A DE C.V	
	Elsamex Portugal S.A	
	Intevial–Gestao Integral Rodoviaria S.A	
	Grusamar Albania SHPK	
	Antenea Seguridad Y Medico Ambiente SA	
	Proyectos Y Promociones Inmobiliarias Sanchez Marcos SL	
	Senalizacion Viales E Imagen, SA	
	Yala Construction Company Private Limited	YCCPL
	Rapid Metro Rail Gurgaon Limited	RMGL
	Inversiones Tyndrum SA (upto September 16, 2010. Its now merged with Elsamex SA)	
	Area De Servicio Coiros S.L. (from May 31, 2010)	
	Conservacion de Infraestructuras De Mexico SD DE CV (from September 1, 2010)	
	Alcantarilla Fotovoltaica SA, Sociedad Unipersonal (from December 17, 2010)	
	Area De Serviceo Punta Umbria SL. Sociedad Unipersonal (from December 17, 2010)	



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Nature of Relationship	Name of the Entity	Acronym used
Fellow Subsidiaries	IL&FS Financial Services Limited (Erst while IL&FS Finvest Ltd.)	IFIN
	IL&FS Education & Technology Services Limited	IETS
	IL&FS Energy Development Co Ltd (from December 3, 2010)	IEDCL
	IL&FS Environmental Infrastructure & Service Limited (formerly IL&FS Waste Management & Urban Services Limited)	IEISL
	IL&FS Infrastructure Development Corporation Limited	IIDCL
	IL&FS Maritime Infrastructure Company Limited	IMICL
	IL&FS Renewable Energy Limited	IREL
	Chattisgarh Highways Development Co Limited	CHDCL
	IL&FS Securities Services Limited	ISSL
	IL&FS Trust Company Limited	ITCL
	Jharkhand Accelerated Road Development Co Ltd	JARDCL
	IL&FS Cluster Development Initiative Limited	ICDIL
	IL&FS Global Financial Services (UK) Limited	IGFSL(UK)
	IL&FS Urban Infrastructure Managers Limited	IUIML
IL&FS Urban Infrastructure Services Ltd (upto March 29, 2011)	IUISL	
Associates	Andhra Pradesh Expressway Limited	APEL
	ITNL Toll Management Services Limited	ITMSL
	Thiruvananthapuram Road Development Company Limited	TRDCL
	Warora Chandrapur Ballarpur Toll Road Limited	WCBTL
Co – Venture	Noida Toll Bridge Company Limited	NTBCL
	Jorabat Shillong Expressway Limited	JSEL
	N.A.M. Expressway Limited	NAMEL
Other Enterprises over which ITNL has Control	ITNL Road Investment Trust (IRIT)	IRIT
Key Management personnel	Mr. K Ramchand–Managing Director Mr. Mukund Sapre–Executive Director	



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b. Transaction with above mentioned related parties (Mentioned in Note 28 (i) (a) above)

₹ in Million

Nature of Transaction	Holding Company	Subsidiaries	Fellow Subsidiary	Associate	Joint Venture	Other Enterprise over which ITNL has control	Key Management Personnel	Total
Balances								
Advance Towards Investments								
GRICL	-	600.00	-	-	-	-	-	600.00
HREL	-	724.50	-	-	-	-	-	724.50
WCBTL	-	-	-	616.91	-	-	-	616.91
Others	-	510.72	-	-	0.05	-	-	510.77
	-	1,835.22	-	616.91	0.05	-	-	2,452.18
Covered Warrants								
ILFS	648.00	-	-	-	-	-	-	648.00
	648.00	-	-	-	-	-	-	648.00
Debtors								
CNTL	-	3,605.25	-	-	-	-	-	3,605.25
MPBCDCL	-	1,003.50	-	-	-	-	-	1,003.50
JSEL	-	-	-	-	876.79	-	-	876.79
Others	-	1,918.65	-	300.58	677.69	-	-	2,896.91
	-	6,527.40	-	300.58	1,554.48	-	-	8,382.45
Equity option premium								
ILFS	1.25	-	-	-	-	-	-	1.25
	1.25	-	-	-	-	-	-	1.25
Interest Accrued but not due								
ILFS	0.43	-	-	-	-	-	-	0.43
APEL	-	-	-	319.13	-	-	-	319.13
Others	-	21.52	-	12.15	-	-	-	33.66
	0.43	21.52	-	331.27	-	-	-	353.22
Interest Payable but not due								
ISSL	-	-	34.94	-	-	-	-	34.94
	-	-	34.94	-	-	-	-	34.94
Investment								
CNTL	-	3,475.90	-	-	-	-	-	3,475.90
ELSA	-	2,722.34	-	-	-	-	-	2,722.34
MBEL	-	2,216.60	-	-	-	-	-	2,216.60
IRIT	-	-	-	-	-	1,038.54	-	1,038.54
Others	-	6,248.30	-	335.85	3,249.13	-	-	9,833.28
	-	14,663.13	-	335.85	3,249.13	1,038.54	-	19,286.66



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b. Transaction with above mentioned related parties (Mentioned in Note 28 (i) (a) above) Contd.

₹ in Million

Nature of Transaction	Holding Company	Subsidiaries	Fellow Subsidiary	Associate	Joint Venture	Other Enterprise over which ITNL has control	Key Management Personnel	Total
Investment in Call Money	ILFS	-	-	-	-	-	-	120.00
		-	-	-	-	-	-	120.00
Investment in Compulsory Convertible Preference Shares	RMGL	287.00	-	-	-	-	-	287.00
		287.00	-	-	-	-	-	287.00
Investment in Preference Shares	WGEL	296.90	-	-	-	-	-	296.90
		296.90	-	-	-	-	-	296.90
Loan Given	APEL	-	-	1,085.60	-	-	-	1,085.60
	EHEL	-	-	-	-	-	-	519.40
	JRPICL	-	-	-	-	-	-	470.00
	Others	-	-	221.80	-	-	-	1,279.10
		-	2,046.70	-	1,307.40	-	-	3,354.10
Loan Taken	ISSL	-	1,000.00	-	-	-	-	1,000.00
	NKEL	-	700.00	-	-	-	-	700.00
		-	700.00	1,000.00	-	-	-	1,700.00
Option premium liab	IRIT	-	-	-	-	116.09	-	116.09
		-	-	-	-	116.09	-	116.09
Optionally Convertible Debentures	APEL	-	-	786.40	-	-	-	786.40
		-	-	786.40	-	-	-	786.40
Payable on Current Account	ILFS	33.47	-	-	-	-	-	33.47
	IFIN	-	-	23.82	-	-	-	23.82
	ELSA	-	92.92	-	-	-	-	92.92
	IGFSL (UK)	-	-	30.03	-	-	-	30.03
	Others	-	3.22	0.40	2.69	-	-	6.31
		33.47	96.14	54.26	2.69	-	-	186.55

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b. Transaction with above mentioned related parties (Mentioned in Note 28 (i) (a) above) Contd.

₹ in Million

Nature of Transaction	Holding Company	Subsidiaries	Fellow Subsidiary	Associate	Joint Venture	Other Enterprise over which ITNL has control	Key Management Personnel	Total
Receivable on Current Account								
ELSA	-	141.94	-	-	-	-	-	141.94
WGEL	-	68.60	-	-	-	-	-	68.60
Others	-	15.11	2.45	8.23	18.11	-	-	43.89
	-	225.64	2.45	8.23	18.11	-	-	254.43
Interest Accrued and due but not received								
EHEL	-	12.90	-	-	-	-	-	12.90
	-	12.90	-	-	-	-	-	12.90
Mobilisation Advance Received								
CNTL	-	2,400.00	-	-	-	-	-	2,400.00
MBEL	-	1,401.25	-	-	-	-	-	1,401.25
HREL	-	636.00	-	-	-	-	-	636.00
PSRDCL	-	636.21	-	-	-	-	-	636.21
Others	-	204.90	-	-	404.40	-	-	609.30
	-	5,278.36	-	-	404.40	-	-	5,682.76
Retention Money Receivable								
HREL	-	70.20	-	-	-	-	-	70.20
IRIDCL	-	47.65	-	-	-	-	-	47.65
JSEL	-	-	-	-	39.10	-	-	39.10
	-	117.84	-	-	39.10	-	-	156.95
Transactions								
Advance Towards Investments made								
CNTL	-	244.10	-	-	-	-	-	244.10
MPBCDCL	-	213.60	-	-	-	-	-	213.60
WCBTL	-	-	-	616.91	-	-	-	616.91
Others	-	123.00	-	-	0.05	-	-	123.05
	-	580.70	-	616.91	0.05	-	-	1,197.66
Construction Income								
CNTL	-	2,743.76	-	-	-	-	-	2,743.76
HREL	-	1,542.80	-	-	-	-	-	1,542.80
IRIDCL	-	1,170.67	-	-	-	-	-	1,170.67
MBEL	-	3,809.59	-	-	-	-	-	3,809.59
Others	-	1,008.37	-	-	782.10	-	-	1,790.46
	-	10,275.19	-	-	782.10	-	-	11,057.29



SCHEDULES

forming part of the Financial Statements

b. Transaction with above mentioned related parties (Mentioned in Note 28 (i) (a) above) Contd.

₹ in Million

Nature of Transaction	Holding Company	Subsidiaries	Fellow Subsidiary	Associate	Joint Venture	Other Enterprise over which ITNL has control	Key Management Personnel	Total
Dividend payment								
ILFS	405.00	-	-	-	-	-	-	405.00
	405.00	-	-	-	-	-	-	405.00
Dividend received								
NTBCL	-	-	-	-	23.60	-	-	23.60
	-	-	-	-	23.60	-	-	23.60
Interest Expense – STL								
ILFS	53.00	-	-	-	-	-	-	53.00
ISSL	-	-	49.01	-	-	-	-	49.01
NKEL	-	17.45	-	-	-	-	-	17.45
	53.00	17.45	49.01	-	-	-	-	119.46
Interest Income								
GRICL	-	39.61	-	-	-	-	-	39.61
APEL	-	-	-	227.85	-	-	-	227.85
ILFS	23.27	-	-	-	-	-	-	23.27
Others	-	90.99	-	13.50	-	-	-	104.48
	23.27	130.60	-	241.35	-	-	-	395.22
Investment in Call Money – Matured								
ILFS	7,980.00	-	-	-	-	-	-	7,980.00
	7,980.00	-	-	-	-	-	-	7,980.00
Investment in Call Money made								
ILFS	8,100.00	-	-	-	-	-	-	8,100.00
	8,100.00	-	-	-	-	-	-	8,100.00
Investment made								
CNTL	-	3,475.90	-	-	-	-	-	3,475.90
MBEL	-	2,216.10	-	-	-	-	-	2,216.10
PSRDCL	-	1,599.50	-	-	-	-	-	1,599.50
NAMEL	-	-	-	-	1,167.55	-	-	1,167.55
IRIT	-	-	-	-	-	7.22	-	7.22
Others	-	941.03	-	-	210.00	-	-	1,151.03
	-	8,232.53	-	-	1,377.55	7.22	-	9,617.30

SCHEDULES

forming part of the Financial Statements

b. Transaction with above mentioned related parties (Mentioned in Note 28 (i) (a) above) Contd.

₹ in Million

Nature of Transaction	Holding Company	Subsidiaries	Fellow Subsidiary	Associate	Joint Venture	Other Enterprise over which ITNL has control	Key Management Personnel	Total
Loan Given								
EHEL	-	609.40	-	-	-	-	-	609.40
HREL	-	250.00	-	-	-	-	-	250.00
JRPICL	-	470.00	-	-	-	-	-	470.00
TRDCL	-	-	-	221.80	-	-	-	221.80
Others	-	441.70	-	45.00	-	-	-	486.70
	-	1,771.10	-	266.80	-	-	-	2,037.90
Loan Received Back								
EHEL	-	90.00	-	-	-	-	-	90.00
IRIDCL	-	109.50	-	-	-	-	-	109.50
APEL	-	-	-	264.00	-	-	-	264.00
Others	-	107.09	-	-	-	-	-	107.09
	-	306.59	-	264.00	-	-	-	570.59
Loan Repaid								
ILFS	5,580.00	-	-	-	-	-	-	5,580.00
Others	-	50.00	-	-	-	-	-	50.00
	5,580.00	50.00	-	-	-	-	-	5,630.00
Loan Taken								
ILFS	5,580.00	-	-	-	-	-	-	5,580.00
ISSL	-	-	1,000.00	-	-	-	-	1,000.00
	5,580.00	-	1,000.00	-	-	-	-	6,580.00
Other Expenses								
ISSL	-	-	0.03	-	-	-	-	0.03
	-	-	0.03	-	-	-	-	0.03
Rent paid								
ILFS	71.44	-	-	-	-	-	-	71.44
Others	-	-	-	-	0.22	-	0.74	0.96
	71.44	-	-	-	0.22	-	0.74	72.40
Sale of Assets								
ILFS	0.07	-	-	-	-	-	-	0.07
	0.07	-	-	-	-	-	-	0.07



SCHEDULES

forming part of the Financial Statements

b. Transaction with above mentioned related parties (Mentioned in Note 28 (i) (a) above) Contd.

₹ in Million

Nature of Transaction	Holding Company	Subsidiaries	Fellow Subsidiary	Associate	Joint Venture	Other Enterprise over which ITNL has control	Key Management Personnel	Total
Service Rendered								
CNTL	-	1,845.73	-	-	-	-	-	1,845.73
MPBCDCL	-	1,115.00	-	-	-	-	-	1,115.00
NAMEL	-	-	-	-	749.68	-	-	749.68
Others	-	1,773.18	0.33	378.24	472.31	-	-	2,624.07
	-	4,733.92	0.33	378.24	1,221.99	-	-	6,334.48
Services Received								
ELSA	-	173.14	-	-	-	-	-	173.14
IGFSL (UK)	-	-	30.03	-	-	-	-	30.03
Others	-	23.23	52.84	-	-	-	-	76.08
	-	196.37	82.88	-	-	-	-	279.25
Guarantee fee paid								
ILFS	13.53	-	-	-	-	-	-	13.53
	13.53	-	-	-	-	-	-	13.53
Guarantee fee income								
ELSA	-	38.47	-	-	-	-	-	38.47
	-	38.47	-	-	-	-	-	38.47
Brand subscription fees								
ILFS	117.69	-	-	-	-	-	-	117.69
	117.69	-	-	-	-	-	-	117.69
Director Remuneration								
Mr. K Ramchand	-	-	-	-	-	-	36.85	36.85
Mr. Mukund Sapre	-	-	-	-	-	-	21.48	21.48
	-	-	-	-	-	-	58.33	58.33
Refund of Advance Towards Investment								
NKEL	-	412.00	-	-	-	-	-	412.00
Others	-	-	-	0.25	-	-	-	0.25
	-	412.00	-	0.25	-	-	-	412.25

SCHEDULES

forming part of the Financial Statements

b. Transaction with above mentioned related parties (Mentioned in Note 28 (i) (a) above) Contd.

₹ in Million

Nature of Transaction	Holding Company	Subsidiaries	Fellow Subsidiary	Associate	Joint Venture	Other Enterprise over which ITNL has control	Key Management Personnel	Total
Deposit converted in Short Term Loan NIKEL	-	750.00	-	-	-	-	-	750.00
	-	750.00	-	-	-	-	-	750.00
Sales of Shares IRIT	-	-	-	-	-	114.33	-	114.33
	-	-	-	-	-	114.33	-	114.33
Covered Warrants ILFS	148.00	-	-	-	-	-	-	148.00
	148.00	-	-	-	-	-	-	148.00
Mobilisation Advance Received CNTL MBEL Others	-	2,400.00	-	-	-	-	-	2,400.00
	-	1,401.25	-	-	-	-	-	1,401.25
	-	663.19	-	-	404.40	-	-	1,067.59
	-	4,464.44	-	-	404.40	-	-	4,868.84
Retention Money Receivable JSEL HREL	-	-	-	-	39.10	-	-	39.10
	-	70.20	-	-	-	-	-	70.20
	-	70.20	-	-	39.10	-	-	109.30



SCHEDULES

forming part of the Financial Statements

Related Party Disclosures

Previous Year

c. Name of Related Parties and Description of Relationship

Nature of Relationship	Name of the Entity	Acronym used
Holding Company	Infrastructure Leasing & Financial Services Limited	IL&FS
Subsidiaries	East Hyderabad Expressway limited	EHEL
	Elsamex S.A.	ELSA
	Gujarat Road and Infrastructure Company Limited	GRICL
	Hazaribagh Ranchi Expressway Limited	HREL
	ITNL Enso Rail Systems Limited	IERSL
	ITNL International Pte Limited, Singapore	I IPL
	ITNL Road Infrastructure Development Company Limited (erstwhile ITNL Chhattisgarh Road Infrastructure Company Limited)	IRIDCL
	Jharkhand Road Projects Implementation Company Limited	JRPICL
	Moradabad Bareilly Expressway Limited	MBEL
	Pune Sholapur Road Development Company Limited.	PSRDCL
	Vansh Nimay Infraprojects Limited	VNIL
	West Gujarat Expressway Limited	WGEL
Subsidiaries – Indirect	North Karnataka Expressway Limited	NKEL
	Elsamex Internacional, SRL	EISRL
	Grusamar Ingenieria Y Consulting, SL	GIC
	Sánchez Marcos Señalización e Imagen, S.A	SMIS
	Proyectos De Gestion Sistemas Calculo Y Analisis S.A	PDGSCA
	Elsamex India Private Limited	ELSAIND
	Inversiones Tyndrum S.A	ITSA
	Centro De Investigacion Elpidio Sanchez Marcos S.A.	CDIESM
	Control 7, S. A	Control 7
	Geotecnia 7, S.A	Geotecnia 7
	Mantenimiento Y Conservacion De Vialidades, DE C.V	MYCDV
	ESM Mantenimiento Integral DE S.A DE C.V	ESMMI
	Elsamex Portugal S.A	EPSA
	Intevial–Gestao Integral Rodoviaria S.A	IGIRSA
	Grusamar Albania SHPK	GASHPK
	Atenea Seguridad Y Medico Ambiente SA	ASYMASA
	Ecoasphalt Construction Company Private Limited	ECCPL
	Proyectos Y Promociones Inmobiliarias Sanchez Marcos SL	PYPISMSL
	Instituto Tecnico De La Vialidad Y Del Transporte, S.A.	ITDLVYDTSA
	Senalizacion Viales E Imagen, SA	SVEISA
	Yala Construction Company Private Limited	YCCL
	Rapid Metro Rail Gurgaon Limited	RMRGL



SCHEDULES

forming part of the Financial Statements

Nature of Relationship	Name of the Entity	Acronym used
Fellow Subsidiaries	IL&FS Financial Services Limited	IFIN
	IL&FS Infrastructure Development Corpn Limited	IIDCL
	IL&FS Maritime Infrastructure Co Limited	IMICL
	IL&FS Water Limited	IWL
	IL&FS Securities Services Limited	ISSL
	IL&FS Waste Management & Urban Service Limited	IWMUSL
	Chhattisgarh Highway Development Co Limited	CHDCL
	Jharkhand Accelerated Road Development Co Ltd	JARDCL
	IL&FS Property Management & Services Limited	IPMSL
	Tamil Nadu Water Investment Co Limited	TWICL
	IL&FS Renewable Energy Limited	IREL
	IL&FS Cluster Development Initiative Limited	ICDIL
	IL&FS Education & Technology Services Limited	IETS
IL&FS Urban Infrastructure Services Ltd	IUISL	
Associates – Direct	Andhra Pradesh Expressway Limited	APEL
	ITNL Toll Management Services Limited.	ITMSL
	Narketpally Addanki Expressway Limited	NAEL
	Thiruvananthapuram Road Development Company Limited	TRDCL
	Warora Chandrapur Ballarpur Tollroad Limited	WCBTL
Joint Venture	Noida Toll Bridge Company Limited	NTBCL
Other Enterprise over which ITNL has control	ITNL Road Investment Trust (IRIT)	IRIT
Key Management personnel	Mr. K Ramchand Managing Director Mr. Mukund Sapre Executive Director	



SCHEDULES

forming part of the Financial Statements

d. Transaction with above mentioned related parties (Mentioned in Note 28 (c) above)

₹ in Million

Heads	Holding Company	Subsidiaries	Fellow Subsidiaries	Associate	Joint Venture	Other Enterprise over which ITNL has control	Key Management Personnel	Grand Total
Balances								
Advance towards capital								
GRICL	-	600.00	-	-	-	-	-	600.00
	-	600.00	-	-	-	-	-	600.00
Advance Towards Investments								
HREL	-	654.50	-	-	-	-	-	654.50
MBEL	-	2,216.10	-	-	-	-	-	2,216.10
PSRDCL	-	1,599.50	-	-	-	-	-	1,599.50
Others	-	474.53	-	40.30	-	-	-	514.83
	-	4,944.63	-	40.30	-	-	-	4,984.93
Debtors								
HREL	-	952.84	-	-	-	-	-	952.84
JRPICL	-	555.27	-	-	-	-	-	555.27
MBEL	-	935.60	-	-	-	-	-	935.60
PSRDCL	-	1,169.37	-	-	-	-	-	1,169.37
Others	-	949.27	11.17	162.98	-	-	-	1,123.42
	-	4,562.35	11.17	162.98	-	-	-	4,736.50
Interest Accrued but not due								
APEL	-	-	-	168.51	-	-	-	168.51
Others	-	25.54	-	-	-	-	-	25.54
	-	25.54	-	168.51	-	-	-	194.05
Interest Free Deposit								
NKEL	-	750.00	-	-	-	-	-	750.00
	-	750.00	-	-	-	-	-	750.00

SCHEDULES

forming part of the Financial Statements

d. Transaction with above mentioned related parties (Mentioned in Note 28 (c) above) Contd.

Heads	₹ in Million							Grand Total
	Holding Company	Subsidiaries	Fellow Subsidiaries	Associate	Joint Venture	Other Enterprise over which ITNL has control	Key Management Personnel	
Investment								
ELSA	-	2,722.34	-	-	-	-	-	2,722.34
IPL	-	1,340.15	-	-	-	-	-	1,340.15
JRPICL	-	1,199.15	-	-	-	-	-	1,199.15
NTBCL	-	-	-	-	1,871.58	-	-	1,871.58
Others	500.00	1,530.21	-	296.05	-	1,031.32	-	3,357.58
	500.00	6,791.85	-	296.05	1,871.58	1,031.32	-	10,490.80
Loan Given								
GRICL	-	308.80	-	-	-	-	-	308.80
APEL	-	-	-	1,304.60	-	-	-	1,304.60
Others	-	308.39	-	-	-	-	-	308.39
	-	617.19	-	1,304.60	-	-	-	1,921.79
Mobilisation Advance								
HREL	-	161.80	-	-	-	-	-	161.80
IRIDCL	-	319.23	-	-	-	-	-	319.23
PSRDCL	-	438.45	-	-	-	-	-	438.45
	-	919.48	-	-	-	-	-	919.48
Option premium liability								
IRIT	-	-	-	-	-	227.44	-	227.44
	-	-	-	-	-	227.44	-	227.44
Payable on Current Account								
IL&FS	20.63	-	-	-	-	-	-	20.63
IETS	-	-	42.93	-	-	-	-	42.93
Others	-	3.25	2.09	-	0.18	-	-	5.52
	20.63	3.25	45.02	-	0.18	-	-	69.08
Receivable on Current Account								
Elsa	-	105.25	-	-	-	-	-	105.25
WGEL	-	66.63	-	-	-	-	-	66.63
APEL	-	-	-	21.10	-	-	-	21.10
Others	-	26.26	3.97	-	-	-	-	30.23
	-	198.14	3.97	21.10	-	-	-	223.21



SCHEDULES

forming part of the Financial Statements

d. Transaction with above mentioned related parties (Mentioned in Note 28 (c) above) Contd.

₹ in Million

Heads	Holding Company	Subsidiaries	Fellow Subsidiaries	Associate	Joint Venture	Other Enterprise over which ITNL has control	Key Management Personnel	Grand Total
Retention Money								
IRIDCL	-	23.25	-	-	-	-	-	23.25
	-	23.25	-	-	-	-	-	23.25
Optionally Convertible Debentures								
APEL	-	-	-	786.40	-	-	-	786.40
	-	-	-	786.40	-	-	-	786.40
Equity option premium								
IL&FS	1.25	-	-	-	-	-	-	1.25
	1.25	-	-	-	-	-	-	1.25
Advance Towards Construction								
MBEL	-	1,980.00	-	-	-	-	-	1,980.00
	-	1,980.00	-	-	-	-	-	1,980.00
Investment in Preference Shares								
WGEL	-	296.90	-	-	-	-	-	296.90
	-	296.90	-	-	-	-	-	296.90
Transactions								
Advance Towards Investments made								
HREL	-	655.00	-	-	-	-	-	655.00
JRPICL	-	1,261.65	-	-	-	-	-	1,261.65
MBEL	-	2,216.60	-	-	-	-	-	2,216.60
PSDRCL	-	1,600.00	-	-	-	-	-	1,600.00
Others	-	378.76	-	0.42	-	-	-	379.18
	-	6,112.01	-	0.42	-	-	-	6,112.43
Deputation cost Incurred								
IL&FS	26.65	-	-	-	-	-	-	26.65
	26.65	-	-	-	-	-	-	26.65



SCHEDULES

forming part of the Financial Statements

d. Transaction with above mentioned related parties (Mentioned in Note 28 (c) above) Contd.

Heads	₹ in Million									
	Holding Company	Subsidiaries	Fellow Subsidiaries	Associate	Joint Venture	Other Enterprise over which ITNL has control	Key Management Personnel	Grand Total		
Dividend payment										
IL&FS	168.75	-	-	-	-	-	-	168.75		168.75
	168.75	-	-	-	-	-	-	168.75		168.75
Interest Expense – Short term loan										
IL&FS	175.39	-	-	-	-	-	-	175.39		175.39
ISSL	-	-	218.67	-	-	-	-	218.67		218.67
Others	-	43.19	27.16	-	-	-	-	70.35		70.35
	175.39	43.19	245.83	-	-	-	-	464.41		464.41
Interest Income										
GRICL	-	38.82	-	-	-	-	-	38.82		38.82
I IPL	-	57.28	-	-	-	-	-	57.28		57.28
APEL	-	-	-	131.89	-	-	-	131.89		131.89
ILFS	20.88	-	-	-	-	-	-	20.88		20.88
Others	-	51.57	-	2.65	-	-	-	54.22		54.22
	20.88	147.67	-	134.54	-	-	-	303.09		303.09
Investment in Call Money – Matured										
IL&FS	10,860.00	-	-	-	-	-	-	10,860.00		10,860.00
	10,860.00	-	-	-	-	-	-	10,860.00		10,860.00
Investment in Call Money made										
IL&FS	10,650.00	-	-	-	-	-	-	10,650.00		10,650.00
	10,650.00	-	-	-	-	-	-	10,650.00		10,650.00
Investment made										
ELSA	-	276.49	-	-	-	-	-	276.49		276.49
I IPL	-	1,107.86	-	-	-	-	-	1,107.86		1,107.86
JRPICL	-	1,199.15	-	-	-	-	-	1,199.15		1,199.15
Others	-	112.75	-	0.42	-	0.22	-	113.39		113.39
	-	2,696.25	-	0.42	-	0.22	-	2,696.89		2,696.89
Investment Sold										
HREL	-	0.13	-	-	-	-	-	0.13		0.13
	-	0.13	-	-	-	-	-	0.13		0.13



SCHEDULES

forming part of the Financial Statements

d. Transaction with above mentioned related parties (Mentioned in Note 28 (c) above) Contd.

₹ in Million

Heads	Holding Company	Subsidiaries	Fellow Subsidiaries	Associate	Joint Venture	Other Enterprise over which ITNL has control	Key Management Personnel	Grand Total
Loan Given								
APEL	-	-	-	1,104.60	-	-	-	1,104.60
Others	-	127.05	-	-	-	-	-	127.05
	-	127.05	-	1,104.60	-	-	-	1,231.65
Loan Received Back								
IPL	-	2,369.18	-	-	-	-	-	2,369.18
Others	-	111.05	-	35.00	-	-	-	146.05
	-	2,480.23	-	35.00	-	-	-	2,515.23
Loan Repaid								
IL&FS	4,150.00	-	-	-	-	-	-	4,150.00
ISSL	-	-	4,700.00	-	-	-	-	4,700.00
IFIN	-	-	860.00	-	-	-	-	860.00
Others	-	1,750.00	-	-	-	-	-	1,750.00
	4,150.00	1,750.00	5,560.00	-	-	-	-	11,460.00
Loan Taken								
IL&FS	3,000.00	-	-	-	-	-	-	3,000.00
PSRDCL	-	1,010.00	-	-	-	-	-	1,010.00
ISSL	-	-	4,700.00	-	-	-	-	4,700.00
IFIN	-	-	860.00	-	-	-	-	860.00
Others	-	450.00	-	-	-	-	-	450.00
	3,000.00	1,460.00	5,560.00	-	-	-	-	10,020.00
Mobilisation Advance								
HREL	-	161.80	-	-	-	-	-	161.80
PSRDCL	-	438.45	-	-	-	-	-	438.45
	-	600.25	-	-	-	-	-	600.25



SCHEDULES

forming part of the Financial Statements

d. Transaction with above mentioned related parties (Mentioned in Note 28 (c) above) Contd.

₹ in Million

Heads	Holding Company	Subsidiaries	Fellow Subsidiaries	Associate	Joint Venture	Other Enterprise over which ITNL has control	Key Management Personnel	Grand Total	
Provision for Doubtful Debts									
	NIKEL	4.00	—	—	—	—	—	4.00	
Purchase of Assets									
	IETS	4.00	—	—	—	—	—	4.00	
Remuneration									
	Mr. K Ramchand	—	4.98	—	—	—	—	4.98	
Mr. Mukund Sapre	—	—	4.98	—	—	—	—	4.98	
Services Rendered									
	HREL	1,236.49	—	—	—	—	23.47	23.47	
	IRIDCL	1,172.23	—	—	—	—	11.71	11.71	
	JRPICL	1,783.65	—	—	—	—	—	—	
	MBEL	1,039.55	—	—	—	—	—	—	
	PSRDCL	2,212.13	—	—	—	—	—	—	
	Others	843.62	0.34	136.19	—	—	—	35.18	
		—	8,287.67	0.34	136.19	—	—	—	8,424.20
		103.36	—	—	—	—	—	—	103.36
		—	758.34	—	—	—	—	—	758.34
	—	—	11.52	—	—	—	—	11.52	
	103.36	758.34	11.52	—	—	—	—	873.22	



SCHEDULES

forming part of the Financial Statements

d. Transaction with above mentioned related parties (Mentioned in Note 28 (c) above) Contd.

₹ in Million

Heads	Holding Company	Subsidiaries	Fellow Subsidiaries	Associate	Joint Venture	Other Enterprise over which ITNL has control	Key Management Personnel	Grand Total
Training Material purchased								
		-	30.62	-	-	-	-	30.62
IETS		-	30.62	-	-	-	-	30.62
		-	30.62	-	-	-	-	30.62
Debt Syndication Fees								
		-	55.15	-	-	-	-	55.15
IFIN		-	55.15	-	-	-	-	55.15
		-	55.15	-	-	-	-	55.15
Investment made in Redeemable optionally Convertible Cumulative Preference Shares								
	IL&FS	198.90	-	-	-	-	-	198.90
MBEL		198.90	-	-	-	-	-	198.90
		-	1,980.00	-	-	-	-	1,980.00
Advance Towards Construction		-	-	-	-	-	-	-
		-	1,980.00	-	-	-	-	1,980.00



SCHEDULES

forming part of the Financial Statements

29. Disclosure of Loans and advances in the nature of loans to subsidiaries and associates

₹ in Million

Name of the Company	March 31, 2011		March 31, 2010	
	Amount	Maximum amount outstanding during the year	Amount	Maximum amount outstanding during the year
Subsidiaries				
East Hyderabad Expressway limited	519.40	519.40	–	80.00
Gujarat Road and Infrastructure Company Limited	308.80	308.80	308.80	308.80
ITNL International Pte Limited, Singapore	–	–	–	2,369.18
ITNL Road Infrastructure Development Company Limited	213.00	322.50	133.30	133.30
Vansh Nimay Infraprojects Limited	83.00	110.00	110.00	133.30
West Gujarat Expressway Limited	202.50	202.50	35.00	35.00
Elsamex India Private Limited	–	30.09	30.09	30.09
Yala Construction Company Private Limited	–	–	–	7.75
ITNL Enso Rail Systems Limited	–	50.00	–	–
Hazaribagh Ranchi Expressway Limited	250.00	250.00	–	–
Jharkhand Road Projects Implementation Company Limited	470.00	470.00	–	–
Associates				
Andhra Pradesh Expressway Limited	1,085.60	1,304.60	1,304.60	1,304.60
Thiruvananthapuram Development Company Limited	221.80	221.80	–	35.00

30. Earnings per Share

Particulars	Unit	For the year ended March 31, 2011	For the year ended March 31, 2010
Net profit after tax (in Million)	₹	2,880.36	3,247.29
Weighted average number of equity shares outstanding	No.	194,267,732	171,540,016
Nominal value of equity shares	₹	10.00	10.00
Basic / Diluted earnings per share	₹	14.83	18.93

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

For and on behalf of the Board

K. Ramchand
Managing Director

Arun K. Saha
Director

George Cherian
Chief Financial Officer

Krishna Ghag
Company Secretary

Mumbai, April 29, 2011



AUDITORS' REPORT

on the Consolidated Financial Statements

TO THE BOARD OF DIRECTORS OF IL&FS TRANSPORTATION NETWORKS LIMITED

1. We have audited the attached Consolidated Balance Sheet of IL&FS TRANSPORTATION NETWORKS LIMITED (the "Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities together constitute the "Group") as at March 31, 2011, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. The Consolidated Financial Statements include investments in associates accounted on the equity method in accordance with Accounting Standard (AS) 23 (Accounting for Investments in Associates in Consolidated Financial Statements) and the jointly controlled entities are accounted in accordance with AS 27 (Financial Reporting of Interests in Joint Ventures) as notified under Companies (Accounting Standards) Rules, 2006. These financial statements are the responsibility of the Company's management and have been prepared on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion
3. We did not audit the financial statements of:
 - a. twelve subsidiaries whose financial statements reflect total assets (net of current liabilities and provisions) of ₹ 45,020.13 Million as at March 31, 2011 and total revenues of ₹ 33,201.09 Million and net cash inflows of ₹ 120.66 Million (including in respect of their subsidiaries, jointly controlled entities / operations and associates) for the year ended on that date as considered in the Consolidated Financial Statements;
 - b. three jointly controlled entities (including their subsidiary), whose financial statements include the Company's share in the total assets (net of current liabilities and provisions) amounting to ₹ 3,985.92 Million as at March 31, 2011 and the Company's share in the total revenues amounting to ₹ 2,476.76 Million and net cash inflows of ₹ 950.98 Million for the year ended on that date as considered in the Consolidated Financial Statements; and
 - c. three associates, in respect of which the Group has recognised ₹ 39.29 Million as its share in the net profit of the associates from the date of acquisition up to March 31, 2011 after adjusting net loss of ₹ 47.79 Million for the year ended March 31, 2011 as considered in the Consolidated Financial Statements

These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion, insofar as it relates to the amounts included in respect of the said subsidiaries, jointly controlled entities and associates, is based solely on the report of the other auditors
4. Without qualifying our opinion, we draw attention to Note no. 21 and Note no. 22 in Schedule P to the Consolidated Financial Statements, wherein the elements of the Consolidated Financial Statements determined on the basis of management estimates (which in turn are based on technical evaluations by independent experts) have been identified. These include:
 - a. Intangible Assets covered under service concession arrangements carried at ₹ 28,354.55 Million (35.15% of the total assets (net of current liabilities and provisions)), the useful lives and the annual amortisation thereof;
 - b. Provision for Overlay carried at ₹ 548.51 Million in respect of intangible assets covered under service concession arrangements; and
 - c. Financial Assets covered under service concession arrangements, included as a part of Receivables against Service Concession Arrangements, carried at ₹ 25,269.36 Million (31.32% of the total assets (net of current liabilities and provisions)) and revenue recognised thereon based on the effective interest method which in turn is based on evaluations of the future operating and maintenance costs and the overlay / renewal costs and the timing thereof



5. The Consolidated Financial Statements include the Company's share of net loss amounting to ₹ 0.04 Million from the date of acquisition (including net loss of ₹ 0.02 Million for the period) based on the unaudited financial statements of an associate as at / for the period ended December 31, 2010
6. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of AS 21 (Consolidated Financial Statements), AS 23 (Accounting for Investment in Associates in Consolidated Financial Statements) and AS 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006
7. Based on our audit, and on consideration of the separate audit reports on the individual financial statements of the Company and the aforesaid subsidiaries, jointly controlled entities and associates, and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements, subject to our comments in paragraph 5 above relating to the inclusion of results of one associate on the basis of its unaudited financial statements as

at / for the period ended December 31, 2010, give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2011;
- ii. in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
- iii. in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date

For **DELOITTE HASKINS & SELLS**

Chartered Accountants
(Registration No. 117366W)

Sanjiv V. Pilgaonkar
Partner
(Membership No. 39826)

Mumbai, April 29, 2011





CONSOLIDATED BALANCE SHEET

as at March 31, 2011

₹ in Million

Schedule	As at March 31, 2011		As at March 31, 2010	
SOURCES OF FUNDS				
Shareholders' funds				
Capital	A	1,942.68	1,942.68	
Reserves and surplus	B	20,449.53	14,743.68	16,686.36
Minority interest		1,314.13		1,118.31
Preference shares issued by subsidiary to Minority (Refer schedule "P" note no. 5)		350.00		350.00
Advance towards capital of subsidiary by Minority (Refer schedule "P" note no. 6)		511.00		450.00
Loan funds	C			
Secured		34,804.49	17,530.98	
Unsecured		19,865.05	15,684.25	33,215.23
Deferred tax liabilities (Refer schedule "P" note no. 8)		1,438.65		778.66
		80,675.53		52,598.56
APPLICATION OF FUNDS				
Fixed assets	D			
Gross block		33,421.49	19,134.36	
Less: Depreciation		3,646.44	2,954.58	
Net fixed assets		29,775.05	16,179.78	
Capital work in progress		29.08	56.83	16,236.61
Goodwill on consolidation		2,795.61		2,710.08
Investment	E	1,944.40		4,330.54
Deferred tax asset (Refer schedule "P" note no. 8)		116.75		–
Receivable under Service Concession Agreements (Refer schedule "P" note no. 16)		25,269.36		12,048.81
Toll receivable account (Refer schedule "P" note no. 10)		1,898.70		1,898.70
Current assets, loans and advances	F			
Inventories		262.17	291.55	
Unbilled revenue		515.40	–	
Sundry debtors		7,488.98	6,478.06	
Cash and bank balances		5,275.47	5,502.14	
Other current assets		684.66	1,047.79	
Loans and advances		18,127.92	9,922.05	
		32,354.60	23,241.59	
Less : Current liabilities and provisions	G			
Current liabilities		11,960.98	6,518.08	
Provisions		1,587.11	1,349.69	
		13,548.09	7,867.77	
Net current assets		18,806.51		15,373.82
Miscellaneous Expenditure (To the extent not written off or adjusted)		40.07		–
		80,675.53		52,598.56
Significant accounting policies	O			
Notes forming part of the financial statements	P			

Schedules "A" to "P" annexed hereto form part of the financial statements

In terms of our report attached.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Mumbai, April 29, 2011

For and on behalf of the Board

K. Ramchand
Managing Director

George Cherian
Chief Financial Officer

Arun K. Saha
Director

Krishna Ghag
Company Secretary



CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the year ended March 31, 2011

₹ in Million

	Schedule	Year ended March 31, 2011	Year ended March 31, 2010
INCOME			
Income from operations	H	40,482.26	24,079.39
Other income	I	791.48	793.12
		41,273.74	24,872.51
EXPENSES			
Operating expenses	J	23,195.31	10,237.17
Employees cost	K	3,521.58	3,565.07
Administrative and general expenses	L	2,216.19	2,284.47
Interest and finance charges	M	4,980.58	2,940.93
Preliminary expenses written off		0.11	0.87
Foreign exchange fluctuation (net)		–	–
		33,913.77	19,028.51
PROFIT BEFORE DEPRECIATION, DIMINUTION AND TAX		7,359.97	5,844.00
Depreciation		614.19	603.05
PROFIT BEFORE DIMINUTION AND TAX		6,745.78	5,240.95
Provision for diminution in value of investments		6.00	–
PROFIT BEFORE TAX		6,739.78	5,240.95
Provision for tax	N	(2,242.45)	(1,857.89)
PROFIT AFTER TAX (BEFORE ADJUSTMENT OF MINORITY INTEREST)		4,497.33	3,383.06
Less : Share of profit transferred to minority interest		(120.73)	(26.44)
Add : Own share in associate included as minority interest of a Jointly controlled entity		–	–
PROFIT AFTER TAX (AFTER ADJUSTMENT OF MINORITY INTEREST)		4,376.60	3,356.62
Add / Less : Share of profit / (loss) of associates		(47.81)	87.28
PROFIT AFTER TAX		4,328.79	3,443.90
Balance of profit brought forward		3,580.21	1,165.31
Profit available for appropriation		7,909.00	4,609.21
Appropriations:			
Transfer to general reserve		(288.04)	(324.73)
Transfer to debenture redemption reserve		(1.49)	(6.25)
Proposed dividend on equity shares		(679.94)	(582.80)
Tax on dividend on equity shares		(114.22)	(96.80)
Premium on preference shares of subsidiary		(16.14)	(16.14)
Tax on premium on preference shares of subsidiary		(2.68)	(2.28)
BALANCE CARRIED FORWARD		6,806.49	3,580.21
Basic / Diluted earnings per share (Face value per share ₹ 10) (Refer Schedule "P" Note No. 20)		22.19	19.97
Significant accounting policies	O		
Notes forming part of the financial statements	P		

Schedules "A" to "P" annexed hereto form part of the financial statements

In terms of our report attached.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Mumbai, April 29, 2011

For and on behalf of the Board

K. Ramchand
Managing Director

George Cherian
Chief Financial Officer

Arun K. Saha
Director

Krishna Ghag
Company Secretary



CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2011

₹ in Million

	Year ended March 31, 2011	Year ended March 31, 2010
CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Taxes, Minority Interest & Share of Profits of Associates	6,739.78	5,240.95
Adjustments for		
Interest on loans granted	(401.80)	(293.75)
Interest on deposits	(87.57)	(39.94)
Interest on debentures	(46.65)	(39.32)
Interest on call money	(31.44)	(23.16)
(Profit)/Loss on sale of investments	(4.27)	(149.28)
Interest on Advance Against Property	(123.60)	(38.20)
Dividend income	(10.37)	–
Interest and finance expense	4,977.91	2,940.93
(Profit)/Loss on sale of fixed assets	9.99	4.72
Provision for employee benefits	16.96	8.58
Depreciation	614.19	603.05
Provision for Doubtful Debts	286.68	164.98
Provision for Overlay	115.74	82.29
Provision for diminution in value of investments	6.00	–
Exchange rate Fluctuation reserve	206.19	(324.54)
Foreign Exchange difference	–	13.02
Debenture Issue expenses	2.67	–
Preliminary expense written off	0.11	–
Excess provision written back	(0.05)	(50.44)
Operating profit before Working Capital Changes	12,270.47	8,099.89
Adjustments changes in working capital		
(Increase) / decrease in receivables	(1,297.60)	1,231.18
(Increase) / decrease in inventories	29.38	(46.12)
(Increase) / decrease in loans and advances	(6,556.34)	(3,664.19)
Increase / (decrease) in current liabilities & provisions	5,398.42	(528.74)
Cash Generated from Operating Activities	9,844.33	5,092.02
Direct Taxes paid (Net)	(2,012.56)	(1,902.81)
Net Cash Flow from Operations (A)	7,831.77	3,189.21
Cash flow from Investing Activities		
Purchase of fixed assets	(14,148.98)	(5,423.09)
Proceeds from sale of fixed assets	15.38	51.07
Purchase of / advance towards investments (net)	(1,150.27)	(269.57)
Proceeds from sale of investments	381.66	177.38
Investment in Mutual Funds	(369.46)	(2,500.71)
Proceeds from redemption of Mutual Fund units	2,875.26	–
Long term loans given	(699.90)	(784.60)
Long term loans recovered	–	494.49
Short term loans given	(1,407.50)	(1,768.45)
Short term loans recovered	1,642.29	514.72
Dividend received	10.37	–
Fixed deposits for periods exceeding 3 months encashed /(placed)	(529.43)	115.72
Investment in call money (net of repayment)	(247.43)	328.37



CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2011 Contd.

₹ in Million

	Year ended March 31, 2011	Year ended March 31, 2010
(Increase) in Receivable under Service Concession Arrangement	(13,220.55)	(4,731.18)
Interest received	581.63	231.45
Acquisition of a Subsidiary (net of cash and cash equivalents)	(15.34)	(75.86)
Advance against property	(149.43)	(814.80)
Net Cash from Investing Activities (B)	(26,431.70)	(14,455.07)
Cash flow from Financing Activities		
Proceeds from Issue of Shares	–	5,896.06
Share Issue expenses paid	(195.33)	(138.00)
Increase/(decrease) in Advance towards capital	61.00	(3.75)
Proceeds from borrowings	43,782.33	29,137.90
Repayments of borrowings	(22,583.05)	(16,521.59)
Interest paid	(4,684.97)	(2,940.95)
Dividend paid	(683.52)	(250.68)
Capital Grant	1,852.42	–
Contribution by minority	294.95	46.69
Net Cash from Financing Activities (C)	17,843.83	15,225.68
Net Increase in Cash & Cash Equivalents (A+B+C)	(756.10)	3,959.82
Cash and Cash Equivalent at the beginning of the year	5,115.92	1,156.10
Cash and Cash Equivalent at the end of the year	4,359.82	5,115.92
Net Increase / (Decrease) in Cash & Cash Equivalents	(756.10)	3,959.82
Notes:		
Components of Cash & Cash Equivalent	March 31, 2011	March 31, 2010
Cash on Hand	16.10	47.83
Balance with Scheduled Banks – Current Accounts	1,920.65	4,413.37
Balance with Scheduled Banks in term deposits (maturity less than 3 months)	2,423.07	654.72
	4,359.82	5,115.92
Fixed deposits placed for periods exceeding 3 months	915.65	386.22
Cash & Bank Balances (Refer Schedule No."F")	5,275.47	5,502.14
Significant accounting policies	O	
Notes forming part of the financial statements	P	

In terms of our report attached.
For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Mumbai, April 29, 2011

For and on behalf of the Board

K. Ramchand
Managing Director

George Cherian
Chief Financial Officer

Arun K. Saha
Director

Krishna Ghag
Company Secretary



SCHEDULES

forming part of the Consolidated Financial Statements

₹ in Million

	As at March 31, 2011	As at March 31, 2010
SCHEDULE A : CAPITAL		
Authorised		
250,000,000 equity shares of ₹ 10 each	2,500.00	2,500.00
	2,500.00	2,500.00
Issued, Subscribed and Paid Up		
194,267,732 (Previous year 194,267,732) equity shares of ₹ 10/- each fully paid up (Refer footnote)	1,942.68	1,942.68
Total Capital	1,942.68	1,942.68

Footnote:

Of the above, 135,000,000 (previous year 135,000,000) shares are held by the holding company viz Infrastructure Leasing & Financial Services Limited and its nominees

₹ in Million

	As at March 31, 2011		As at March 31, 2010	
SCHEDULE B : RESERVES AND SURPLUS				
Securities premium account				
Balance as per last Balance Sheet	10,320.57		4,943.52	
Addition during the year	–		5,667.53	
Less Share Issue expenses (Refer schedule "P" note no. 1)		10,320.57	290.48	10,320.57
Capital reserve				
Opening Balance	29.13		–	
Addition during the year	1,852.42		–	
		1,881.55		29.13
Capital reserve on consolidation		1,215.19		1,076.06
Debenture redemption reserve				
Opening balance	20.47		12.22	
Addition during the year (post acquisition)	1.49		8.25	
		21.96		20.47
General reserve				
Opening balance	427.47		102.74	
Transfer during the year	288.04		324.73	
		715.51		427.47
Foreign exchange fluctuation reserve				
(Net of deferred tax asset of ₹ Nil million (previous year ₹ 29.20 Million))		(221.15)		(438.70)
Cash flow hedge reserve (Refer schedule "P" note no. 12(f))		(290.59)		(271.53)
Balance in Profit and Loss Account		6,806.49		3,580.21
Total reserves and surplus		20,449.53		14,743.68



SCHEDULES

forming part of the Consolidated Financial Statements

₹ in Million

	As at March 31, 2011	As at March 31, 2010
SCHEDULE C : LOAN FUNDS		
Secured		
From banks	27,654.78	14,629.56
From financial institutions	222.06	341.67
From others	1,128.32	951.95
Non convertible debentures (Refer Schedule "P" note no. 7 (c))	4,455.00	200.00
Deep discount bonds (Refer Schedule "P" note no. 7 (a) and 7 (b))	1,078.00	956.79
Zero coupon bonds	—	54.91
Interest accrued and due	—	—
Lease finance	266.33	396.10
Total secured loans	34,804.49	17,530.98
Unsecured		
From banks (Refer Schedule "P" note no. 7 (d))		
Short term loans	8,061.18	7,359.04
Other than short term loans	10,423.42	7,905.30
From Others		
Short term loans	1,000.00	—
Other than short term loans	56.45	59.91
Non-convertible debentures	324.00	360.00
Total unsecured loans	19,865.05	15,684.25
Total loan funds	54,669.54	33,215.23



SCHEDULES

forming part of the Consolidated Financial Statements

Particulars	Gross Block				Depreciation			Net Block				
	Opening as at April 1, 2010	Opening adjustments	Additions	Deletions	Closing as at March 31, 2011	Up to March 31, 2010	Opening adjustments	for the year	Deletions	Up to March 31, 2011	As at March 31, 2011	As at March 31, 2010
Tangible assets												
Land	23.53	1.04	1.46	—	26.03	—	—	—	—	—	26.03	23.53
Building and Structures	55.67	(2.04)	—	0.27	53.36	—	(2.69)	2.03	0.08	2.79	50.57	52.14
Vehicles	813.91	193.68	43.57	23.19	1,027.97	480.52	155.45	150.79	4.74	782.02	245.95	333.39
Data processing equipments	71.50	16.41	19.09	0.34	106.66	55.06	12.70	11.26	0.18	78.84	27.82	16.44
Office premises	11.53	—	—	—	11.53	1.73	—	0.19	—	1.92	9.61	9.80
Office equipments	35.85	0.27	25.24	1.19	60.17	23.23	0.27	8.08	0.69	30.89	29.28	12.62
Leasehold improvements	8.76	—	3.69	—	12.45	0.26	—	3.39	—	3.65	8.80	8.50
Furniture & fixtures	116.58	3.37	13.56	0.47	133.04	98.59	3.10	15.22	0.27	116.64	16.40	17.99
Electrical installations	12.74	0.54	2.03	—	15.31	12.17	0.52	1.70	—	14.39	0.92	0.57
Plant and Machinery	1,125.19	(122.57)	60.52	6.71	1,056.43	1,073.46	(95.41)	19.70	0.64	997.11	59.32	51.73
Advertisement Structure	11.67	—	—	—	11.67	8.08	—	1.15	—	9.23	2.44	3.59
Sub total	2,286.93	90.70	169.16	32.17	2,514.62	1,756.63	73.94	213.51	6.60	2,037.48	477.14	530.30
Leased assets												
Plant and Machinery	1,027.53	(11.17)	12.58	—	1,028.94	473.51	(5.14)	143.30	—	611.67	417.27	554.02
Vehicles	25.13	49.93	8.50	—	83.56	20.41	22.35	11.91	—	54.67	28.89	4.72
Furniture and fixtures	10.05	0.44	—	0.11	10.38	3.63	0.16	1.01	0.09	4.71	5.67	6.42
Building & Structures	151.94	6.21	—	—	158.15	6.46	0.25	3.00	—	9.71	148.44	145.48
Land	25.60	1.13	—	—	26.73	—	—	—	—	—	26.73	25.60
Sub total	1,240.25	46.54	21.08	0.11	1,307.76	504.01	17.62	159.22	0.09	680.76	627.00	736.24
Intangible assets												
Software / Licences	150.65	(6.71)	37.06	—	181.00	128.93	(12.84)	8.24	—	124.33	56.67	21.72
Commercial rights acquired (Refer schedule "p" note no. 9)	60.00	—	147.76	—	207.76	9.66	—	17.04	—	26.70	181.06	50.34
Rights Under Service Concession Arrangements	15,265.35	18.98	13,751.85	—	29,036.18	468.15	1.36	212.12	—	681.63	28,354.55	14,797.20
Trademarks and Licences	2.60	(0.81)	—	—	1.79	1.69	0.09	—	—	1.78	0.01	0.91
Others	128.58	4.64	39.16	—	172.38	85.51	3.80	4.45	—	93.76	78.62	43.07
Sub total	15,607.18	16.10	13,975.83	—	29,599.11	693.94	(7.59)	241.85	—	928.20	28,670.91	14,913.24
Total fixed assets	19,134.36	153.34	14,166.07	32.28	33,421.49	2,954.58	83.97	614.58	6.69	3,646.44	29,775.05	16,179.78
Previous year	11,163.78	2,547.00	5,612.89	189.31	19,134.36	2,630.54	(145.79)	603.32	133.49	2,954.58	16,179.78	—

Depreciation on assets used during the construction period ₹ 0.39 Million (previous year ₹ nil) has been included in "Capital Work in Progress". Therefore, the charge to the profit and loss account is lower by this amount.

SCHEDULES

forming part of the Consolidated Financial Statements

₹ in Million

	As at March 31, 2011	As at March 31, 2010
SCHEDULE E : INVESTMENTS		
Investments in associates	1,485.53	1,430.25
Add: Unrealised gain on transactions between the Company and its associates	17.51	(2.31)
Add: Post-acquisition share of profit/ (loss) of associates	39.25	95.47
Add: Post-acquisition share of movement in the capital reserves of an associate	9.10	8.72
Less: Cash flow hedge reserve	(225.37)	(170.37)
	1,326.02	1,361.76
Long term investments		
Unquoted equity shares (fully paid up)	179.00	179.00
Other investments (Refer Schedule "P" note no. 11)	656.09	504.52
	835.09	683.52
Current investments		
In units of mutual funds	89.29	2,585.26
(Market value as at March 31, 2011 ₹. 89.39 Million (Previous year ₹ 2,585.26 Million))		
	89.29	2,585.26
	2,250.40	4,630.54
Less: Provision for diminution	306.00	300.00
Total Investment	1,944.40	4,330.54

₹ in Million

	As at March 31, 2011	As at March 31, 2010
SCHEDULE F : CURRENT ASSETS, LOANS AND ADVANCES		
CURRENT ASSETS		
Inventories (at lower of cost and market value)		
Raw Material	10.72	157.52
Finished Goods	251.45	132.36
Stores and Spares	–	1.67
Total inventories	262.17	291.55
Unbilled Revenue		
Unbilled Revenue	515.40	–
	515.40	–
Sundry Debtors (Unsecured, considered good unless otherwise stated)		
Considered good	7,488.98	6,478.05
Considered doubtful	3.58	290.26
	7,492.56	6,768.31
Less: Provision for doubtful debts	(3.58)	(290.26)
Total sundry debtors	7,488.98	6,478.06



SCHEDULES

forming part of the Consolidated Financial Statements

₹ in Million

	As at March 31, 2011	As at March 31, 2010
SCHEDULE F : CURRENT ASSETS Contd.		
Cash and Bank Balances		
Cash in hand	16.10	47.83
Balance with scheduled banks		
In current accounts *	1,177.04	3,520.57
In fixed deposits	3,338.72	986.62
Balance with non-scheduled banks		
In current accounts	743.61	892.80
In fixed deposits	–	54.32
* Includes ₹ Nil (previous year ₹ 883.47 Million) being proceeds from initial public offering pending utilisation (Refer Schedule "P" note no. 1)		
Total cash and bank balances	5,275.47	5,502.14
Other Current Assets		
Interest accrued	483.46	374.02
Option premium assets (Refer schedule "P" note no. 12 (b))	201.20	292.14
Receivable against sale of investments	–	381.63
Total other current assets	684.66	1,047.79
Loans and Advances		
Advances recoverable in cash or in kind or for value to be received	9,612.86	4,625.75
Deposits	46.20	433.24
Advance payment of taxes (net of provision)	988.00	748.17
Advance fringe benefit tax (net of provision)	4.32	1.81
MAT Credit Entitled	71.02	–
Long term loans	1,439.60	730.27
Short term loans	2,174.07	2,405.35
Advance towards Capital / Share Application Money	1,086.74	110.10
Investment in Call Money	270.00	22.57
Grant receivable from National Highway Authorities of India	1,470.87	30.00
Advance towards property	964.24	814.80
Total loans and advances	18,127.92	9,922.05
Total current assets, loans and advances	32,354.60	23,241.59



SCHEDULES

forming part of the Consolidated Financial Statements

₹ in Million

	As at March 31, 2011	As at March 31, 2010
SCHEDULE G : CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Sundry Creditors	10,363.68	4,954.55
Advance received	419.30	886.11
Interest accrued but not due	172.44	0.16
Other liabilities	924.24	559.48
Income received in advance	81.32	117.78
Total current liabilities	11,960.98	6,518.08
Provisions		
Provision for fringe benefit tax (net of advance)	—	0.19
Provision for tax (net of advance)	32.44	57.00
Provision for employee benefits	42.88	25.92
Proposed dividend on equity shares	679.94	582.80
Provision for tax on proposed dividend on equity shares	110.30	96.80
Provision for dividend on preference shares of subsidiary	5.15	5.15
Provision for premium on preference shares of subsidiary	136.80	120.65
Provision for tax on preference dividend of subsidiary	0.88	0.88
Provision for tax on preference share premium of subsidiary	22.72	20.04
Provision for overlay (Refer schedule "P" note no. 21)	548.51	432.77
Provision for contingency (Refer schedule "P" note no. 23)	7.49	7.49
Total provisions	1,587.11	1,349.69
Total current liabilities and provisions	13,548.09	7,867.77



SCHEDULES

forming part of the Consolidated Financial Statements

₹ in Million

	Year ended March 31, 2011	Year ended March 31, 2010
SCHEDULE H : INCOME FROM OPERATIONS		
Income from services		
Advisory and project management fees	809.13	876.30
Lenders' engineer and supervision fees	124.88	38.24
Operation and maintenance income	8,635.21	8,983.05
Toll revenue	1,870.15	1,468.46
Periodic maintenance income	68.52	153.92
Finance income	1,827.57	773.77
Licence fee	40.50	32.91
Operation and maintenance grant from National Highways Authority of India	47.45	50.60
Total (a)	13,423.41	12,377.25
Traded products		
Sales (net of sales tax)	114.66	60.15
Total (b)	114.66	60.15
Construction Income	26,944.19	11,641.99
Total (c)	26,944.19	11,641.99
Total income from operations (a+b+c)	40,482.26	24,079.39

₹ in Million

	Year ended March 31, 2011	Year ended March 31, 2010
SCHEDULE I : OTHER INCOME		
Interest on loans granted	401.80	293.75
Interest on debentures	46.65	39.32
Interest on call money	31.44	23.16
Interest on bank deposits	72.69	39.94
Interest on short term deposit	14.88	-
Interest on advance towards property	123.60	38.20
Profit on sale of investment (net)	4.27	149.28
Advertisement income	4.31	-
Income from material testing	-	0.09
Excess provisions written back	0.05	50.44
Dividend	10.37	-
Miscellaneous income	81.42	158.94
Total other income	791.48	793.12



SCHEDULES

forming part of the Consolidated Financial Statements

₹ in Million

	Year ended March 31, 2011	Year ended March 31, 2010
SCHEDULE J : OPERATING EXPENSES		
Material consumption	1,252.37	730.35
Cost of traded products	117.92	31.51
Construction contract costs	17,896.53	5,277.59
Fees for technical services / design and drawings	—	210.39
Professional fees	382.81	91.37
Diesel and fuel expenses	196.57	133.65
Operation and maintenance expenses	3,146.64	3,535.45
Provision for overlay expenses (Refer schedule "P" note no. 21)	113.56	87.37
Periodic maintenance expenses	62.09	139.49
Toll plaza expenses	26.82	—
Total operating expenses	23,195.31	10,237.17

₹ in Million

	Year ended March 31, 2011	Year ended March 31, 2010
SCHEDULE K : EMPLOYEE COST		
Salaries and allowances (Refer schedule "P" note no. 14)	2,870.22	2,872.99
Contribution to provident and other funds	56.06	22.29
Staff welfare expenses	595.30	669.79
Total employee cost	3,521.58	3,565.07



SCHEDULES

forming part of the Consolidated Financial Statements

₹ in Million

	Year ended March 31, 2011	Year ended March 31, 2010
SCHEDULE L : ADMINISTRATIVE AND GENERAL EXPENSES		
Legal and consultation fees	273.78	267.25
Agency fees	0.98	0.83
Travelling and conveyance	283.56	340.66
Rent	468.34	526.52
Rates and taxes	113.84	109.88
Repairs and maintenance	89.78	135.24
Bank commission	98.75	153.30
Registration expenses	79.23	2.05
Communication expenses	68.42	59.57
Insurance	106.71	101.44
Exchange rate fluctuation	6.57	21.32
Printing and stationery	54.17	55.40
Electricity charges	18.33	10.08
Cost of shared services	—	0.16
Directors' fees	5.23	3.29
Bad debts and provision for doubtful debts	51.99	164.98
Project management fees	5.00	4.72
Loss on sale of fixed assets (net)	9.99	4.72
Royalty	140.36	8.28
Miscellaneous expenses	341.16	314.78
Total administrative and general expenses	2,216.19	2,284.47

₹ in Million

	Year ended March 31, 2011	Year ended March 31, 2010
SCHEDULE M : INTEREST AND FINANCE CHARGES		
Interest on loans for fixed period	3,825.82	2,759.44
Interest on debentures	217.43	70.14
Guarantee commission	15.29	18.87
Finance charges	896.65	75.77
Upfront fees on performance guarantee	22.33	13.89
Interest on deep discount bonds	3.06	2.82
Total interest and finance charges	4,980.58	2,940.93

₹ in Million

	Year ended March 31, 2011	Year ended March 31, 2010
SCHEDULE N : PROVISION FOR TAXATION		
Current tax	1,699.95	1,810.80
Tax related to earlier years	0.25	(0.69)
Deferred tax charge (net)	542.25	47.78
Total provision for taxation	2,242.45	1,857.89



SCHEDULES

forming part of the Consolidated Financial Statements

SCHEDULE 0 : PRINCIPLES OF CONSOLIDATION, SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Consolidation

- a. The Consolidated Financial Statements ("CFS") relates to IL&FS Transportation Networks Limited (the "Company"), its subsidiaries, jointly controlled entities and associates. The Company and its subsidiaries constitute "the Group"
- b. The CFS has been prepared under the historical cost convention in accordance with the generally accepted accounting principles ("GAAP") in India, as adopted by the Company and the applicable Accounting Standards notified under section 211 (3C) of the Companies Act, 1956. All income and expenditure having a material bearing on the financial statements are recognised on accrual basis
- c. The preparation of the financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including current liabilities) as of the date of the financial statement, the reported income and expenses during the reporting period and disclosure of contingent liabilities. Management believes that the estimates used in the preparation of its financial statements are prudent and reasonable. Actual results could differ from these estimates

2. Principles of Consolidation

- a. The CFS has been prepared by the Company in accordance with Accounting Standards (AS) 21 on "Consolidated Financial Statements", AS 27 on "Financial Reporting of Interests in Joint Ventures" and AS 23 on "Accounting for Investments in Associates in Consolidated Financial Statements"

Investments in Associates are accounted for under the equity method in accordance with AS 23 on "Accounting for Investments in Associates in Consolidated Financial Statements"

The financial statements of the Company and its subsidiaries have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses

In case of foreign subsidiaries, revenue items are consolidated by applying the average rate prevailing during the period to the foreign currency amounts. All assets and liabilities are consolidated by applying the rates prevailing at the period end to the foreign currency amounts. Shareholder's funds are consolidated by applying the transaction date rates to the foreign currency amounts

- b. The accounting policies of subsidiaries have been adjusted, as necessary and to the extent practicable, so as to ensure consistent accounting within the Group
- c. The excess of cost of the Group's investments in each subsidiary, jointly controlled entity and associates over the Group's share in equity of such entities, at the date on which such investment is made, is recognised as Goodwill and included as an asset in the Consolidated Balance Sheet. The excess of the Group's share in equity of each subsidiary, jointly controlled entity and associates at the date on which the investment is made, over the cost of the investment is recognised as Capital Reserve and included as Reserves and Surplus under Shareholders' Equity in the Consolidated Balance Sheet
- d. Minority interest in the net assets of subsidiaries consists of amounts of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiaries and further movements in their share in the equity, subsequent to the dates of investments
- e. The financial statements of the subsidiaries, associates and joint ventures used in the consolidation are drawn up to the same reporting date as that of the Company i.e. March 31, 2011 except for one overseas subsidiary viz. Elsamex S.A. whose audited financial statements (incorporating the financial statements of its subsidiaries, jointly controlled operations and its associates) have been drawn for a period of twelve months up to December 31, 2010 and adjusted for effects of significant transactions and other events that have occurred between January 1, 2011 and March 31, 2011



SCHEDULES

forming part of the Consolidated Financial Statements

3. The list of subsidiaries, which are included in the CFS with their respective country of incorporation and the Group's holding therein for each of the financial years are given below:

Name of the Subsidiary / Scheme	Country of Incorporation	Proportion of Group's Interest		Date of Acquisition of Control
		2010-11	2009-10	
1. Held directly				
Gujarat Road and Infrastructure Company Limited (GRICL)	India	83.61	83.61	January 11, 2007
East Hyderabad Expressway Limited (EHEL)	India	74.00	73.99	September 5, 2007
ITNL Road Infrastructure Development Company Limited (IRIDCL)	India	100.00	100.00	January 17, 2008
ITNL International Pte. Limited (IIPL)	Singapore	100.00	100.00	September 19, 2008
ITNL Enso Rail Systems Limited (ENSO)	India	57.50	70.00	February 4, 2008
Vansh Nimay Infraprojects Limited (VNIL) (Formerly known as Vansh Nimay Infraprojects Private Limited)	India	90.00	80.00	March 25, 2009
Scheme of ITNL Road Investment Trust (IRIT)	India	100.00	100.00	March 13, 2007
Elsamex SA (includes 22.61 % shares held through IIPL, previous year 22.61%)	Spain	100.00	100.00	March 18, 2008
West Gujarat Expressway Limited (WGEL) [through control over the composition of Board of Directors]	India	49.00	49.00	June 10, 2009
Hazaribagh Ranchi Expressway Limited (HREL)	India	74.00	73.88	August 1, 2009
Pune Sholapur Road Development Company Limited (PSRDCL)	India	100.00	99.88	September 25, 2009
Mordabad Bareilly Expressway Limited (MBEL)	India	100.00	99.88	February 4, 2010
Jharkhand Road Projects Implementation Company Limited (JRPICL)	India	98.05	99.88	February 27, 2010
Chenani Nashri Tunnelway Limited (CNTL)	India	100.00	–	June 2, 2010
MP Border Checkpost Development Company Limited (MPBCDCL)	India	51.00	–	October 28, 2010
Badarpur Tollway Operations Management Limited (BTOML)	India	99.99	–	December 9, 2010
2. Held through subsidiaries				
North Karnataka Expressway Limited (NKEL)	India	87.00@	74.50@	March 21, 2007
Rapid MetroRail Gurgaon Limited	India	53.60#	100.00	July 30, 2009
Inversiones Tyndrum S. A. (Upto September 16, 2010. Its now merged with Elsamex SA)	Spain	–	100.00	March 18, 2008
Proyectos y Promociones Inmobiliarias Sanchez Marcos S L	Spain	100.00	100.00	March 18, 2008
Atenea Seguridad y Medio Ambiente S.A.	Spain	100.00	95.02	March 18, 2008
Proyectos De Gestion Sistemas Calculo Y Analisis S.A	Spain	100.00	100.00	March 18, 2008
Sanchez Marcos SI SA	Spain	100.00	100.00	March 18, 2008
Senalizacion Viales e Imagen S.A.U. (SEVIMAGEN) S.A.U.	Spain	100.00	100.00	March 18, 2008
Elsamex Internacional SRL	Spain	100.00	100.00	March 18, 2008
Grusamar Ingenieria y Consulting S.L.	Spain	100.00	100.00	March 18, 2008
Elsamex Portugal Ingenieria e Sistemas de Gestao S.A.	Portugal	73.50	70.01	March 18, 2008



SCHEDULES

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Name of the Subsidiary / Scheme	Country of Incorporation	Proportion of Group's Interest		Date of Acquisition of Control
		2010-11	2009-10	
Inteval Gestao Integral Rodoviaria, S.A.	Portugal	100.00	100.00	March 18, 2008
Elsamex India Private Limited	India	99.15	70.00	March 18, 2008
Yala Construction Co Private Limited	India	88.78	70.00	March 18, 2008
Mantenimiento y Conservacion Vialidades S.A. de C.V. (MANCOVI) Mexico Construction	Mexico	64.00	64.00	March 18, 2008
ESM Mantenimiento Integral de SA de CV	Mexico	100.00	100.00	March 18, 2008
CISEM-INVEVIA, S.A.	Spain	100.00	100.00	March 18, 2008
Control 7, S.A	Spain	100.00	100.00	March 18, 2008
Geotecnia 7	Spain	100.00	100.00	March 18, 2008
Ecoasphalt Construction Company Private Limited (ECCPL has filed an application for closure under Easy Exit Scheme of MCA)	India	–	70.00	March 18, 2008
Grusamar Albania SHPK	Albania	51.00	51.00	March 18, 2008
Area De Servicio Coiros S.L.U.	Spain	100.00	–	May 31, 2010
Conservacion De Infraestructuras De Mexico S.A. De C.V.	Mexico	96.40	–	September 1, 2010
Alcantarilla Fotovoltaica, S.L.U.	Spain	100.00	–	December 17, 2010
Area De Servicio Punta Umbria, S.L.U.	Spain	100.00	–	December 17, 2010

@ Out of the above 13.00% is held directly by the Company and balance 74.00% through the scheme of IRIT (Previous year 25.50% held by the Company and balance 49.00% through the scheme of IRIT)

Out of the above 26% is directly held by the Company and balance 46% through ENSO (Previous year Nil)

The financial position and results (before eliminations) of CNTL, MPBCDCL, BTOML which became subsidiaries during the period are given below:

₹ in Million			
	CNTL	MPBCDCL	BTOML
Sources of Funds as at	March 31, 2011	March 31, 2011	March 31, 2011
Shareholders' Funds (including share application money)	3,777.64	270.14	1.31
Loan Funds	–	–	–
Deferred Tax Liabilities (net)	27.69	–	–
	3,805.33	270.14	1.31
Application of Funds as at	March 31, 2011	March 31, 2011	March 31, 2011
Fixed Assets (net block)	1.46	2,239.27	0.05
Receivable against Service Concession Arrangements	5,233.15	–	–
Deferred Tax Assets (net)	–	–	0.06
Net Current Assets	(1,429.28)	(1,969.13)	1.20
	3,805.33	270.14	1.31



SCHEDULES

forming part of the Consolidated Financial Statements

₹ in Million

Income for the period ended	CNTL	MPBCDCL	BTOML
	March 31, 2011	March 31, 2011	March 31, 2011
Construction Contract Revenue	5,071.06	2,235.93	–
Effective interest	162.09	–	–
Other income	0.40	–	23.27
Total Income	5,233.55	2,235.93	23.27
Expenses for period ended			
	March 31, 2011	March 31, 2011	March 31, 2011
Construction Contract Costs	4,615.37	2,235.93	–
Operation & Other expenses	27.64	3.95	21.98
Interest and finance charges	505.20	–	–
Depreciation	–	–	0.12
Total Expenses	5,148.21	2,239.88	22.10
Profit/(Loss) for the period before tax	85.34	(3.95)	1.17
Taxes	(27.69)	–	(0.36)
Profit/(Loss) for the period after tax	57.65	(3.95)	0.81

March 31, 2010

The financial position and results (before eliminations) of WGEL, PSRDCL HREL, MBEL and JRPICL, which became subsidiaries during the previous year, are given below:

₹ in Million

Sources of Funds as at	WGEL	PSDRCL	HREL	MBEL	JRPICL
	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010
Shareholders' Funds	664.26	1,601.70	654.45	2,216.35	1,261.64
Loan Funds	1,973.84	–	291.58	–	1,818.82
Deferred Tax Liabilities (net)	29.16	–	–	–	–
	2,667.26	1,601.70	946.03	2,216.35	3,080.46
Application of Funds as at					
	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010
Fixed Assets (net block)	2,777.46	2,413.89	0.45	1,160.25	0.12
Investments	–	–	–	–	–
Receivable against Service Concession Arrangements	–	–	1,343.11	–	2,247.17
Net Current Assets	(110.20)	(812.19)	(397.53)	1,056.10	833.17
	2,667.26	1,601.70	946.03	2,216.35	3,080.46



SCHEDULES

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₹ in Million

Income for the year ended	WGEL	PSDRCL	HREL	MBEL	JRIPCL
	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010
Income from Operations	262.87	–	–	–	–
Construction Contract Revenue	–	2,400.88	1,343.11	1,160.25	2,247.17
Other Income	63.62	3.70	–	0.09	–
Total Income	326.49	2,404.58	1,343.11	1,160.34	2,247.17
Expenses for year ended					
	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010
Construction Contract Costs	–	2,400.89	1,343.11	1,160.25	2,247.17
Operation & Other expenses	124.36	0.45	0.50	0.34	0.50
Interest and finance charges	218.44	–	–	–	–
Depreciation	88.28	0.51	0.04	–	0.01
Total Expenses	431.08	2,401.85	1,343.65	1,160.59	2,247.68
Profit/(Loss) for the year before tax	(104.59)	2.73	(0.54)	(0.25)	(0.51)
Taxes	35.55	1.05	–	–	–
Profit/(Loss) for the year after tax	(69.04)	1.68	(0.54)	(0.25)	(0.51)

4. Interest in Jointly Controlled Entities

- The financial statements (consolidated financial statements where applicable) of jointly controlled entities have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses as required by AS 27 using the proportionate consolidation method
- The accounting policies in the jointly controlled entities have been adjusted as necessary and to the extent practicable, so as to ensure consistent accounting with the policies stipulated by the Company
- The Group's interest in jointly controlled entities are:

Name of the Company	Country of Incorporation	Date of Acquisition of Joint Control	Proportion of Group's Interest	
			2010–11	2009–10
Noida Toll Bridge Company Limited (NTBCL)	India	Various dates	25.35	25.35
Jorabat Shillong Expressway Limited (JSEL)	India	June 18, 2010	50.00	–
N.A.M. Expressway Limited (NEL)	India	June 15, 2010	50.00	–
Geotecnia y Control De Qualitat, S.A.	Spain	July 15, 2010	50.00	–

Footnote: NTBCL includes ITNL Toll Management Services Limited subsidiary of NTBCL, which is also an associate of the Company



SCHEDULES

forming part of the Consolidated Financial Statements

5. Interest in Jointly Controlled Operations

- The financial statements (including consolidated financial statements where applicable) of the jointly controlled operations have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses as required by AS 27 using the proportionate consolidation method. The financial statements of the jointly controlled operations are prepared by the respective operators in accordance with the requirements prescribed by the joint operating agreements of the jointly controlled operations
- The accounting policies of jointly controlled operations have been adjusted as necessary and to the extent practicable, so as to ensure consistent accounting with the policies stipulated by the Company
- The Group's interest in jointly controlled operations are:

Name of the Jointly Controlled Operations	Proportion of Group's Interest	
	2010-11	2009-10
Ute Elsames Arias	75%	75%
Elsames-Arias Ute Conservación Coruña II	60%	60%
Elsames-Infraestructuras Terrestres	80%	80%
Elsames-Modacar Ute Chenlo	80%	80%
Ute Elsames Arias Oca Conservación Orense	50%	50%
Ute Elsames Grusamar	50%	50%
Ute Elsames-Alpidesa	50%	50%
Elsames-Iberseñal Ute Señalización Madrid	60%	60%
Elsames-Opsa Ute Peri Serrano Uribe	80%	80%
Elsames-Fitonovo Ute Casa Del Queso	50%	50%
Elsames-Const.Cesfer Ute San Jerónimo	50%	50%
Elsames-Torrescamara Ute Presas	50%	50%
Elsames-Opsa Ute Campo Futbol Blanca	–	50%
Grusamar-Elsames-Atenea Ute Seguridad Vial Murcia	30%	30%
Elsames-Cauchil Ute Elsames-Cauchill Jaen	80%	80%
Cauchil-Elsames Ute Guadahortuna	50%	50%
Elsames-Cauchil Ute Sierra Nevada	50%	50%
Elsames-Cauchil Ute Estepona	50%	50%
Elsames-Prointec Ute R4	50%	50%
Api Conservacion-Elsames Ute Teruel II	50%	50%
Elsan Pacsa-Elsames Ute Navalvillar De Pela II	50%	50%
Elsames-Sando Ute II Conservación A-395	50%	50%
Elsames-Sando Ute Refuerzo Del Firme A-395	50%	50%
Elsames-Asfaltos Uribe Este Señal Ute Durango II	45%	45%
Elsames-Lopesan Ute Conservación Zona Sur	50%	50%
Elsames-Tecnoseñal	–	50%
Serop-Elsames Ute Mantenimiento Serop-Elsames	50%	50%
Elsames-Const.Hispánica Ute Peaje La Jonquera	50%	50%
Ute Elsames Mag 3	40%	40%
Ute Mag 3 Elsames	60%	60%
Elsames-Asfaltos Urretxu Ute Itziar	50%	50%
Elsames-Tractores Y Obras	50%	50%
Ute Elsames-Tyosa Obras Públicas	50%	50%



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Name of the Jointly Controlled Operations	Proportion of Group's Interest	
	2010-11	2009-10
Ute Garcilen-Elsamex	–	50%
Ute Elsamex-Garcilen	–	50%
Elsamex-Velasco Ute Polideportivos Latina	50%	50%
Elsamex-Velasco Ute Polideportivos Hortaleza	50%	50%
Elsamex-Velasco Ute Polideportivos Tetuán	50%	50%
Corsan Corviam-Elsamex Ute Corelsa	50%	50%
Elsamex-Oca Ute Coruña III	70%	70%
Asfaltos Uribe-Norte Industrial-Construcciones Eder-Elsamex Ute Vizcaya II	28%	28%
Elsamex-Rubau Ute Argentona	50%	50%
Elsamex-Martín Casillas Ute Conservación Cádiz	50%	50%
Sice-Elsamex Ute Sice Fuente El Fresno II	50%	50%
Elsamex-Vimac Ute Vimac 01	50%	50%
Elsamex-Oca Ute Conservación Orense II	50%	50%
Ute Abedul Orihuela	25%	25%
Ute Area Zamora	25%	25%
Ute Abedul Zamora	25%	25%
Ute Area Leon	25%	25%
Ute Abedul Villavidel	25%	25%
Ute Abedul Cáceres	25%	25%
Ute Abedul Ponferrada	25%	25%
Atenea-Grusamar Ute Andalucía	20%	20%
Atenea-Grusamar Ute Asturias	20%	20%
Ute Elsamex-Grusamar	–	50%
Grusamar-Intevía Ute Jaen	–	50%
Grusamar-Consulting Proyectos Y Sistemas Ute Variante Sueca	60%	60%
Grusamar-Kv Consultores Ute Puerto De Mahon	80%	80%
Grusamar-Progescan Ute Areas De Servicio	70%	70%
Atenea-Grusamar Ute Medio Ambiente-Comunidad Valenciana	50%	50%
Ute Kv-Grusamar Zaragoza	50%	50%
Grusamar-Ineco-Inastecan Ute Arucas	40%	40%
Betancourt-Grusamar Ute Osuna	50%	50%
Betancourt -Grusamar Ute Rio Alhama	50%	50%
Gusamar-Ineco Ute Inversiones 2008	50%	50%
Ute Grusamar-OHS Ingeniería Y Urbanismo Ute Travesía De Hermigua	50%	50%
Ute Grusamar-Inastecan	–	60%
Grusamar-Inastecán Ute Expropiación	50%	50%
Betancourt-Grusamar Ute Linares	50%	50%
Sener-Grusamar Ute	50%	50%
Grusamar-Betancourt Ute Abastecimiento Huelva	50%	50%
Grusamar-Prover Ute Zeneta San Javier	50%	50%
Grusamar-Elsamex-Atenea Ute Seguridad Vial Murcia	50%	50%
Grusamar-Inserco Ute Santas Martas Palanquinos	50%	50%
Intevía-Grusamar-Dair Ute Seguridad Vial Bizkaia	10%	10%
Intevía-Grusamar Ute Seguridad Vial Norte	30%	30%

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Name of the Jointly Controlled Operations	Proportion of Group's Interest	
	2010-11	2009-10
Atenea-Grusamar Ute Andalucía	80%	80%
Atenea-Grusamar Ute Asturias	80%	80%
Atenea-Consulnima Ute Consultea	50%	50%
Atenea-Iz Ingenieros Ute Atda Embalse De Flix	50%	50%
Atenea-Laboratorio Del Noroeste Ute Corredor, Bion-Noia	80%	80%
Atenea-Basoinsa Ute Atda Bergara Zizurkil	–	50%
Pycsa-Atenea	–	50%
Atenea-Grusamar Ute Medio Ambiente-Comunidad Valenciana	50%	50%
Atenea-Inastecan Ute Supervision Baleares 2008	80%	80%
Grusamar Elsamex Atenea Ute Seguridad Vial Murcia	20%	20%
Intevia-Grusamar-Dair Ute Seguridad Vial Bizkaia	60%	60%
Intevia-Grusamar Ute Seguridad Vial Norte	70%	70%
Dair-Intevia	50%	50%
Grusamar-Intevia Ute Jaen	–	50%
Ute Ciesm-Labiker	80%	80%
Geotecnia Y Cimientos-Ciesm Ute Geotecnia-Ciesm	–	35%
Compañía General De Sondeos-Geoteyco-Emcosa-Ciesm-Sondeos Del Sur Ute 6/2004	23%	23%
Cgs-Geoteyco-Ciesm-Enmacosa Ute 2/2006	25%	25%
Geoteyco-Cgs-Ciesm-Enmacosa 2/2008	24%	24%
Ute Boca Chica Sucursal Dominicana	100%	100%
Ute Conservacion Grupo Sur	100%	100%
Ute Corredores Viales De Colombia	34%	50%
Ute Romana Sucursal Dominicana	100%	100%
Ute Cordoba	50%	–
Ute Intevia-Tairona-LYCSA	20%	–
Ute Vizcaya II	45%	–
Ute Elsamex-Tyosa	50%	–
Ute Arona	60%	–
Ute sector 03	50%	–
Ute Viales el Jable	50%	–
Ute AP-7 Ondara	60%	–
Ute Almanzora	65%	–
Ute Autovia de Santiago	50%	–
Ute Tren Mallorca	80%	–
Ute Grusamar-Eyser	50%	–
Ute Dallas	50%	–
Ute Cican Ciesm	50%	–
Ute intevia tairona castinsa	30%	–

6. Investments in Associates

- a. An associate is an entity over which the Group is in a position to exercise significant influence, but not control or joint control, through participation in the financial and / or operating policy decisions of such enterprises. In accordance with AS 23 the investments are carried in the Consolidated Balance Sheet at cost as adjusted by post acquisition changes in the Group's share in the Reserves and Surplus of Associates

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- b. The accounting policies of associates have been adjusted as necessary and to the extent practicable, so as to ensure consistent accounting with the policies stipulated by the Company
- c. Details of associates and ownership interest are as follows:

Name of the Company	Country of Incorporation	Proportion of Group's Interest	
		2010-11	2009-10
1. Held directly			
Andhra Pradesh Expressway Limited (APEL)	India	49.00	48.99
Thiruvananthapuram Road Development Company Limited (TRDCL)	India	50.00	49.99
ITNL Toll Management Services Limited (ITMSL) (see footnote below)	India	49.00	48.99
Narketpally Adanki Expressway Limited (NAEL) (Upto December 14, 2010)	India	–	49.94
Warora Chandrapur Ballarpur Toll Roads Limited (WCBTRL)	India	34.98	34.98
2. Held through Subsidiaries			
Centro de Investigaciones de Curretros Andalucía S.A.	Spain	49.00	49.00
Labetec Ensayos Técnicos Canarios, S.A.	Spain	50.00	50.00
CGI 8 S.A.	Spain	49.00	49.00
Elsamex Road Technology Company Limited	China	40.29	40.29
Sociedad Concesionaria Autovía A – 4 Madrid S.A	Spain	48.75	48.75
VCS-Enterprises Limited	India	30.00	30.00
Yala Construction Company Limited	Thailand	33.33	33.33
Ramky Elsamex Ring Road Limited, Hyderabad #	India	26.00	26.00
Emprsas Pame Sa De Cv	Mexico	34.10	–

ITMSL is a subsidiary of NTBCL which is consolidated as a Joint Venture Entity

7. Goodwill on consolidation

- a. Goodwill comprises the portion of the purchase price for an acquisition that exceeds the Group's share in the identifiable assets, with deductions for liabilities, calculated on the date of acquisition
- b. Goodwill arising from the acquisition of associates is included in the value of the holdings in the associate
- c. Goodwill is deemed to have an indefinite useful life and is reported at acquisition value with deduction for accumulated impairments. An impairment test of goodwill is conducted once every year or more often if there is an indication of a decrease in value. The impairment loss on goodwill is reported in the Profit and Loss Account
- d. Goodwill on acquisition of the foreign subsidiary is restated at the rate prevailing at the end of the year

8. Debenture issue expenditure

Incremental costs directly attributable to the issue of debentures are being charged to the Profit and Loss Account over the period of redemption of debentures using the effective interest rate method

9. Accounting for Rights under Service Concession Arrangements

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)



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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

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

10. 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

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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

- iii. Depreciation on fixed assets, other than on assets specified in 10 (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 ₹ 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 and are depreciated as follow:

Asset Type	Useful Life
Licensed Software	Over the licence period
Intellectual Property Rights	5–7 years

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 (Refer Note no. 10 of Schedule P to the financial statements)

11. 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



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12. 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

13. 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, which is other than temporary
- d. Current investments are valued at the lower of cost and market value

14. 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

15. 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



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16. 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
- 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

17. 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

The actuarial gains and losses are recognised immediately in the Statement of Profit and Loss Account

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





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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

18. 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 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

19. Provisions, Contingent Liabilities and Contingent Assets

- 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

20. 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"

21. 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

22. 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



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23. 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
- 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

24. Leases

- 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

25. Share Based Payment Transactions

- 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

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

27. 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"

28. Preliminary Expenses

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



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SCHEDULE P : NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2011

1. Public issue of equity shares

During the financial year ended March 31, 2010, the Company had issued 22,852,938 equity shares having a face value of ₹ 10 per share at a price of ₹ 258 per share (including share premium of ₹ 248 per share) through an initial public offering (“IPO”)

Out of the proceeds aggregating ₹ 5,896.06 Million, a sum of ₹ 228.53 Million was credited to Share Capital and the balance amount of ₹ 5,667.53 Million was credited to Securities Premium Account. Share issue expenses aggregating ₹ 290.48 Million (excluding ₹ 48.66 Million incurred on behalf of a shareholder whose holdings were divested at the time of the IPO and which sum is recoverable from the shareholder) have been charged to the Securities Premium Account in accordance with the provisions of section 78(2) of the Companies Act, 1956

The utilisation of the issue proceeds is tabulated below:

Particulars	₹ in Million	
	As at March 31, 2010	Amount utilised upto March 31, 2011
Payments towards share issue expenses		290.48
Repayment of debt		5,000.00
General Corporate purposes		605.58
Total		5,896.06

There is no amount lying in current accounts as at year end. The unutilised amount lying as at the end of previous year ₹ 883.47 Million has been included as a part of the Cash and Cash Equivalents in the Cash Flow Statement for the year ended March 31, 2010. The utilisation of the issue proceeds is restricted to the objects of the IPO

2. Capital Commitments

Particulars	₹ in Million	
	As at March 31, 2011	As at March 31, 2010
a. Estimated amount of contracts remaining to be executed on capital account and not provided for including advances paid aggregate ₹ 6,868.17 Million (previous year ₹ 3,968.83 Million)	69,168.49	15,186.50
b. Exercise price payable in respect of call option contracts	11.77	15.11

c. In respect of investment in special purpose entities

- i. Global Parking Plaza Limited—Contribution to the Equity Share Capital of ₹ 30 Million (previous year ₹ Nil) against which advances paid aggregate ₹ Nil (previous year ₹ Nil)
- ii. Participate in/or acquire an equity stake to the extent of ₹ 70 Million (previous year ₹ Nil) in a project company to be incorporated by a consortium for undertaking the development of a fully automatic car and two wheeler parking complex
- iii. Subscription to Covered Warrants to be issued by Infrastructure Leasing & Financial Services Limited equivalent to its investment at Nil (previous year 7,400,000) equity shares each held in Chhattisgarh Highways Development Company Limited and Jharkhand Accelerated Road Development Company Limited



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- iv. Regional Airport Holdings International Limited—Contribution to the Equity Share Capital of ₹ 200 Million (previous year ₹ Nil) against which advances paid aggregate ₹ 80 Million (previous year ₹ Nil)
- v. Subscription to 11.5% Non Convertible Debentures (NCDs) of ₹ 520 Million of Road Infrastructure Development Company of Rajasthan Limited (RIDCOR) for a period of 5 years against which advances paid aggregate ₹ 320 Million (previous year ₹ Nil)

3. Contingent Liabilities

₹ in Million

Particulars	As at March 31, 2011	As at March 31, 2010
a. Income tax demands contested by Group	126.55	32.28
b. Claims against the Group not acknowledged as debt (share in associates ₹ Nil, previous year ₹ Nil)	12.51	448.64
c. Corporate Guarantees issued to Foreign Bank	1,378.48	605.60
d. Royalty to Nagpur Municipal Corporation	10.74	–
e. In terms of the approved restructuring package, the lenders of a subsidiary have a right of recompense, in respect of the sacrifices undertaken by them on account of reduction in interest rates and waiver of compound interest and liquidated damages, in the event of projects' cash flows (after adjusting the operating costs) are in excess of the revised debt servicing requirements	Not Ascertainable	Not Ascertainable

- f. A letter of financial support has been issued to Chhattisgarh Highway Development Company Limited, a fellow subsidiary, to enable it to continue operations and meet its financial obligations as and when they fall due, during the period October 1, 2009 to March 31, 2011

The Group does not expect any outflow of economic resources for the above and therefore no provisions is made in respect thereof

4. The Group's percentage holding in various joint ventures are given below

₹ in Million

Name of the joint venture	As at March 31, 2011	As at March 31, 2010
	% holding	% holding
NTBCL	25.35	25.35
JSEL	50.00	–
NEL	50.00	–

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The proportionate share in assets, liabilities, income and expenditures of above joint ventures are included in these CFS is given below:

	₹ in Million	
	As at March 31, 2011	As at March 31, 2010
Assets		
Net Block (including capital work progress)	2,559.32	1,199.61
Investments	60.23	56.82
Toll Equalisation Reserve	333.23	333.23
Receivable under SCA	868.07	–
Current Assets	968.56	25.38
Loans and advances	431.37	52.02
Deferred Tax Asset	–	–
	5,220.78	1,667.06
Liabilities		
Reserves and surplus	1,535.83	478.89
Secured Loans	751.47	428.35
Deferred tax liability	15.34	–
Current liabilities	1,234.86	108.99
	3,537.50	1,016.23

	₹ in Million	
	For the year ended March 31, 2011	For the year ended March 31, 2010
Income		
Income from Construction	2,236.55	–
Operations income	217.60	212.67
Other Income	22.61	4.60
	2,476.76	212.27
Expenses	1,200.09	
Construction expenses	76.38	–
Operating and Administrative Expenses	10.03	60.66
Depreciation	106.67	11.65
Interest	7.36	43.55
Taxes – Current Tax	15.34	17.44
– Deferred tax	–	–
Preliminary expenses	0.03	–
	1,415.89	133.30

	₹ in Million	
	As at March 31, 2011	As at March 31, 2010
– Contingent Liabilities	12.51	8.75
– Capital Commitments	8,814.16	–

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5. Preference Shares

One subsidiary viz. GRICL had originally issued Cumulative Redeemable Convertible Preference Shares (CRCPS) carrying 1% dividend, which were to be redeemed at the end of the 13th year from the date of allotment at a premium of 60% on the par value. These shares also carried an option to convert the cumulative amount (including the redemption premium of 60%) into Deep Discount Bonds (DDBs) at the end of the 13th year at a value calculated based on the issue price of ₹ 17.38 each at the time of conversion and having a maturity value of ₹ 153.98 each redeemable over a period of 3 years commencing from the 5th year from the date of conversion into the DDBs. However, consequent to the restructuring of the Company's corporate debt, the subscribers to the CRCPS agreed to a revision in the terms thereof to the effect that the dividend becomes non-cumulative and the CRCPS will become Non-Cumulative Redeemable Convertible Preference Shares (NRCPS) with effect from April 1, 2004. As a result, the base price and the redemption price of each DDB stood modified; these prices will be determined at the end of the 13th Year

As a part of the restructuring package approved by the Corporate Debt Restructuring Cell, the subsidiary is not permitted to declare any dividend on equity or preference shares without making good the sacrifices of the lenders

The accumulated premium accrued on Non-Cumulative Redeemable Convertible Preference Shares and not provided for as at March 31, 2011, aggregates ₹ 136.80 Million (previous year ₹ 120.65 Million) and the tax on distribution thereof aggregates ₹ 22.72 Million (previous year ₹ 20.04 Million)

6. Advance Towards Capital

Movement in Advances towards capital are given below:

Particular	₹ in Million	
	As at March 31, 2011	As at March 31, 2010
Gujarat Road and Infrastructure Company Limited #	450.00	450.00
Vansh Nimay Infraprojects Limited	1.00	—
MP Border Checkpost Development Company Limited	60.00	—
Total	511.00	450.00

#As required under the restructuring package of GRICL approved by the Corporate Debt Restructuring Cell on June 17, 2004, two promoters of a subsidiary viz. GRICL had advanced an aggregate sum of ₹ 450.00 Million as advance towards share capital. The subsidiary intends to convert these advances into subordinated debt. Pending completion of the approval process, the subsidiary (and the Group) has classified the amount as an Advance towards Capital/debt

7. Secured Loans

a. Redemption of Deep Discount Bonds / Non-Convertible Debenture issued by a Subsidiary:

- 2,000 Deep Discount Bonds (DDBs) issued by one subsidiary company viz., GRICL at ₹ 50,000 each are redeemable at ₹ 284,521 each at the end of the 15th year from the deemed date of allotment (i.e. July 1, 2003)
- 60,000 Deep Discount Bonds (DDBs) issued by GRICL at ₹ 5,000 each would be redeemed at ₹ 34,362 each at the end of 16th year, with a "take-out" option at the end of 8th year at ₹ 11,937 each from the dates of allotment (47,000 DDBs allotted on April 17, 2000, 3,000 DDBs allotted on April 18, 2000, and ₹ 11,886 each in respect of 10,000 DDBs allotted on November 30, 2000)
- In April 2008, IL&FS and Infrastructure Development Finance Company Limited (IDFC) agreed to provide "take-out" finance assistance to GRICL in respect of the 60,000 DDBs of ₹ 5,000 each aggregating ₹ 300.00 Million (₹ 100.00 Million by IL&FS and ₹ 200.00 Million by IDFC) referred to in 7(a) (ii) above in the event the 'take-out' option is exercised by the bondholders

Of the above mentioned DDBs for which the "take-out" option was available in April 2008 (i.e. 47,000 DDBs allotted on April 17, 2000, 3,000 DDBs allotted on April 18, 2000 and 10,000 DDBs allotted on November 30, 2000) holders of 24,652 DDB have exercised the "take-out" option



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Of the above mentioned DDBs, holders of 24,652 DDBs exercised their take out option. IL&FS has purchased its agreed share of 8,217 DDBs (1/3rd of 24,652 DDBs) from such DDB holders. In respect of balance 16,435 DDBs, IDFC has provided the take out finance in the form of loan to GRICL to pay out such other DDB holders

GRICL is awaiting clearance from IDFC for cancellation of DDBs. In the meantime the DDBs to the extent, the holders have been paid out, have been reduced from the liabilities and the loan of ₹ 104.04 Million (previous year ₹ 139.71 Million) received from IDFC has been classified as a part of "Secured Loans" from Financial Institutions in Schedule C

- iv. The balance outstanding against Deep Discount Bonds (DDBs) includes accrued interest aggregating ₹ 721.10 Million (previous year ₹ 602.96 Million) which is payable at the time of redemption of the DDBs
- v. 4,000 Non-Convertible Debentures issued by the above subsidiary on July 1, 2003, at ₹ 50,000 each are redeemable / repayable in five equal annual instalments of ₹ 40.00 Million each commencing at the end of 11th year from the date of allotment (i.e. July 1, 2003)
- b. 10,815 Deep Discount Bonds (DDBs) of ₹ 5,000 each issued by a jointly controlled entity are redeemable at a maturity value of ₹ 20,715 per DDB at the end of the 16th year from the date of allotment (November 3, 1999). The Group's share in the liability as at March 31, 2011, ₹ 39.07 Million (previous year ₹ 36.01 Million) has been included in the schedule C to the CFS
- c. During the current period, one of the component of the Group issued 4,636 Secured, Rated, Listed, Taxable, Zero-Coupon, Redeemable Non-Convertible Debentures ("NCD") of ₹ 1,000,000/- each fully paid carrying a yield to maturity of 9.00% p.a. calculated semiannually on private placement basis. These NCDs are redeemable in nineteen semi annual installments commencing from March 11, 2011 and ending on January 15, 2020. Out of 19 series, 2 series having redemption date of March 11, 2011 and July 15, 2011 which is less than a year, hence the same are treated as Non-Listed. Also, series 1 amounting to ₹ 381.00 Million was redeemed on March 11, 2011

The NCDs are secured against all bank accounts, rights, titles, interest in project agreement, clearances, insurance contracts, incorporeal rights and receivables including those under the terms of the Concession Agreement of the Component. The securities do not cover the project site

The first charge in favour of the Debenture Trustee acting for the benefit of the investors has been created. However, the registration of the charge has not been completed as at March 31, 2011

Out of the proceeds aggregating ₹ 4,636.00 Million a sum of ₹ 400.00 Million has been placed in term deposits accounts with a designated bank in accordance with the terms of issue, existing borrowings aggregating ₹ 3,896.20 Million were repaid along with interest of ₹ 192.87 Million

A sum of ₹ 149.44 Million has been charged to the Profit and Loss Account of the year ended March 31, 2011 towards the cost of borrowing on these debentures including ₹ 2.67 Million on account of incremental costs of issue thereof. The unamortised incremental costs aggregating ₹ 40.07 Million have been carried forward to Balance Sheet as Miscellaneous Expenditure (to the extent not written off)

Details of debenture issue expenses are:

Particulars	₹ in Million	
	Amortised for the year ended March 31, 2011	Unamortised as at March 31, 2011
Debt structuring fees	2.29	34.41
Legal fees	0.15	2.29
Stamp duty and registration fees	0.16	2.34
Acceptance fees	0.07	1.03
Total	2.67	40.07



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Additionally, ₹ 368.05 Million have been charged to the Profit and Loss Account of the year ended March 31, 2011 towards the borrowing costs of the repaid debt including ₹ 74.12 Million on account of premature repayment thereof

- d. Borrowings from banks includes term loan availed by Elsamex SA which are secured by pledge of 171,959 equity shares held by the Group in Elsamex SA

8. Deferred Tax

The Group entities have net deferred tax liabilities aggregating ₹ 1,438.65 Million (previous year ₹ 778.66 Million) and deferred tax assets aggregating ₹ 116.75 Million (previous year ₹ Nil) as at March 31, 2011

A breakdown of the components of deferred tax assets and liabilities is furnished below:

Particulars	₹ in Million	
	As at March 31, 2011	As at March 31, 2010
Liabilities		
Timing differences in respect of income	765.45	1,807.58
Timing differences in respect of depreciation	1,072.22	–
Assets		
Timing differences in respect of depreciation	–	(138.28)
Timing differences in respect of employee benefits	(9.72)	(6.59)
Timing differences in respect of unabsorbed depreciation / carried forward business losses	(302.60)	(765.83)
Timing differences in respect of provision for doubtful debts	(2.55)	(2.64)
Timing differences in respect of provision for overlay	(84.15)	(115.58)
Net deferred tax liability	1,438.65	778.66

Particulars	₹ in Million	
	As at March 31, 2011	As at March 31, 2010
Assets		
Timing differences in respect of income	114.86	–
Timing differences in respect of depreciation	0.23	–
Timing differences in respect of employee benefits	1.66	–
Net deferred tax asset	116.75	–

Note: The Group has not recognised any Deferred Tax Asset against provision for diminution in the absence of virtual certainty of future taxable capital gains against which diminution could be offset

9. Intangible assets and amortisation

During the year 2006–07, the Group incurred a cost of ₹ 60.00 Million for acquiring commercial rights under the “Operations and Maintenance” agreement (“O&M Contract”) for one of its road projects from the erstwhile contractor. Under the terms of the O&M Contract, the Group is entitled to routine maintenance price and the operation price for maintaining and operating the project. The Group expects benefits under the O&M contract to accrue until the end of the concession period which is not expected to be earlier than May 12, 2029. Accordingly, the expenditure incurred by the Group for acquisition of the rights is treated as an intangible asset and is being amortised on a straight line basis over the minimum balance period of the concession i.e. 22 years and 7 months (from the date of acquisition of the said rights)



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- 10.** Toll Receivable Account includes ₹ 1,565.47 Million being the aggregate shortfall in the assured return up to September 30, 2003, as adjusted for margin recognised during construction, as per the terms of the Concession Agreements in respect of the two road projects in a subsidiary. The amount was recognised with a corresponding credit to the General Reserve of the subsidiary pursuant to the Order dated May 18, 2005 passed by the Honourable High Court of Gujarat at Ahmedabad, sanctioning the Scheme of Amalgamation of the two toll road companies with the subsidiary

Similarly, pursuant to the orders passed by the Honourable High Courts of Allahabad and Delhi dated March 22, 2007 and May 21, 2007, approving a scheme of amalgamation, a jointly controlled entity, had also recognised an amount in the Toll Receivable Account. After making appropriate adjustments on account of the construction margin, a sum of ₹ 333.23 Million has been included as the Group's share in the Toll Equalisation Account

- 11.** The Company's investment in "Covered Warrants" aggregating to ₹ 648 Million (previous year ₹ 500 Million) issued by Infrastructure Leasing & Financial Services ("IL&FS") are variable interest debt instruments under which the holder is entitled to a proportionate share of the dividend, if any, declared by Road Infrastructure Development Company of Rajasthan Limited ("RIDCOR"), Jharkhand Accelerated Road Development Company Limited ("JARDCL") and Chhattisgarh Highways Road Development Company Limited ("CHDCL") on the equity shares

However, the Company is not entitled to rights and privileges, which IL&FS enjoys as a shareholder. The instruments are unsecured. The Company's investment in the said "Covered Warrants" is included in the schedule of Investments

The details are as under:

Name of Company	Face value of shares	No. of Shares (in Million)	Holding Period (in years)	Date of redemption of principal amount
RIDCOR	10	50	35	March 15, 2042
	(10)	(50)	(35)	
JARDCL	10	7.40	20	March 29, 2031
	(-)	(-)	(-)	
CHDCL	10	7.40	20	March 29, 2031
	(-)	(-)	(-)	

Note:—Figures in brackets relate to previous year

12. Derivatives and foreign currency exposures

- a. The Company as a part of its strategic initiatives to consolidate/restructure its investments in surface transport sector, has made direct investments in certain special purpose entities ("SPEs") engaged in that sector and also invested in units in a scheme of ITNL Road Investment Trust ("the Scheme") which in turn has made investments in such SPEs. Amounts invested include derivative instruments in the form of call options



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- b. The amounts outstanding as at March 31, 2011, in respect of derivative transactions are summarized below:

₹ in Million

Category	No. of instruments	Call option premium	Exercise price payable
Call option of Equity Shares in a subsidiary bought from IL&FS	1	1.25 (1.25)	1.25 (1.25)
Call option of Equity Shares of a subsidiary held by minority	1	– (55.68)	– (1.48)
Call option of Equity Shares of a subsidiary (bought from IL&FS) held by minority	2	36.67 (71.94)	1.93 (3.79)
Call option of Equity Shares of an associate (bought from IL&FS)	3	163.28 (163.28)	8.59 (8.59)

Note: Figure in brackets relate to previous year

- c. Premiums paid by the Group towards call options purchased by it have been aggregated under the head “Option Premium Assets” and classified as a part of “Other Current Assets”
- d. The underlying instruments in respect of the options are unquoted and the Group intends to exercise options as these transactions have been entered into for strategic reasons. No losses have been identified in respect of the above derivatives necessitating a charge to the Profit and Loss Account. The aggregate exercise price payable is included as part of the Group’s capital commitments

As per the call option agreements dated March 14, 2007 in the event of material breach committed by the subsidiary the call option premium paid by the scheme is not refundable

- e. The year end foreign currency exposures that have not been hedged by derivative instrument or otherwise are given below:

		₹ in Million	Foreign Currency in Million
Receivable			
As at March 31, 2011	a.	476.00	DOP 398.87
	b.	83.92	COP 3,511.35
	c.	6.72	HNL 2.86
	d.	–	ECS 0.42
	e.	75.57	MXN 19.94
	f.	4.21	ALL 9.42
	g.	178.33	USD 3.99
Payable			
As at March 31, 2011	a.	296.18	DOP 248.19
	b.	52.49	COP 2,196.06
	c.	422.04	HNL 179.41
	d.	–	ECS 0.31
	e.	21.52	MXN 5.68
	f.	4.91	ALL 11.01
	g.	0.45	USD 0.01



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Previous year

		₹ in Million	Foreign Currency in Million
Receivable			
As at March 31, 2010	a.	401.50	DOP 328.38
	b.	3.74	ARS 0.32
	c.	94.98	COP 4,118.73
	d.	1.19	THB 0.86
	e.	6.31	HNL 2.70
	f.	0.01	ECS 0.29
	g.	0.07	IDR 143.99
	h.	3.28	MXN 0.91
	i.	7.11	ALL 16.60
	j.	15.65	USD 0.35
Payable			
As at March 31, 2010	a.	307.55	DOP 251.54
	b.	0.20	ARS 0.01
	c.	12.71	COP 551.36
	d.	10.00	THB 7.21
	e.	0.96	HNL 0.41
	f.	0.01	ECS 0.21
	g.	0.49	IDR 99.57
	h.	0.39	MXN 0.11
	i.	3.13	ALL 7.32
	j.	12.34	USD 0.27
	k.	9.91	EUR 0.16

Note: USD = US Dollar; DOP = Dominican Pesos, ARS = Argentine Pesos, COP = Colombian Pesos, MXN = Mexican Pesos, HNL = Honduran Lempira, ECS = Ecuador Sucro, ALL = Albanian Lek, THB = Thai Baht, EUR = Euro, IDR = Indonesian Rupiah

- f. The movement in hedging reserve held by a subsidiary during the year ended March 31, 2011 for derivatives designated as Cash Flow Hedges is as follow:

	₹ in Million	
	Year ended March 31, 2011	Year ended March 31, 2010
Balance at the beginning of the year	(271.53)	(176.92)
Changes in the fair value of effective portion of outstanding cash flow derivatives	(19.06)	(94.61)
Balance at the end of the year	(290.59)	(271.53)

13. Sundry Creditors include a sum of ₹ 28.73 Million (previous year ₹ 28.73 Million) is being dues on account of commitment charges payable to IL&FS for providing an irrevocable Revolving Line of Credit of ₹ 1,000.00 Million to a subsidiary for Debt Service Reserve Fund which could be used by the subsidiary to service its debts in the event of shortfall of funds. This sum is payable to IL&FS only after repayment of term loans and Deep Discount Bonds issued by the subsidiary

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14. Employee Benefit Obligations

Defined–Contribution Plans

- i. The Group offers its employees defined contribution benefits in the form of provident fund, family pension fund and superannuation fund. Provident fund, family pension fund and superannuation fund cover substantially all regular employees. Contributions are paid during the year into separate funds under certain statutory / fiduciary–type arrangements. While both the employees and the Group pay predetermined contributions into the provident fund and pension fund, contributions to superannuation fund are made only by the Group. The contributions are normally based on a certain proportion of the employee’s salary
- ii. A sum of ₹ 38.96 Million (previous year ₹ 19.22 Million) has been charged to the consolidated Profit and Loss Account in this respect

Defined–Benefit Plans

The Group offers its employees defined–benefit plans in the form of gratuity (a lump sum amount). Amounts payable under defined benefit plans are typically based on years of service rendered and the employee’s eligible compensation (immediately before retirement). The gratuity scheme covers substantially all regular employees. In the case of the gratuity scheme, the Group contributes funds to the Life Insurance Corporation of India which administers the scheme on behalf of the Group. Commitments are actuarially determined at year end. Actuarial valuation is based on “Projected Unit Credit” method. Gains and losses due to changes in actuarial assumptions are charged to the Profit and Loss Account

The net value of the defined–benefit commitment is detailed below:

	₹ in Million	
	As at March 31, 2011	As at March 31, 2010
Present value of commitment	41.65	28.80
Fair value of plans	46.28	35.27
Unrecognised Past service cost	0.64	–
Payable / (Prepaid) amount taken to the balance sheet	(3.99)	(6.47)

Defined Benefit Commitments:

	₹ in Million	
Gratuity	As at March 31, 2011	As at March 31, 2010
Opening balance	28.80	21.50
Interest cost	2.23	1.59
Current service cost	12.22	7.41
Benefits paid	(5.79)	(1.37)
Actuarial (gain) / loss	6.65	(0.33)
Transferred to other company	(2.46)	–
Closing balance	41.65	28.80



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Plan Assets:

Gratuity	₹ in Million	
	As at March 31, 2011	As at March 31, 2010
Opening balance	35.27	26.41
Expected return on plan assets	3.24	2.34
Contributions by the Company / Group	14.30	4.63
Benefits paid	(5.79)	(1.37)
Transferred from/to other company	(1.82)	–
Actuarial gain /(loss)	1.11	3.26
Fair value of plan assets	46.28	35.27

The plan assets are managed by Life Insurance Corporation of India and HDFC Standard Life Insurance and the Group does not have details as to the investment pattern

Return on Plan Assets:

Gratuity	₹ in Million	
	For the year ended March 31, 2011	For the year ended March 31, 2010
Expected return on plan assets	3.24	2.34
Actuarial gain /(loss)	1.11	3.26
Actual Return on Plan Assets	4.35	5.60

Expenses on defined benefit plan recognised in the Profit and Loss Account:

	₹ in Million	
	For the year ended March 31, 2011	For the year ended March 31, 2010
Current service cost	12.22	7.41
Interest expenses	2.23	1.59
Expected return on investments	(3.24)	(2.34)
Net actuarial (gain) / loss	5.53	(3.59)
Expenses charged to Profit and Loss account	16.75	(3.07)

- i. The actuarial calculations of estimated 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 pension expense

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	For the year ended March 31, 2011	
	Group entities other than jointly controlled entities	Jointly controlled entity
Rate for discounting liabilities	8.25%	8.25%
Expected salary increase rate	6.00%	6.00%
Expected return on scheme assets	8.00 – 8.25%	5.00%
Attrition date	2%	Not disclosed
Mortality table used	LIC (1994–96) Ultimate	Not disclosed

	For the year ended March 31, 2010	
	Group entities other than jointly controlled entities	Jointly Controlled Entities
Rate for discounting liabilities	7.75–8.25%	7.75%
Expected salary increase rate	4.00–4.50%	4.50%
Expected return on scheme assets	7.75–8.00%	5.00%
Attrition rate	2.00%	Not disclosed
Mortality table used	LIC (1994–96) Ultimate	Not disclosed

- ii. 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
- iii. The amounts of the present value of the obligation, fair value of the plan assets, surplus or deficit in the plan, experience adjustments arising on plan liabilities and plan assets for the current year and previous four annual periods is given below:

Gratuity (Funded Plan)	₹ in Million				
	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
Defined benefit commitments	41.65	28.80	21.50	21.64	4.99
Plan Assets	46.28	35.27	(26.41)	(23.07)	(9.33)
Unfunded liability transferred from group companies	0.64	–	–	0.07	–
(Surplus) / Deficit	(3.99)	(6.47)	(4.91)	(1.36)	(4.34)



SCHEDULES

forming part of the Consolidated Financial Statements

₹ in Million

Gratuity (Funded Plan)	Year ended March 31, 2011	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007
Experience adjustments on plan commitments	4.32	(0.87)	6.22	8.99	1.36
Experience adjustments on plan assets	1.11	0.15	(1.34)	(0.93)	0.10

- iv. The contribution expected to be made by some of the constituents of the Group during the financial year 2011–12 has not been ascertained

15. Leases

A. Operating Lease

The Group holds certain properties under a non–cancellable operating lease. The Group’s future lease rentals under the operating lease arrangements as at the year–end are as under:

- a. For entities other than jointly controlled entities

₹ in Million

Future Lease rentals	As at March 31, 2011	As at March 31, 2010
Within one year	345.26	459.00
Over one year but less than 5 years	130.76	164.79
More than 5 years	76.02	8.24

The lease terms do not contain any exceptional / restrictive covenants nor are there any options given to Group to renew the lease or purchase the properties. The agreements provide for changes in the rentals if the taxes leviable on such rentals change

₹ in Million

	Year ended March 31, 2011	Year ended March 31, 2010
Amount charged to the Profit and Loss Account for rent	323.60	29.90

B. Finance Leases

- a. Subsidiaries

₹ in Million

	Minimum Lease Payment	Present value of minimum lease payments	Lease Charges
Amount payable not later than one year	135.87	128.96	6.91
	(185.25)	(172.75)	(12.49)
Amount payable later than one year but not later than five years	104.98	95.40	9.58
	(185.04)	(172.44)	(12.60)
Amount payable later than five years	44.96	41.85	3.11
	(55.81)	(50.91)	(4.90)
Total	285.81	266.21	19.60
	(426.10)	(396.10)	(29.99)

Note: Figures in brackets denote amounts pertaining to previous year



SCHEDULES

forming part of the Consolidated Financial Statements

b. Jointly controlled entities

A jointly controlled entity had taken a vehicle under finance lease. The reconciliation of minimum lease payments and their present value is as under:

₹ in Million			
	Minimum Lease Payment	Present value of minimum lease payments	Lease Charges
Amount payable not later than one year	0.12 (0.57)	0.11 (0.52)	0.00 (0.05)
Amount payable later than one year but not later than five years	0.00 (0.14)	0.00 (0.13)	0.00 (0.01)
Total	0.12 (0.71)	0.11 (0.65)	0.00 (0.04)

Note: Figures in brackets denote amounts pertaining to previous year

16. During the year ended March 31, 2011, a subsidiary received a grant of ₹ Nil (previous year ₹ 289.56 Million) which has been adjusted against the "Receivable under service concession arrangements"

17. Disclosure as required by the AS 18 on "Related Party Disclosures" are made below:

I. Current Year

a. Name of the related parties and description of relationship

Nature of Relationship	Name of the Entity	Acronym used
Holding Company	Infrastructure Leasing & Financial Services Limited	IL&FS
Fellow Subsidiaries (with whom company has done transaction)	IL&FS Financial Services Limited (Erst while IL&FS Finvest Ltd.)	IFIN
	IL&FS Ecosmart Limited (upto March 29, 2011)	IEL
	IL&FS Education & Technology Services Limited	IETS
	IL&FS Energy Development Co Ltd (from December 3, 2010)	IEDCL
	IL&FS Environmental Infrastructure & Service Limited (formerly IL&FS Waste Management & Urban Services Limited)	IEISL
	IL&FS Infrastructure Development Corporation Limited	IIDCL
	IL&FS Investment Managers Limited	IIML
	IL&FS Maritime Infrastructure Company Limited	IMICL
	IL&FS Property Management & Services Limited (upto October 1, 2010)	IPOMSL
	IL&FS Renewable Energy Limited	IREL
	Chattisgarh Highway Development Co Limited	CHDCL
	IL&FS Securities Services Limited	ISSL
	IL&FS Trust Company Limited	ITCL
	IL&FS Water Limited	IWL
	Jharkhand Accelerated Road Development Co Ltd	JARDCL
	Tamil Nadu Water Investment Co Limited	TWICL
	IL&FS Cluster Development Initiative Limited	ICDIL
	IL&FS Global Financial Services (UK) Limited	IGFSL(UK)
	IL&FS Urban Infrastructure Managers Limited	IUIML
	IL&FS Urban Infrastructure Services Ltd (upto March 29, 2011)	IUISL
IL&FS Financial Services Limited (Erst while IL&FS Finvest Ltd.)	IFIN	



SCHEDULES

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Nature of Relationship	Name of the Entity	Acronym used
Associates	Andhra Pradesh Expressway Limited	APEL
	ITNL Toll Management Services Limited	ITMSL
	Thiruvananthapuram Road Development Company Limited	TRDCL
	Warora Chandrapur Ballarpur Tollroad Limited	WCBTL
	Labtec Ensayos Tecnicos Canarios S.A.	LABTEC
	Centro De Investigacion De Carreteras De Andalucia S.A.	CICAN
	CGI-8, S.A.	CGI-8
	Empresas Pame SA DECV (from April 28, 2010)	EPSD
	Ramky Elsamex Hyderabad Ring Road	REHRR
	Sociedad Concesionaria Autovia A-4 Madrid S.A.	A4 CONCESSION
	Zheisiang Elsamex Road Tech Company	Zheisiang Elsamex
	Yala Construction Company Limited	Thailand
	VCS Enterprises Limited	VCSEL
	Andhra Pradesh Expressway Limited	APEL
ITNL Toll Management Services Limited	ITMSL	
Co-Venture	Noida Toll Bridge Company Limited	NTBCL
	Jorabat Shillong Expressway Limited	JSEL
	N.A.M. Expressway Limited	NAMEL
	Geotecnia Y Control De Qualitat SA (from July 15, 2010)	Geotecnia YC
Key Management personnel	Mr. K Ramchand–Managing Director	
	Mr. Mukund Sapre–Executive Director	
	Mr. Sanjiv Rai–Managing Director of a Subsidiary	
	Mr. Mukund Sapre–Chief Executive Officer of a Subsidiary	
	Mr. Ankit Sheth–Manager & Company Secretary of a Subsidiary	
	Mr. Narayanan Doraiswamy–Manager of a Subsidiary	
	Mr. Sanjay Minglani–Manager of a Subsidiary	
	Mr. Cherian George–Managing Director of a Subsidiary	
	Mr. Pradeep Puri–President & Chief Executive Officer of a Jointly Controlled Entity	
	Ms. Monisha Madeco–Manager of a Jointly Controlled Entity	
	Mr. M K Mohan–Managing Director of a Subsidiary	
	Mr. Ashutosh Chandwar–Manager of a Subsidiary	
	Mr. Jagdeesh Agarwal–Manager of a Subsidiary	
Mr. Rajnish Saxena–Manager of a Subsidiary		



SCHEDULES

forming part of the Consolidated Financial Statements

b. Transaction with above mentioned related parties (Mentioned in Note 17(I) (a) above)

₹ in Million

Nature of Transaction	Holding Company	Fellow Subsidiaries	Associates	Co - Venture	Key Management Personnel	Grand Total
Balances						
Advance Towards Investments						
ILFS	150.00	-	-	-	-	150.00
WCBTL	-	-	616.91	-	-	616.91
Others	-	-	-	0.03	-	0.03
	150.00	-	616.91	0.03	-	766.94
Commitment Charges Payable						
ILFS	28.73	-	-	-	-	28.73
	28.73	-	-	-	-	28.73
Covered Warrants						
ILFS	648.00	-	-	-	-	648.00
	648.00	-	-	-	-	648.00
Credits With Associated						
A4 Concession	-	-	562.90	-	-	562.90
Zhesiang Elsamex	-	-	111.69	-	-	111.69
Others	-	-	31.33	-	-	31.33
	-	-	705.92	-	-	705.92
Current Assets- Client						
A4 Concession	-	-	21.23	-	-	21.23
Zhesiang Elsamex	-	-	15.22	-	-	15.22
REHRR	-	-	41.57	-	-	41.57
VCSEL	-	-	17.95	-	-	17.95
Others	-	-	20.73	0.63	-	21.36
	-	-	116.70	0.63	-	117.33
Debtors						
JSEL	-	-	-	438.40	-	438.40
NAMEL	-	-	-	337.36	-	337.36
WCBTL	-	-	189.00	-	-	189.00
Others	-	1.29	111.58	2.22	-	115.09
	-	1.29	300.58	777.98	-	1,079.85
Deposit						
ITCL	-	0.00	-	-	-	0.00
	-	0.00	-	-	-	0.00
Equity option premium						
ILFS	1.25	-	-	-	-	1.25
	1.25	-	-	-	-	1.25
Interest Accrued but not due						
ILFS	5.66	-	-	-	-	5.66
APEL	-	-	319.13	-	-	319.13
Others	-	-	12.15	-	-	12.15
	5.66	-	331.28	-	-	336.94
Interest Payable but not due						
ISSL	-	34.94	-	-	-	34.94
	-	34.94	-	-	-	34.94
Investment						
ILFS	207.19	-	-	-	-	207.19
NAMEL	-	-	-	583.77	-	583.77
NTBCL	-	-	-	1,397.19	-	1,397.19
Others	-	-	335.85	105.00	-	440.85
	207.19	-	335.85	2,085.96	-	2,629.00



SCHEDULES

forming part of the Consolidated Financial Statements

b. Transaction with above mentioned related parties (Mentioned in Note 17(I) (a) above Contd.)

₹ in Million

Nature of Transaction	Holding Company	Fellow Subsidiaries	Associates	Co - Venture	Key Management Personnel	Grand Total
Investment Equity Instrument						
A4 Concession	-	-	184.38	-	-	184.38
REHRR	-	-	137.63	-	-	137.63
Others	-	-	26.05	-	-	26.05
	-	-	348.06	-	-	348.06
Investment in Call Money						
ILFS	286.58	-	-	-	-	286.58
	286.58	-	-	-	-	286.58
Loan Given						
ILFS	142.85	-	-	-	-	142.85
APEL	-	-	1,085.60	-	-	1,085.60
TRDCL	-	-	221.80	-	-	221.80
	142.85	-	1,307.40	-	-	1,450.25
Loan Taken						
ILFS	2,401.51	-	-	-	-	2,401.51
ISSL	-	1,000.00	-	-	-	1,000.00
	2,401.51	1,000.00	-	-	-	3,401.51
Mobilisation Advance Recd						
JSEL	-	-	-	202.20	-	202.20
	-	-	-	202.20	-	202.20
Option premium liab						
ILFS	199.95	-	-	-	-	199.95
	199.95	-	-	-	-	199.95
Optionally Convertible Debentures						
APEL	-	-	786.40	-	-	786.40
	-	-	786.40	-	-	786.40
Payable on Current Account						
ILFS	33.59	-	-	-	-	33.59
IFIN	-	415.31	-	-	-	415.31
Others	-	50.74	6.42	-	-	57.16
	33.59	466.05	6.42	-	-	506.06
Receivable on Current Account						
ILFS	0.32	-	-	-	-	0.32
APEL	-	-	8.28	-	-	8.28
NAMEL	-	-	-	9.03	-	9.03
Others	-	2.67	-	0.04	-	2.71
	0.32	2.67	8.28	9.07	-	20.34
Retention Money Receivable						
JSEL	-	-	-	19.55	-	19.55
	-	-	-	19.55	-	19.55
Security Deposit						
IETS	-	0.79	-	-	-	0.79
IEL	-	0.36	-	-	-	0.36
	-	1.15	-	-	-	1.15
Short Term Liability-Creditors						
CGI 8	-	-	0.69	-	-	0.69
Cican	-	-	2.51	-	-	2.51
Others	-	-	0.14	-	-	0.14
	-	-	3.34	-	-	3.34



SCHEDULES

forming part of the Consolidated Financial Statements

b. Transaction with above mentioned related parties (Mentioned in Note 17(I) (a) above Contd.)

₹ in Million

Nature of Transaction	Holding Company	Fellow Subsidiaries	Associates	Co - Venture	Key Management Personnel	Grand Total
Transactions						
Advance Towards Investments made						
ILFS	30.00	-	-	-	-	30.00
WCBTL	-	-	616.91	-	-	616.91
Others	-	-	-	0.03	-	0.03
	30.00	-	616.91	0.03	-	646.94
Asset Management fees						
IUIML	-	3.51	-	-	-	3.51
	-	3.51	-	-	-	3.51
Brand subscription fees						
ILFS	117.69	-	-	-	-	117.69
	117.69	-	-	-	-	117.69
Construction Income						
JSEL	-	-	-	391.05	-	391.05
	-	-	-	391.05	-	391.05
Covered Warrants						
ILFS	148.00	-	-	-	-	148.00
	148.00	-	-	-	-	148.00
Debt Syndication Fees						
IFIN	-	574.62	-	-	-	574.62
	-	574.62	-	-	-	574.62
Deep Discount Bonds Trusteeship Fees						
ITCL	-	0.11	-	-	-	0.11
	-	0.11	-	-	-	0.11
Deposit						
ITCL	-	0.00	-	-	-	0.00
	-	0.00	-	-	-	0.00
Director Remuneration						
Mr. K Ramchand	-	-	-	-	36.85	36.85
Mr. Mukund Sapre	-	-	-	-	21.48	21.48
Mr. Sanjiv Rai	-	-	-	-	34.60	34.60
Others	-	-	-	-	5.17	5.17
	-	-	-	-	98.10	98.10
Dividend payment						
ILFS	405.24	-	-	-	-	405.24
	405.24	-	-	-	-	405.24
Dividend received						
NTBCL	-	-	-	17.62	-	17.62
	-	-	-	17.62	-	17.62
Expenditure on other service						
ILFS	0.12	-	-	-	-	0.12
	0.12	-	-	-	-	0.12
Guarantee commission						
ILFS	15.29	-	-	-	-	15.29
	15.29	-	-	-	-	15.29
Guarantee fees paid						
ILFS	13.53	-	-	-	-	13.53
	13.53	-	-	-	-	13.53
Income from Rent						
IETS	-	3.16	-	-	-	3.16
IEL	-	1.35	-	-	-	1.35
Others	-	0.05	-	-	-	0.05
	-	4.56	-	-	-	4.56



SCHEDULES

forming part of the Consolidated Financial Statements

b. Transaction with above mentioned related parties (Mentioned in Note 17(I) (a) above Contd.)

₹ in Million

Nature of Transaction	Holding Company	Fellow Subsidiaries	Associates	Co - Venture	Key Management Personnel	Grand Total
Interest Expense - STL						
ILFS	254.80	-	-	-	-	254.80
ISSL	-	49.01	-	-	-	49.01
	254.80	49.01	-	-	-	303.81
Interest Income						
ILFS	23.61	-	-	-	-	23.61
APEL	-	-	227.85	-	-	227.85
Others	-	-	13.50	-	-	13.50
	23.61	-	241.35	-	-	264.96
Interest on Sub Debt						
ILFS	129.19	-	-	-	-	129.19
	129.19	-	-	-	-	129.19
Investment in Call Money - Matured						
ILFS	7,980.00	-	-	-	-	7,980.00
	7,980.00	-	-	-	-	7,980.00
Investment in Call Money made						
ILFS	8,776.22	-	-	-	-	8,776.22
	8,776.22	-	-	-	-	8,776.22
Investment made						
JSEL	-	-	-	105.00	-	105.00
NAMEL	-	-	-	583.77	-	583.77
	-	-	-	688.77	-	688.77
Loan Given						
TRDCL	-	-	221.80	-	-	221.80
APEL	-	-	45.00	-	-	45.00
	-	-	266.80	-	-	266.80
Loan Received Back						
APEL	-	-	264.00	-	-	264.00
	-	-	264.00	-	-	264.00
Loan Repaid						
ILFS	5,719.89	-	-	-	-	5,719.89
	5,719.89	-	-	-	-	5,719.89
Loan Taken						
ILFS	5,580.00	-	-	-	-	5,580.00
ISSL	-	1,000.00	-	-	-	1,000.00
	5,580.00	1,000.00	-	-	-	6,580.00
Mobilisation Advance Recd						
JSEL	-	-	-	202.20	-	202.20
	-	-	-	202.20	-	202.20
Operating Expenses						
ILFS	0.60	-	-	-	-	0.60
	0.60	-	-	-	-	0.60
Operating Expenses Capitalised						
ILFS	8.29	-	-	-	-	8.29
IFIN	-	76.16	-	-	-	76.16
Others	-	3.40	-	-	-	3.40
	8.29	79.56	-	-	-	87.85
Operating Expenses Recovered						
ILFS	22.11	-	-	-	-	22.11
Others	-	0.39	-	-	-	0.39
	22.11	0.39	-	-	-	22.50



b. Transaction with above mentioned related parties (Mentioned in Note 17(I) (a) above Contd.)

₹ in Million

Nature of Transaction	Holding Company	Fellow Subsidiaries	Associates	Co - Venture	Key Management Personnel	Grand Total
Other Expenses						
ISSL	-	0.03	-	-	-	0.03
	-	0.03	-	-	-	0.03
Refund of Advance Towards Investment						
TRDCL	-	-	0.25	-	-	0.25
	-	-	0.25	-	-	0.25
Rent paid						
ILFS	71.44	-	-	-	-	71.44
Others	-	-	-	0.16	0.74	0.90
	71.44	-	-	0.16	0.74	72.34
Retention Money Receivable						
JSEL	-	-	-	19.55	-	19.55
	-	-	-	19.55	-	19.55
Sale of Assets						
ILFS	0.07	-	-	-	-	0.07
	0.07	-	-	-	-	0.07
Sales and Purchases						
A4 Concession	-	-	22.19	-	-	22.19
Cican	-	-	8.13	-	-	8.13
REHRR	-	-	20.02	-	-	20.02
Others	-	-	2.73	1.12	-	3.85
	-	-	53.07	1.12	-	54.19
Security Trusteeship Fees						
ITCL	-	3.66	-	-	-	3.66
	-	3.66	-	-	-	3.66
Security Agent Fees						
ILFS	1.10	-	-	-	-	1.10
IFIN	-	55.74	-	-	-	55.74
Others	-	5.79	-	-	-	5.79
	1.10	61.53	-	-	-	62.63
Service Rendered						
APEL	-	-	110.91	-	-	110.91
WCBTL	-	-	210.00	-	-	210.00
JSEL	-	-	-	234.50	-	234.50
NAMEL	-	-	-	374.84	-	374.84
Others	-	0.33	64.74	2.47	-	67.54
	-	0.33	385.65	611.81	-	997.79
Services Received						
IFIN	-	69.62	-	-	-	69.62
IETS	-	24.21	-	-	-	24.21
IGFSL	-	30.03	-	-	-	30.03
Others	-	12.03	-	-	-	12.03
	-	135.89	-	-	-	135.89
Takeout Assistance fees						
ILFS	2.26	-	-	-	-	2.26
	2.26	-	-	-	-	2.26
Underwriting Fees						
IFIN	-	2.48	-	-	-	2.48
	-	2.48	-	-	-	2.48



II. Previous Year

a. Name of the related parties and description of relationship:

Nature of Relationship	Name of the Entity	Acronym used
Holding Company	Infrastructure Leasing & Financial Services Limited	IL&FS
Fellow Subsidiaries [with whom company has done transaction]	IL&FS Financial Services Limited (Erst while IL&FS Finvest Ltd.) IL&FS Infrastructure Development Corporation Limited IL&FS Maritime Infrastructure Company Limited IL&FS Water Limited IL&FS Property Management & Services Limited IL&FS Securities Services Limited IL&FS Waste Management & Urban Service Limited IL&FS Trust Company Limited Chhattisgarh Highways Development Company Limited Tamil Nadu Water Investment Company Limited IL&FS Urban Infrastructure Services Limited IL&FS Renewable Energy Limited IL&FS Education & Technology Services Limited Jharkhand Accelerated Road Development Company Limited IL&FS Infrastructure Equity Fund IL&FS Urban Infrastructure Managers Limited IL&FS Cluster Development Initiatives Company Limited	IFIN IIDCL IMICL IWL IPMSL ISSL IWMUSL ITCL CHDCL TWICL IUISL IREL IETS JARDCCL IIEF IUIML ICDCL
Associates	Andhra Pradesh Expressway Limited ITNL Toll Management Services Limited Narketpally Addanki Expressway Limited Thiruvananthapuram Road Development Company Limited Warora Chandrapur Ballarpur Tollroad Limited West Gujarat Expressway Limited (up to 9th June 2009) Labtec Ensayos Tecnicos Canarios S.A. Centro De Investigacion De Carreteras De Andalucia S.A. CGI-8, S.A. Inteval Gestao Integral Rodoviaria, S.A. Ramky Elsamex Hyderabad Ring Road Sociedad Concesionaria Autovia A-4 Madrid S.A. Zheisiang Elsamex Road Tech Company Yala Construction Company Limited VCS Enterprises Limited	APEL ITMSL NAEL TRDCL WCBTL WGEL LABTEC CICAN CGI-8 IGIRSA REHRR A4 CONCESSION Zheisiang Elsamex Thailand VCSEL
Co - Venture	Noida Toll Bridge Company Limited	NTBCL
Key Management personnel	Mr. K Ramchand-Managing Director Mr. Mukund Sapre-Executive Director Mr. Sanjiv Rai - Director of a Subsidiary Mr. Jagdish Aggarwal - Manager of a Subsidiary Mr. Mukund Sapre - Chief Executive Officer of a Subsidiary Mr. Ankit Sheth - Manager & Company Secretary of a Subsidiary Mr. Narayanan Doraiswamy- Manager of a Subsidiary Mr. Sanjay Minglani - Manager of a Subsidiary Mr. Cherian George - Managing Director of a Subsidiary Mr. Pradeep Puri - President & Chief Executive Officer of a Jointly Controlled Entity Ms. Monisha Madeco - Manager of a Jointly Controlled Entity Mr. M K Mohan – Managing Director of a Subsidiary Mr. Mihir Panchmatiya – Manager of a Subsidiary	



SCHEDULES

forming part of the Consolidated Financial Statements

b. transactions with above mentioned related parties (mentioned in note 17 (II) (a) above)

₹ in Million

Nature of Transaction	Holding Company	Fellow Subsidiaries	Associates	Co - Venture	Key Management Personnel	Grand Total
Balances						
Advance towards capital						
IIEF	-	150.00	-	-	-	150.00
	-	150.00	-	-	-	150.00
Advance Towards Investments						
TRDCL	-	-	40.30	-	-	40.30
	-	-	40.30	-	-	40.30
Asset Management Fees						
IUIML	-	0.02	-	-	-	0.02
	-	0.02	-	-	-	0.02
Commitment Charges payable						
ILFS	28.73	-	-	-	-	28.73
	28.73	-	-	-	-	28.73
Corporate Deposit Placed						
ILFS	22.57	-	-	-	-	22.57
	22.57	-	-	-	-	22.57
Creditors						
IPMSL	-	1.21	-	-	-	1.21
	-	1.21	-	-	-	1.21
Debt Syndication Fees						
IFIN	-	209.37	-	-	-	209.37
	-	209.37	-	-	-	209.37
Debtors						
APEL	-	-	109.19	-	-	109.19
TRDCL	-	-	53.79	-	-	53.79
Others	-	11.17	-	-	-	11.17
	-	11.17	162.98	-	-	174.15
Guarantee given to the lender of the Company						
ILFS	729.00	-	-	-	-	729.00
	729.00	-	-	-	-	729.00
Interest Accrued but not due						
APEL	-	-	168.51	-	-	168.51
Others	0.78	-	-	-	-	0.78
	0.78	-	168.51	-	-	169.29
Investment						
ILFS	505.50	-	-	-	-	505.50
Co - Venture	-	-	951.53	-	-	951.53
Others	-	-	130.92	-	-	130.92
	505.50	-	1,082.45	-	-	1,587.95
Loan Given						
APEL	-	-	1,304.60	-	-	1,304.60
	-	-	1,304.60	-	-	1,304.60
Loan Taken						
ILFS	2,961.25	-	-	-	-	2,961.25
	2,961.25	-	-	-	-	2,961.25



SCHEDULES

forming part of the Consolidated Financial Statements

b. transactions with above mentioned related parties (mentioned in note 17 (II) (a) above) Contd.

₹ in Million

Nature of Transaction	Holding Company	Fellow Subsidiaries	Associates	Co - Venture	Key Management Personnel	Grand Total
Payable on Current Account						
ILFS	26.54	-	-	-	-	26.54
IETS	-	42.93	-	-	-	42.93
IFIN	-	47.19	-	-	-	47.19
JARDCL	-	18.67	-	-	-	18.67
Others	-	1.12	-	0.13	-	1.25
	26.54	109.91	-	0.13	-	136.59
Receivable on Current Account						
APEL	-	-	21.99	-	-	21.99
Others	0.00	4.06	-	-	-	4.06
	0.00	4.06	21.99	-	-	26.06
Security Trusteeship Fees						
ITCL	-	7.02	-	-	-	7.02
	-	7.02	-	-	-	7.02
Equity option premium						
ILFS	1.25	-	-	-	-	1.25
	1.25	-	-	-	-	1.25
Optionally Convertible Debentures						
APEL	-	-	786.40	-	-	786.40
	-	-	786.40	-	-	786.40
Zero Coupon Bonds Series B						
ILFS	16.90	-	-	-	-	16.90
	16.90	-	-	-	-	16.90
Call Option Premium						
ILFS	235.21	-	-	-	-	235.21
	235.21	-	-	-	-	235.21
Investment Equity Instrument						
REHRR	-	-	117.27	-	-	117.27
A4 Concession	-	-	184.39	-	-	184.39
Others	-	-	25.20	-	-	25.20
	-	-	326.86	-	-	326.86
Credits With Associated						
A4 Concession	-	-	213.18	-	-	213.18
Zhejiang Elsamex	-	-	108.41	-	-	108.41
Others	-	-	19.41	-	-	19.41
	-	-	340.99	-	-	340.99
Short Term Liability						
VCSEL	-	-	0.13	-	-	0.13
	-	-	0.13	-	-	0.13
Short Term Liability–Creditors						
Cican	-	-	9.76	-	-	9.76
Others	-	-	0.69	-	-	0.69
	-	-	10.44	-	-	10.44
Current Assets–Client						
Labetec	-	-	10.60	-	-	10.60
Cican	-	-	19.16	-	-	19.16
A4 Concession	-	-	9.70	-	-	9.70
Zhejiang Elsamex	-	-	14.57	-	-	14.57
VCSEL	-	-	13.45	-	-	13.45
Others	-	-	2.68	-	-	2.68
	-	-	70.16	-	-	70.16



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b. transactions with above mentioned related parties (mentioned in note 17 (II) (a) above) Contd.

₹ in Million

Nature of Transaction	Holding Company	Fellow Subsidiaries	Associates	Co - Venture	Key Management Personnel	Grand Total
Transactions						
Advance Towards Investments made						
NAEL	-	-	0.25	-	-	0.25
WCBTL	-	-	0.17	-	-	0.17
	-	-	0.42	-	-	0.42
Asset Management Fees						
IUIML	-	2.04	-	-	-	2.04
	-	2.04	-	-	-	2.04
Corporate Deposit Placed						
ILFS	120.48	-	-	-	-	120.48
	120.48	-	-	-	-	120.48
Corporate Deposit Recived Back						
ILFS	107.91	-	-	-	-	107.91
	107.91	-	-	-	-	107.91
DDB Trusteeship fees						
ITCL	-	0.11	-	-	-	0.11
	-	0.11	-	-	-	0.11
Debt Syndication Fees						
IFIN	-	316.26	-	-	-	316.26
	-	316.26	-	-	-	316.26
Dividend payment						
ILFS	168.75	-	-	-	-	168.75
	168.75	-	-	-	-	168.75
Guarantee Commission						
ILFS	18.87	-	-	-	-	18.87
	18.87	-	-	-	-	18.87
Interest Expense–STL						
ILFS	374.05	-	-	-	-	374.05
ISSL	-	218.67	-	-	-	218.67
Others	-	27.16	-	-	-	27.16
	374.05	245.83	-	-	-	619.88
Interest Income						
ILFS	23.16	-	-	-	-	23.16
APEL	-	-	131.89	-	-	131.89
Others	-	-	3.59	-	-	3.59
	23.16	-	135.48	-	-	158.64
Investment in Call Money – Matured						
ILFS	10,860.00	-	-	-	-	10,860.00
	10,860.00	-	-	-	-	10,860.00
Investment in Call Money made						
ILFS	10,650.00	-	-	-	-	10,650.00
	10,650.00	-	-	-	-	10,650.00
Investment made						
ILFS	0.50	-	-	-	-	0.50
NAEL	-	-	0.25	-	-	0.25
WCBTL	-	-	0.17	-	-	0.17
	0.50	-	0.42	-	-	0.92



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b. transactions with above mentioned related parties (mentioned in note 17 (II) (a) above) Contd.

₹ in Million

Nature of Transaction	Holding Company	Fellow Subsidiaries	Associates	Co - Venture	Key Management Personnel	Grand Total
Loan Given						
APEL	-	-	1,104.60	-	-	1,104.60
Others	-	-	-	-	10.02	10.02
	-	-	1,104.60	-	10.02	1,114.62
Loan Received Back						
TRDCL	-	-	35.00	-	-	35.00
	-	-	35.00	-	-	35.00
Loan Repaid						
ILFS	4,251.72	-	-	-	-	4,251.72
ISSL	-	4,700.00	-	-	-	4,700.00
Others	-	860.00	-	-	-	860.00
	4,251.72	5,560.00	-	-	-	9,811.72
Loan Taken						
ILFS	3,027.20	-	-	-	-	3,027.20
IFIN	-	860.00	-	-	-	860.00
ISSL	-	4,700.00	-	-	-	4,700.00
	3,027.20	5,560.00	-	-	-	8,587.20
Purchase of Assets						
IETS	-	4.98	-	-	-	4.98
	-	4.98	-	-	-	4.98
Remuneration						
Mr. K Ramchand	-	-	-	-	23.47	23.47
Mr. Mukund Sapre	-	-	-	-	11.70	11.70
Mr. Jagdish Aggarwal	-	-	-	-	5.69	5.69
Others	-	-	-	-	3.82	3.82
	-	-	-	-	44.69	44.69
Security Trusteeship Fees						
ITCL	-	13.86	-	-	-	13.86
Others	1.10	-	-	-	-	1.10
	1.10	13.86	-	-	-	14.97
Services Received						
ILFS	133.06	-	-	-	-	133.06
Others	-	12.74	-	-	-	12.74
	133.06	12.74	-	-	-	145.80
Take out Assitance Fee						
ILFS	1.83	-	-	-	-	1.83
	1.83	-	-	-	-	1.83
Training Material purchased						
IETS	-	30.62	-	-	-	30.62
	-	30.62	-	-	-	30.62
Investment made in Redeemable optionally Convertible Cumulative Preference Shares						
ILFS	198.90	-	-	-	-	198.90
	198.90	-	-	-	-	198.90
Services Rendered						
APEL	-	-	53.99	-	-	53.99
TRDCL	-	-	82.20	-	-	82.20
A4 Concession	-	-	42.34	-	-	42.34
Others	0.34	0.33	26.07	-	-	26.75
	0.34	0.33	204.60	-	-	205.27



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18. SEGMENT INFORMATION

	₹ in Million							
	Surface Transportation Business		Building Maintenance		Non reportable		Total	
	As at / for the year ended March 31, 2011	As at / for the year ended March 31, 2010	As at / for the year ended March 31, 2011	As at / for the year ended March 31, 2010	As at / for the year ended March 31, 2011	As at / for the year ended March 31, 2010	As at / for the year ended March 31, 2011	As at / for the year ended March 31, 2010
Revenue								
External	38,825.65	22,248.20	1,546.26	1,821.58	116.12	61.29	40,488.03	24,131.07
Inter-Segment								
Segment Revenue	38,825.65	22,248.20	1,546.26	1,821.58	116.12	61.29	40,488.03	24,131.07
Total Revenue	38,825.65	22,248.20	1,546.26	1,821.58	116.12	61.29	41,273.74	24,872.52
Segment results	10,991.61	7,311.45	166.39	179.96	(4.68)	9.10	11,153.32	7,500.51
Unallocated income (excluding interest income)							94.67	307.08
Unallocated expenditure							218.69	60.08
Interest Expenses							4,980.58	2,940.93
Interest Income unallocated							691.06	434.37
Provision for taxation (Including Wealth Tax & Fringe Benefit Tax)							2,242.45	1,857.89
Add: Share of Profit / (Loss) of Associates							(47.81)	87.28
Add: Share of (Loss)/Profit of Minority Interest							(120.73)	(26.44)
Net Profit / (Loss)							4,328.79	3,443.90
Segment assets	79,921.95	48,333.65	1,487.05	1,439.69	140.80	76.10	81,549.80	49,849.44
Unallocated Assets (Refer footnote 1)							12,673.82	10,616.90
Total assets	10,510.70	5,579.10	1,061.63	817.45	78.92	27.11	11,651.25	6,423.65
Segment liabilities	14,138.33	5,750.91	-	-	-	-	60,180.16	37,356.31
Unallocated Liabilities (Refer footnote 2)	571.64	603.05	39.61	-	2.94	-	71,831.41	43,779.96
Total liabilities	14,138.33	5,750.91	39.61	-	2.94	-	14,138.33	5,750.91
Capital Expenditure for the year							614.19	603.05
Depreciation for the year							171.55	391.85
Non cash expenditure other than depreciation for the year								

II. Secondary - Geographical Segments

Particulars	₹ in Million			
	India		Outside India	
	As at / for the year ended March 31, 2011	As at / for the year ended March 31, 2010	As at / for the year ended March 31, 2011	As at / for the year ended March 31, 2010
Revenue - External	30,837.51	14,281.51	9,650.52	9,849.56
Segment Assets	72,056.38	40,459.27	9,493.42	9,390.17
Capital Expenditure	13,889.32	5,376.39	249.01	374.52

Footnotes:

- 1) Unallocated assets include investments, advance towards investments, short term loan, interest accrued but not due, option premium assets account, deferred tax assets and other current assets which are not directly attributable to segments
- 2) Unallocated liabilities include secured loans, unsecured loans, deferred tax liability, minority interest, preference share capital, proposed dividend, premium and tax thereon.

I. Primary - Business Segments



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19. Disclosure in terms of Accounting Standard (AS) 7—Construction Contracts

₹ in Million

Particulars	As at March 31, 2011	As at March 31, 2010
Contract Revenue recognised as revenue during the year ended	1,230.32	1,121.46
Aggregate amount of Contract Costs incurred recognised Profits up to reporting date	1,230.32	1,121.46
Gross amount due from customers for contract work, disclosed as asset, as at the year end	6.38	46.78
Gross amount due to customers for contract work, disclosed as liability as at the year end	208.47	386.88

20. Earnings Per Share

₹ in Million

Particulars	Unit	For the year ended March 31, 2011	For the year ended March 31, 2010
Profit after tax and minority interest	₹ in Million	4,328.79	3,443.90
Premium on preference shares	₹ in Million	(16.14)	(16.14)
Tax on premium on preference shares	₹ in Million	(2.68)	(2.28)
Profit available for Equity Shareholders	₹ in Million	4,309.97	3,425.47
Weighted number of Equity Shares outstanding	Nos. in Million	194.27	171.54
Nominal Value of equity shares	₹	10.00	10.00
Basic Earnings per share	₹	22.19	19.97
Equity shares used to compute diluted earnings per share	Nos. in Million	194.27	171.54
Diluted Earnings per share	₹	22.19	19.97

In the absence of clarity as to the impact of advance towards capital (see note no. 6 above) on the earnings of the Group, no adjustment has been made for potential dilution in computing diluted earnings per share

21. 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 provisions for overlay in respect of service concession agreements are based on such assumptions



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Movements in provision made for overlay are tabulated below:

Particulars	₹ in Million	
	As at March 31, 2011	As at March 31, 2010
Opening balance	432.77	280.81
Adjustment for new acquisition / exchange difference	2.18	64.59
Provision made during the year	113.56	87.37
Provision utilised	-	-
Closing balance as at	548.51	432.77

22. As explained in note no. 9 of Schedule O

- i. 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:

	₹ in Million	
	Upto / As at March 31, 2011	Upto / As at March 31, 2010
Margin on construction services recognised in respect of intangible assets (₹ in Million)	2,170.59	922.26
Carrying amounts of intangible assets (₹ in Million)	28,354.55	14,797.20
Amortisation charge in respect of intangible assets (₹ in Million)	212.12	468.15
Units of usage (No. of vehicles)	56,042,180 to 1,770,530,926	96,481,483 to 1,863,511,429
Provision for overlay in respect of intangible assets (₹ in Million)	548.51	432.77

- ii. the fair value of consideration for construction services and the effective interest rate in the case of financial assets of the Group covered under service concession arrangements included as a part of "Receivables against Service Concession Arrangements" have been estimated by the management having regard to the contractual provisions, the evaluations of the future operating and maintenance costs and the overlay / renewal costs and the timing thereof by independent experts, the key elements having been tabulated below:

	₹ in Million	
	Upto / As at March 31, 2011	Upto / As at March 31, 2010
Margin on construction and operation & maintenance and renewal services recognised in respect of Financial Assets	2,359.16	939.25
Carrying amounts of Financial Assets included under Receivables against Service Concession Arrangements	25,269.36	12,048.81
Revenue recognised on Financial Assets on the basis of effective interest method	6,254.28	4,426.72



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23. Provision for Contingencies

The provision for contingency includes ₹ 7.49 mn (previous year ₹ 7.49 mn) provided in accordance with the terms of scheme of amalgamation of jointly controlled entity for prepayment of loans

Particulars	₹ in Million	
	As at March 31, 2011	As at March 31, 2010
Opening balance as on April 1, 2010	7.49	7.49
Add : Provision made during the year	-	-
Less : Provision utilised / reversed	-	-
Closing balance as on March 31, 2011	7.49	7.49

24. Statement to be furnished under section 212 (8) of the Companies Act, 1956 relating to subsidiary companies includes the financial information of the subsidiaries received for the purpose of preparation of the consolidated financials—Refer Annexure

25. The concession arrangements of the Group relate primarily to the construction, operation and maintenance of carriageways (roads) and gas stations by special purpose entities within the Group, which at the end of the concession period must be returned in the stipulated conditions to the grantors of the concessions. In consideration for having designed, constructed, operated and maintained such carriageways, the Group is entitled either to “Annuities” from grantors or is entitled charge “Toll” to the users of the carriageways or in the case of gas stations, to compensation from the oil companies besides other revenue from ancillary commercial activities

The following are toll based service concession arrangements of the Group which have been classified as “Intangible Assets” in the schedule “D” to the financial statements:

- a. The Vadodara Halol Road Project (“VHRP”) and the Ahmedabad Mehsana Road Project (“AMRP”) are concession arrangements entered into with the Government of Gujarat through Gujarat Road and Infrastructure Company Limited (“GRICL”). The construction activities of VHRP and AMRP were completed on October 24, 2000 and February 20, 2003 respectively. Maintenance activities cover routine maintenance, overlays and renewals. The concessions, which have been granted for periods of 30 years from those dates, envisage that GRICL will earn a designated return over the concession periods. In the event GRICL is unable to earn the designated return GRICL would be entitled to an extension by two years at a time until the project cost and the returns thereon are recovered by it. The amount of toll recoverable from users is linked to the movements in the consumer price index and to custom escalators. Premature termination before the said period of 30 years is not permitted except in the event of a force majeure. Premature termination without the default on the part of GRICL will entitle GRICL to the cost of the project and return thereon remaining to be recovered as on the date of transfer. At the end of the concession period, GRICL is required to hand back the carriageway to the grantor at a nominal consideration
- b. The Delhi Noida Bridge Project (“DNBP”) concession arrangement has been entered into between the New Okhla Industrial Development Authority (NOIDA) and Noida Toll Bridge Company Limited (“NTBCL”). The construction activity was completed on February 7, 2001. Maintenance activities cover routine maintenance, overlays and renewals. The concession, which has been granted for a period of 30 years from February 7, 2001, envisages that NTBCL will earn a designated return over the concession periods. In the event NTBCL is unable to earn the designated return, NTBCL would be entitled to an extension by two years at a time until the project cost and the returns thereon are recovered by it. The amount of toll recoverable from users is linked to the movements in the consumer price index. Premature termination before the said period of 30 years is not permitted except in the event of a force majeure. Premature termination without default on the part of NTBCL will entitle NTBCL to the cost of the project and returns thereon remaining to be recovered as on the date of transfer. At the end of the concession period, NTBCL is required to hand back the carriageway to the grantor at a nominal consideration



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- c. Elsamex SA, its subsidiaries and joint ventures, (the “Elsamex Group”) have entered into Service Concession Arrangements (“SCA”) for construction and operation and maintenance of five gas stations in Spain and for the construction and operation and maintenance of a road project in Spain with the Government authorities. The periods for which the SCAs have been granted are as under:

Project	Date of SCA	Status	Operations and Maintenance period	Termination date
Orihuela Gas Station	June 11, 2001	Construction completed	25 years and 8 months from November 11, 2004	June 11, 2030
Villavidel Gas Station	September 12, 2001	Construction completed	40 years and 1.5 months from July 29, 2004	September 12, 2045
Zamora Gas Station	June 24, 2002	Construction completed	43 years and 4 months from February 23, 2005	June 24, 2048
Ponferrada Gas Station	August 4, 2004	Construction completed	45 years and 10 months from October 26, 2006	August 04, 2050
Coiros Gas Station	April 16, 2004	Construction completed	39 years	April 14, 2043
Area de Servicio Punta Umbria, S.L.	November 18, 2010	Under Construction	30 years	November 17, 2040
A4 Road	December 27, 2007	Under construction	19 years	December 26, 2026
Alcantarilla Fotovoltaica, S.L.U.	November 11, 2010	Under construction	25 years	November 10, 2035

Maintenance activities for the gas stations and road project include routine operating and maintenance as well as periodic overhauling and refurbishment to maintain the stations to the defined standards. In consideration for performing its obligations under the SCA, Elsamex is entitled to compensation from the oil companies computed at a predefined proportion of the sale of products at the gas stations and in the form of a “shadow toll” based on the units of usage i.e. the number of vehicles using the road in respect of road project

- d. The Beawar Gomti Road Project (“BGRP”) concession arrangement has been entered into between the President of India, represented by Special Secretary and Director General (Road Development), (“DORTH”) and ITNL Road Infrastructure Development Company Limited (“IRIDCL”). IRIDCL is required to design, build, finance and operate the BGRP for a period of 30 years commencing from the appointed date i.e. October 28, 2009, provided that in the event of four-laning not being undertaken for any reason in accordance with the provisions of concession agreement, the concession period shall be deemed to be 11 years including construction period of 455 days for 2-laning of the BGRP. Maintenance activities cover routine maintenance, overlays and renewals. Premature termination before the said period of concession is not permitted except in the event of a force majeure. Premature termination without the default on the part of IRDCL will entitle IRIDCL to be eligible for the compensation as per the concession arrangement. At the end of the concession period, IRIDCL is required to hand back BGRP to the grantor without additional consideration
- e. The Jetpur–Gondal–Rajkot Road Project (“JGRRP”) is a concession arrangement entered into between the National Highways Authority of India (“NHAI”) and West Gujarat Expressway Limited (“WGEL”). The concession has been granted to WGEL for a period of 20 years ending on September 17, 2025. The construction activity was completed on March 17, 2008. Maintenance activities cover routine maintenance, overlays and renewals. In consideration, WGEL will be entitled to collect toll/user charges from the users of JGRRP. The amount of toll recoverable from users is linked to the movements in the wholesale price index. Also on dates specified in the concession agreement, WGEL will be entitled to a “grant” by way of



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cash support from NHAI, but it also obligated to pay a “negative grant” by way of cash payment to NHAI. Premature termination before the said period of 20 years is not permitted except in the event of a force majeure. The concession does not provide for renewal options. At the end of the concession period, JGRRP is required to hand back the carriageway to the grantor without additional consideration

- f. The Pune Sholapur Road Project (“PSRP”) concession arrangement has been entered into between NHAI and Pune Sholapur Road Development Company Limited (“PSRDCL”). PSRDCL is required to design, build, finance and operate the PSRP for a period of 20 years commencing from the appointed date including construction period of 910 days. Maintenance activities cover routine maintenance, overlays and renewals. The amount of toll recoverable from users is linked to the movements in the consumer price index. Premature termination before the said period of concession is not permitted except in the event of a force majeure. Premature termination without the default on the part of PSRDCL will entitle PSRDCL to be eligible for the compensation as per the concession arrangement. At the end of the concession period, PSRP is required to hand back the carriageway to the grantor without additional consideration
- g. The Moradabad Bareilly Road Project (“MBRP”) is a concession arrangement entered into between NHAI and Moradabad Bareilly Expressway Limited (“MBEL”). MBEL is required to design, build, finance, operate and transfer the MBRP for a period of 25 years commencing from the appointed date including construction period of 910 days. Maintenance activities cover routine maintenance, overlays and renewals. The amount of toll recoverable from users is linked to the movements in the consumer price index. Premature termination before the said period of concession is not permitted except in the event of a force majeure. Premature termination without default on the part of MBEL will entitle MBEL to be eligible for compensation as per the concession. At the end of the concession period, MBRP is required to hand back the carriageway to the grantor without additional consideration
- h. The Company has entered into a Concession Contract Agreement with Haryana Urban Development Authority (HUDA) on 9 December, 2009 for development of Metro Rail Project from Delhi Metro Sikanderpur Station on MG Road, Gurgaon to NH-8 (‘the Project’). As per the terms of the Contract, the Company accepts the concession for a period of 99 years commencing from the effective date, to develop and operate the Project. The Company has not yet started any significant construction activity, therefore Intangible Asset covered under ‘Service Concession Arrangement’ have been carried at cost
- i. The Narketpally Adanki Project (“NAP”) is a concession arrangement entered into between Andhra Pradesh Road Development Corporation and N. A. M. Expressway Limited (“NEL”). NEL is required to design, build, finance, operate and transfer the NAP for a period of 24 years commencing from the appointed date including construction period of 30 months. Maintenance activities cover routine maintenance, overlays and renewals. The amount of toll recoverable from users is linked to the movements in the consumer price index. Premature termination before the said period of concession is not permitted except in the event of a force majeure. Premature termination without default on the part of NEL will entitle NEL to be eligible for compensation as per the concession. At the end of the concession period, NAP is required to hand back the carriageway to the grantor without additional consideration
- j. MP Border Checkpost Project (“MPBCP”) is a concession agreement granted by MP Road Development Corporation Limited (MPRDCL) for construction, operation and maintenance of the Border Checkpost at 24 locations in Madhya Pradesh to MP Border Checkpost Development Company Ltd (MPBCDCL) for a period of 4566 days commencing from the appointed date. As per the concession agreement, MPBCDCL has obligation to undertake the design, engineering, procurement, construction, operation and maintenance of the project

In Consideration, the company is entitled to collect service fees from the users in accordance with the concession agreement. At the end of the Concession period, the company will hand over the Infrastructure to MPRDCL



SCHEDULES

forming part of the Consolidated Financial Statements

The following are annuity based service concession arrangements of the Group which have been classified as financial assets under "Receivables under service concession arrangements" in the financial statements:

- a. The North Karnataka Expressway Project ("NKEP") is a concession arrangement granted by National Highways Authority of India ("NHAI") for a period of 17 years and 6 months from June 20, 2002 to North Karnataka Expressway Limited ("NKEP"). The construction activities were completed on July 19, 2004. Besides construction, NKEP's obligations include routine maintenance and period maintenance of the flexible pavement and the rigid pavement at predefined intervals. In consideration, NKEP is entitled to a defined annuity. At the end of the concession period NKEP is required to be handed over in a stipulated condition to the grantor. Premature termination is permitted only upon the happening of a force majeure event or upon the parties defaulting on their obligations. The concession arrangement does not provide for renewal options
- b. The Hyderabad Outer Ring Road ("HORR") is a concession arrangement granted by Hyderabad Urban Development Authority ("HUDA") for a period of 16 years including construction period of 3 years from August 31, 2007 to East Hyderabad Expressway Limited ("EHEL"). Besides construction, EHEL's obligations include routine maintenance and period maintenance of the flexible pavement and the rigid pavement at predefined intervals. In consideration, EHEL is entitled to a defined annuity. At the end of the concession period HORR is required to be handed over in a stipulated condition to the grantor. Premature termination is permitted only upon the happening of a force majeure event or upon the parties defaulting on their obligations. The concession arrangement does not provide for renewal options
- c. The Hazaribagh Ranchi Road Project ("HRRP") is a concession arrangement granted by the "NHAI" for a period of 18 years including construction period of 910 days from October 8, 2009 to Hazaribagh Ranchi Expressway Limited ("HREL"). Besides construction, HREL's obligations include routine maintenance and period maintenance of the flexible pavement and the rigid pavement at predefined intervals. In consideration HREL is entitled to a defined annuity. At the end of the concession period HRRP is required to be handed over in a stipulated condition to the grantor. Premature termination is permitted only upon the happening of a force majeure event or upon the parties defaulting on their obligations. The concession arrangement does not provide for renewal options
- d. As per the concession agreements dated September 23, 2009 in respect of the Ranchi Ring Road Project ("RRRP") and on October 14, 2009 in respect of the Ranchi-Patratu Dam Road Project ("RPDRP") and Patratu Dam- Ramgarh Road Project ("PDRRP") with the Govt. of Jharkhand ("GOJ") and Jharkhand Accelerated Road Development Company Limited ("JARDCL"), Jharkhand Road Project Implementation Company Limited ("JRPICL") is required to develop, design, finance, procure, engineering, construct, operate and maintain the RRRP, RPDRP and PDRRP for a period of 17 years and six months from commencement date. Besides construction, JRPICL's obligations include routine maintenance and period maintenance of the flexible pavement and the rigid pavement at predefined intervals. In consideration, JRPICL is entitled to a defined annuity. At the end of the concession period RRRP, RPDRP and PDRRP are required to be handed over in the stipulated condition to the grantor. Premature termination is permitted only upon the happening of a force majeure event or upon the parties defaulting on their obligations. The concession arrangements do not provide for renewal options
- e. The Chenani Nashri Tunnel Project ("CNTP") is a concession arrangement granted by the "NHAI" for a period of 20 years including construction period of 1825 days to Chenani Nashri Tunnelway Limited ("CNTL"). Besides construction, CNTL's obligations include routine maintenance of the projects and if required, modify, repair, improvements to the project highway to comply with specification and standards. In consideration CNTL is entitled to a defined annuity. At the end of the concession period CNTP is required to be handed over in a stipulated condition to the grantor. The concession arrangement does not provide for renewal options



- f. The Jorabat Shillong Project (“JSP”) is a concession arrangement granted by the “NHAI” for a period of 20 years including construction period of three years from appointed date to Jorabat Shillong Expressway Limited (“JSEL”). Besides construction, JSEL’s obligations include routine maintenance and period maintenance of the flexible pavement and the rigid pavement at predefined intervals. In consideration JSEL is entitled to a defined annuity. At the end of the concession period JSEL is required to be handed over in a stipulated condition to the grantor. Premature termination is permitted only upon the happening of a force majeure event or upon the parties defaulting on their obligations. The concession arrangement does not provide for renewal options

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

	For and on behalf of the Board	
	K. Ramchand Managing Director	Arun K. Saha Director
Mumbai, April 29, 2011	George Cherian Chief Financial Officer	Krishna Ghag Company Secretary

Annexure

Statement pursuant to exemption received under Section 212 (8) of the Companies Act, 1956 relating to subsidiary company

Sr. No.	Name of Subsidiary Company	Reporting Currency	Country	Exchange Rate	Capital	Reserve	Total Assets	Total Liabilities	Investment other than subsidiary	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed dividend
1	Gujarat Road and Infrastructure Company Limited	INR	India	1.00	1,265.42	974.93	6,755.00	4,514.65	-	850.47	219.82	381.62	(161.80)	-
2	East Hyderabad Expressway Limited	INR	India	1.00	293.10	253.11	4,534.54	3,988.33	-	1,301.13	81.87	28.47	53.40	-
3	ITNL Road Infrastructure Development Company Limited	INR	India	1.00	400.00	384.68	3,853.41	3,068.73	-	1,501.02	(7.38)	(33.82)	(72.91)	-
4	ITNL Enso Rail Systems Limited	INR	India	1.00	780.00	(74.77)	1,096.17	390.94	-	523.81	(7.38)	(1.42)	(5.96)	-
5	Vansh Nimay Infraprojects Limited	INR	India	1.00	100.00	(412.88)	388.73	701.62	-	405.14	(209.51)	-	(209.51)	-
6	Scheme of ITNL Road Investment Trust	INR	India	1.00	1,038.54	(129.35)	909.39	0.20	29.06	-	1.13	-	1.13	-
7	West Gujarat Expressway Limited	INR	India	1.00	400.00	145.48	3,224.65	2,679.16	-	337.39	(150.64)	(29.20)	(121.45)	-
8	Hazaribagh Ranchi Expressway Limited	INR	India	1.00	0.50	127.30	4,146.94	4,019.14	-	2,151.81	191.11	63.27	127.85	-
9	Pune Sholapur Road Development Company Limited	INR	India	1.00	1,600.00	223.32	5,438.07	3,614.75	-	1,704.20	343.16	121.54	221.62	-
10	Moradabad Bareilly Expressway Limited	INR	India	1.00	2,216.60	1,854.08	9,286.23	5,215.55	-	4,622.09	580.38	188.47	391.91	-
11	Jharkhand Road Projects Implementation Company Limited	INR	India	1.00	1,562.15	382.38	9,421.74	7,477.21	-	6,081.30	573.86	190.97	382.89	-
12	Chenani Nashri Tunnelway Limited	INR	India	1.00	3,475.90	57.64	7,895.21	4,361.67	-	5,233.15	85.33	27.69	57.64	-
13	Badarpur Tollways Operations Management Limited	INR	India	1.00	0.50	0.81	11.44	10.13	-	23.23	1.17	0.36	0.81	-
14	MP Border Checkpost Development Company Limited	INR	India	1.00	0.50	(3.95)	2,502.98	2,506.43	-	2,235.93	(3.95)	-	(3.95)	-
15	North Karnataka Expressway Limited	INR	India	1.00	593.91	1,274.52	6,266.51	4,398.08	-	669.79	5.60	(341.95)	347.55	-
16	Rapid MetroRail Gurgaon Limited	INR	India	1.00	821.04	109.59	2,513.96	1,583.33	-	1,266.55	171.25	57.03	114.21	-
17	ITNL International Pie. Limited	USD	Singapore	44.65	1,340.15	(328.99)	1,011.73	0.57	-	2.74	0.70	0.70	2.03	-
18	Elsamex SA	Euro	Spain	63.24	1,281.53	1,850.42	5,589.67	2,457.71	312.85	5,793.73	201.54	(17.36)	184.18	-
19	Proyectos y Promociones Inmobiliarias Sanchez Marcos S L	Euro	Spain	63.24	0.19	(39.08)	(38.89)	-	-	-	(3.51)	-	(3.51)	-
20	Atenea Seguridad y Medio Ambiente S.A.	Euro	Spain	63.24	8.23	38.75	68.46	21.47	-	320.55	7.08	(1.96)	5.12	-
21	Proyectos De Gestion Sistemas Calculo Y Analisis S.A	Euro	Spain	63.24	3.80	(56.37)	(52.57)	-	-	11.35	(3.02)	1.12	(2.60)	-
22	Sanchez Marcos SI SA	Euro	Spain	63.24	9.49	(9.01)	0.48	-	-	-	(2.72)	0.61	(1.42)	-
23	Senalización Viales e Imagen S.A.U. (SEVMAGEN) S.A.U.	Euro	Spain	63.24	43.51	(164.89)	127.07	248.45	-	86.56	(75.41)	22.62	(52.78)	-
24	Elsamex Internacional SRL	Euro	Spain	63.24	905.00	(143.83)	770.99	9.82	-	1,692.33	73.76	(24.10)	49.66	-
25	Grusamar Ingeniería y Consulting SRL	Euro	Spain	63.24	221.02	7.79	256.54	27.73	9.22	617.54	0.73	0.80	1.54	-
26	Elsamex Portugal Engenharia e SG SA	Euro	Portugal	63.24	22.13	50.53	86.53	13.87	4.71	186.40	10.12	(2.58)	7.53	-
27	Inteval Gestao Integral Rodoviária, S.A.	Euro	Portugal	63.24	47.43	(1.41)	64.42	18.40	-	608.22	4.60	(3.27)	1.33	-
28	Elsamex India Private Limited	INR	India	1.00	21.18	(9.16)	70.63	58.60	-	115.99	29.14	(5.94)	23.20	-
29	Yala Construction Co Private Limited	INR	India	1.00	22.37	38.20	110.62	50.05	-	172.48	11.03	(3.41)	7.63	-
30	Mantenimiento and Conservacion Vialidades SA (MANCOVI) Mexico Construction	pesos mejicanos	Mexico	3.79	603.94	(63.27)	540.68	(0.00)	-	4,074.51	30.88	(19.49)	11.39	-
31	ESM Mantenimiento Integral de SA de CV	pesos mejicanos	Mexico	3.79	350.98	7.22	358.20	0.00	-	412.42	(1.92)	1.43	(0.49)	-
32	Centro De Investigación Elpidio Sánchez Marcos, S.A.	Euro	Spain	63.24	7.59	(15.01)	52.17	59.59	25.99	242.17	(17.61)	5.52	(12.09)	-
33	Control 7, S.A	Euro	Spain	63.24	34.81	1.86	61.96	25.28	-	169.45	0.21	(0.06)	0.14	-
34	Geotecnia 7	Euro	Spain	63.24	3.80	(1.78)	3.14	1.12	-	7.88	(1.06)	(0.25)	(1.31)	-
35	Grusamar Albania SHPK	Euro	Albania	63.24	0.05	(0.79)	(0.74)	-	-	-	(1.71)	-	(1.71)	-
36	Area De Servicio Coiros S.L.	Euro	Spain	63.24	0.19	(0.21)	(0.02)	-	-	-	(0.31)	0.09	(0.21)	-
37	Conservacion De Infraestructuras De Mexico S.A. De C.V.	pesos mejicanos	Mexico	3.79	3.16	(1.30)	1.86	-	-	-	(1.30)	-	(1.30)	-
38	Alcantarilla Fotovoltaica, S.L.U.	Euro	Spain	63.24	0.19	(0.02)	0.17	-	-	-	(0.03)	0.01	(0.02)	-
39	Area De Servicio Punta Umbria, S.L.U.	Euro	Spain	63.24	0.19	(0.02)	0.17	-	-	-	(0.03)	0.01	(0.02)	-



BALANCE SHEET ABSTRACT

and Company's General Business Profile

I. Registration Details

Registration No. State Code

Balance Sheet Date
Date Month Year

II. Capital raised during the year (Amount in ₹ Thousand)

Public Issue	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Rights Issue	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Bonus Issue	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Private Placement	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

III. Position of Mobilisation and Deployment of Funds (Amount in ₹ Thousand)

Total Liabilities	<input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="6"/> <input type="text" value="8"/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="0"/>	Total Assets	<input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="6"/> <input type="text" value="8"/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="0"/>
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Sources of Funds

Paid-Up Capital

Secured Loans

Deferred Tax Liability

Application of Funds

Net Fixed Assets

Net Current Assets

Accumulated Losses

Reserve and Surplus

Unsecured Loans

Investments

Misc. Expenditure

IV. Performance of Company (Amount in ₹ Thousand)

Turnover

+ - Profit / Loss before Tax

(Please tick Appropriate box + for Profit - for Loss)

Earning Per Share in ₹

Total Expenditure

+ - Profit / Loss after Tax

Dividend Rate %

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Items Code No. (ITC Code)

Product Description

Notice

Notice is hereby given that the Eleventh Annual General Meeting of IL&FS Transportation Networks Limited will be held at Y B Chavan Auditorium, Gen. J. Bhosale Marg, Mumbai 400 021 on Friday, August 5, 2011 at 3.30 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at March 31, 2011 and the Profit and Loss Account for the financial year ended on that date together with the Reports of Directors and Auditors thereon
2. To declare a dividend
3. To appoint a Director in place of Mr. Ravi Parthasarathy, who retires by rotation and being eligible, offers himself for re-appointment
4. To appoint a Director in place of Mr. Hari Sankaran, who retires by rotation and being eligible, offers himself for re-appointment
5. To appoint a Director in place of Mr. H P Jamdar, who retires by rotation and being eligible, offers himself for re-appointment
6. To appoint a Director in place of Mr. Mukund Sapre, Executive Director who retires by rotation and being eligible, offers himself for re-appointment
7. To appoint Auditors and fix their remuneration and in this regard to consider and, if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT M/s. Deloitte Haskins & Sells, Chartered Accountants, Mumbai registered with the Institute of Chartered Accountants of India vide Membership No. 117366W be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting on such remuneration as shall be fixed by the Board of Directors of the Company”

SPECIAL BUSINESS:

8. To consider and, if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT in supersession of the resolution passed at the Annual General Meeting of the Members of the Company held on August 29, 2008, and pursuant to the provisions of Section 293(1)(d) and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendments thereto or re-enactment thereof), Foreign Exchange Management Act, 1999 including Rules and Regulations framed thereunder, and subject to any other approval, if required, consent of the Company be and is hereby accorded to the Board of Directors or Committee thereof to borrow by way of loan/debentures (whether secured or unsecured) /bonds/ deposits/fund based/non-fund based limits/guarantee for the purpose of the business of the Company from the existing limit of ₹ 2,500 Crores to ₹ 3,500 Crores either in Indian or Foreign Currency from time to time from any bank(s) or any financial institution(s) or any other institution(s), firm(s), body corporate(s) or other person(s) or from any other source in India or outside India for the purpose of working capital requirements of the Company, notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business), will exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purposes

RESOLVED FURTHER THAT the Board of Directors of the Company including any Committee thereof be and are hereby authorized to do all such acts, deeds, as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit”

By Order of the Board
For IL&FS Transportation Networks Limited

Krishna Ghag
Associate Vice President &
Company Secretary

Mumbai,
April 29, 2011

Registered Office:
The IL&FS Financial Centre,
C-22, G-Block, Bandra – Kurla Complex,
Bandra (East), Mumbai 400051



NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE MEETING**
2. An Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, which sets out details relating to the Special Business, is annexed hereto
3. As required under the Listing Agreement, the particulars of Directors seeking Appointment/Re-appointment as Director are given in the Annexure, is annexed hereto
4. Members / Proxies should bring the enclosed attendance slip duly filled in, for attending the Meeting, along with the Annual Report
5. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company will remain closed from Thursday, July 28, 2011 to Friday, August 5, 2011 (both days inclusive)
6. The Final Dividend as recommended by the Board of Directors, if approved by the Shareholders at their 11th Annual General Meeting, shall be paid to those Members whose names appear on the Register of Members of the Company on Friday, August 5, 2011. In respect of shares held in electronic form, the Dividend will be payable to the Beneficial Owners of the shares as on the closing hours of business on Wednesday, July 27, 2011 as per the details furnished by Depositories for this purpose
7. Members are requested to immediately intimate changes, if any, in their registered addresses along with pin code number to the Company or the Registrars & Share Transfer Agents. Members holding shares in dematerialised mode are requested to intimate the same to their respective Depository Participants
8. In order to avail of the facility of Electronic Clearing Service (ECS), Members holding shares in physical form are requested to provide bank account details to the Company or the Registrar & Share Transfer Agents. Members holding shares in dematerialised mode are requested to instruct their respective Depository Participants regarding bank accounts in which they wish to receive the dividends. The Company/Registrars & Share Transfer Agents will not act on any direct request received from Members holding shares in dematerialised form for change/deletion of such bank details
9. The Company is obliged to print such Bank details on the Dividend Warrants as furnished by NSDL and CDSL, "the Depositories" to the Company and the Company cannot entertain any request for deletion/change of Bank details already printed on the Dividend warrant(s) based on the information received from the concerned Depositories without confirmation from them. In this regard, Members are advised to contact their Depository Participant (DP) and furnish them the particulars of any change desired
10. Pursuant to the provisions of Section 205A of the Companies Act, 1956, the amount of dividend which remains unpaid /unclaimed for a period of 7 years would be transferred to the "**Investor Education and Protection Fund (IEPF)**", constituted by the Central Government and Member(s) would not be able to claim any amount of dividend so transferred to the fund
11. Members intending to require information or clarifications about the Financial Accounts, to be explained at the Meeting are requested to inform the Company atleast a week in advance to enable the Company to compile the information and provide replies at the Meeting
12. Members are requested to bring their copy of the Annual Report to the Meeting

Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956

Item No. 8

The Shareholders of the Company, at the Annual General Meeting held on August 29, 2008, authorised the Board of Directors for borrowing by way of loans, credit, etc. upto a limit of ₹ 2,500 Crores. As a result of the significant increase in the number and size of the projects that the Company has been awarded there has been increase in the requirement of funds for investment in projects and for working capital support. The budgeted Cash Flow for FY 2011-12 indicate a need for additional borrowings to provide for new investments, for repayment of existing loans and working capital, to facilitate which it is necessary to increase the approved borrowing limits. It is proposed that the borrowing limits of the Company be increased by ₹ 1,000 Crores from the present limit of ₹ 2,500 Crores to ₹ 3,500 Crores

As per the provisions of Section 293(1)(d) of the Companies Act, 1956, the Board of Directors shall not, except with the consent of the Shareholders in a General Meeting, borrow moneys, where moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose

The Board of Directors of your Company recommends the Ordinary Resolution, for approval of the Members

None of the Directors of the Company is in any way, concerned with or interested in this Resolution

By Order of the Board
For IL&FS Transportation Networks Limited

Krishna Ghag
Associate Vice President &
Company Secretary

Mumbai,
April 29, 2011

Registered Office:
The IL&FS Financial Centre,
C-22, G-Block, Bandra – Kurla Complex,
Bandra (East), Mumbai 400051

ANNEXURE

Details of Directors seeking Appointment/Re-appointment at the Annual General Meeting:

Particulars	Mr. Ravi Parthasarathy	Mr. H P Jamdar	Mr. Hari Sankaran	Mr. Mukund Sapre
Date of Birth	October 4, 1952	May 6, 1944	February 19, 1961	September 14, 1959
Date of Appointment	January 6, 2001	January 6, 2001	November 29, 2000	August 13, 2008
Qualifications	<ul style="list-style-type: none"> B.Sc. MBA from IIM, Ahmedabad 	B.E. (Civil)	<ul style="list-style-type: none"> B.A.-Economics M.Sc – Economics from London School of Economics 	B. Tech (Civil) / Diploma in Systems Management, NIIT / Diploma in Financial Management, NMIMS, Mumbai
Expertise in specific functional areas	Eminent Professional with rich and varied experience in Infrastructure & Financial Services segment	Retired as Secretary to the Government of Gujarat, having rich experience in the field of Roads and Ports sector	Eminent Professional with rich and varied experience in Infrastructure & Financial Services segment	Wide experience in handling Infrastructure projects
Directorships in other Public Limited Companies*	<ul style="list-style-type: none"> Infrastructure Leasing & Financial Services Limited IL&FS Cluster Development Initiatives Limited IL&FS Education & Technology Services Limited IL&FS Energy Development Company Limited IL&FS Financial Services Limited 	<ul style="list-style-type: none"> Delhi – Gurgaon Super Connectivity Limited (formerly, Jaypee Dsc Ventures Limited) 	<ul style="list-style-type: none"> Infrastructure Leasing & Financial Services Limited IL&FS Energy Development Company Limited IL&FS Financial Services Limited IL&FS Infrastructure Development Corporation Limited IL&FS Education & Technology Services Limited 	<ul style="list-style-type: none"> Andhra Pradesh Expressway Limited Thiruvananthapuram Road Development Company Limited East Hyderabad Expressway Limited ITNL Road Infrastructure Development Company Limited Chhattisgarh Highways Development Company Limited



Particulars	Mr. Ravi Parthasarathy	Mr. H P Jamdar	Mr. Hari Sankaran	Mr. Mukund Sapre
Directorships in other Public Limited Companies*	• IL&FS Infrastructure Development Corporation Limited		• Gujarat International Finance Tec-City Company Limited	• ITNL Enso Rail Systems Limited
	• IL&FS Engineering and Construction Company Limited (erstwhile Maytas Infra Ltd)		• IL&FS Environmental Infrastructure and Services Limited	• Jharkhand Accelerated Road Development Company Limited
	• IL&FS Investment Managers Limited		• IL&FS Maritime Infrastructure Company Limited	• Vansh Nimay Infraprojects Limited
	• IL&FS Maritime Infrastructure Company Limited		• PDCOR Limited	• Gujarat State Road Development Corporation Limited
	• ORIX Auto Infrastructure Services Limited		• Road Infrastructure Development Company of Rajasthan Limited	• Jharkhand Road Projects Implementation Company Limited
			• Tamil Nadu Water Investment Company Limited	• Hazaribagh Ranchi Expressway Limited
			• Mangalore SEZ Limited	• Jorabat Shillong Expressway Limited
			• IL&FS Tamil Nadu Power Company Limited	• Chenani Nashri Tunnelway Limited
Membership of Committees in other Public Limited Companies (includes only Audit & Shareholders' / Investors' Grievance Committee)	-	-	• IL&FS Education & Technology Services Limited	• Andhra Pradesh Expressway Limited
			• Tamil Nadu Water Investment Company Limited	• East Hyderabad Expressway Limited
				• Chhattisgarh Highways Development Company Limited
				• Jharkhand Accelerated Road Development Company Limited
				• ITNL Enso Rail Systems Limited
				• Vansh Nimay Infraprojects Limited
				• Jorabat Shillong Expressway Limited
				• Chenani Nashri Tunnelway Limited
No. of Shares held in the Company	-	-	79	-

* Excludes Directorships in Private Limited Companies, Foreign Companies and Government bodies



ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

DP.Id*	
Client Id*	

Folio No.	
-----------	--

Name and Address of the Shareholder
Number of Shares held :

I hereby record my presence at the ANNUAL GENERAL MEETING of the Company to be held on Friday, August 5, 2011 at 3.30 p.m., at Y. B. Chavan Auditorium, Gen. J. Bhosale Marg, Mumbai 400 021

* Applicable for Investors holding
Shares in electronic form

** Strike out whichever is not applicable

SIGNATURE OF THE SHAREHOLDER OR PROXY**



PROXY FORM

DP.Id*	
Client Id*	

Folio No.	
-----------	--

I/We

being a Member/Members of IL&FS Transportation Networks Limited hereby appoint

..... of.....

or (failing him) of.....

or (failing him) of.....

as my/our Proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Friday, August 5, 2011 at 3.30 p.m. at Y. B. Chavan Auditorium, Gen. J. Bhosale Marg, Mumbai 400 021 and at any adjournment thereof

Signed thisday of2011

Signature



*Applicable for Investors holding shares in electronic form.

Note : The Proxy Form must be deposited at the Registered Office of the Company at The IL&FS Financial Centre, C-22, G-Block, Bandra – Kurla Complex, Bandra (East), Mumbai 400051 not less than 48 hours before the time for holding the meeting. The Proxy need not be a member of the Company




Forward-looking Statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



 The IL&FS Financial Centre, Mumbai

 | **Transportation**

IL&FS Transportation Networks Limited

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