IL&FS | Transportation

Annual Report 2011-12

SAFE
SOLID
SUSTAINABLE

That's **ITNL** for you

Contents

The Annual General Meeting will be held at
Y. B. Chavan Auditorium,
Gen. J. Bhosale Marg, Mumbai 400 001

on **Thursday, August 9, 2012 at 3.30 pm**

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

Roads are the key to realizing the dream of a developed India, the means to usher in socio-economic development and to pave the way for India's progress

At ITNL, we are committed towards our mission of building a resurgent India and providing technological excellence to challenging projects

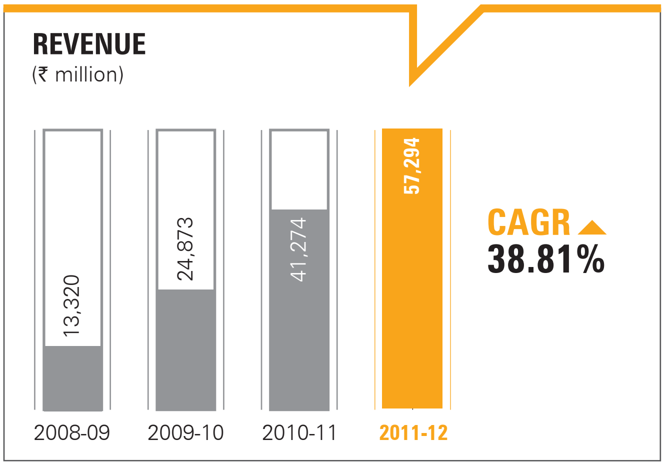
As we go about connecting the farthest corners of India and creating a solid foundation for the future, our endeavor is also to ensure high safety levels for our teams and for the road-users

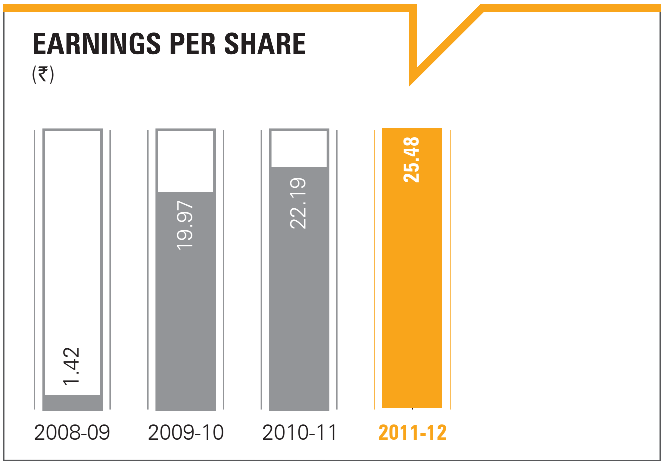
Being a catalyst to community development and ensuring long-term sustainability is also a prime concern

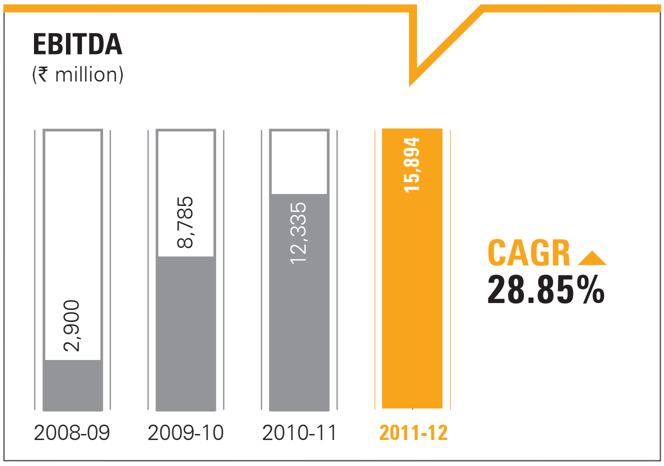
Drawing strength from our legacy, parentage and track record, we continue to strive towards nation-building on a safe, solid and sustainable foundation

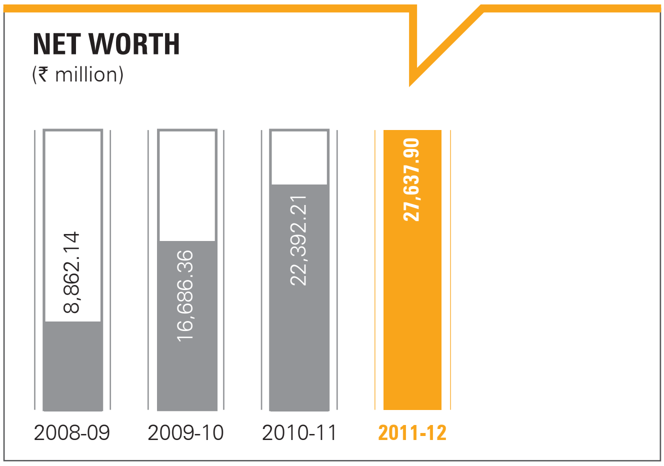
Performance Highlights
(Consolidated Financials)

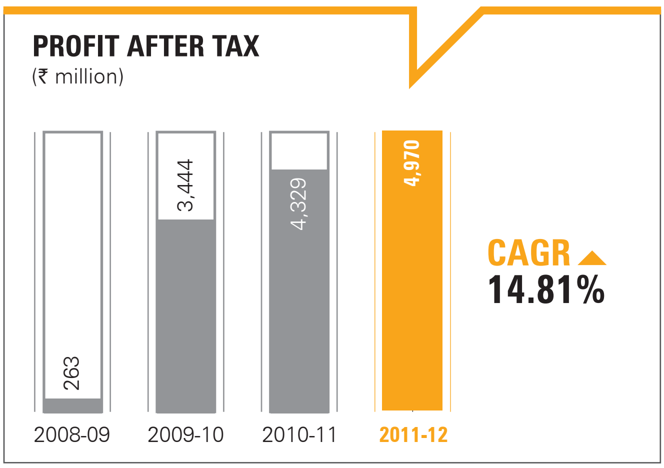
Graphs not to scale

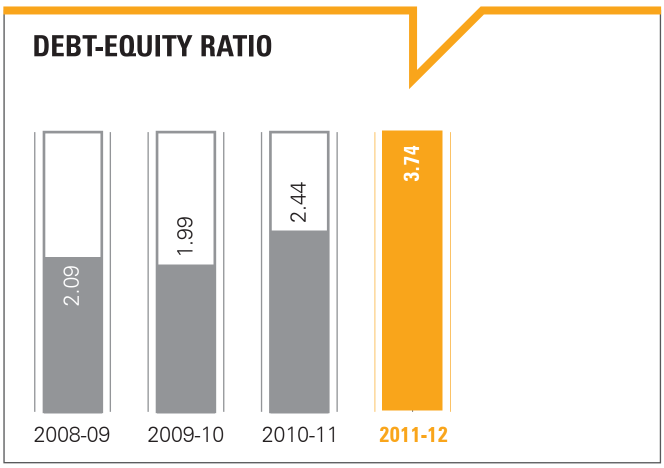




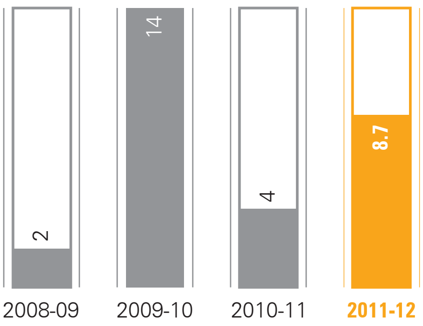




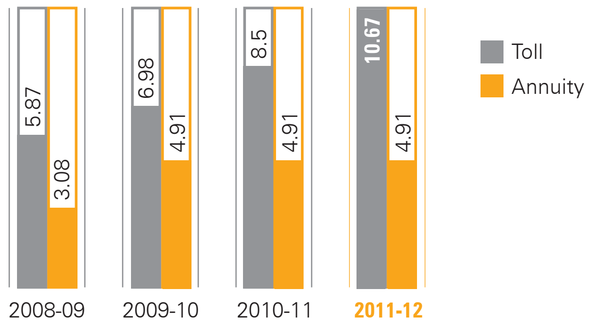




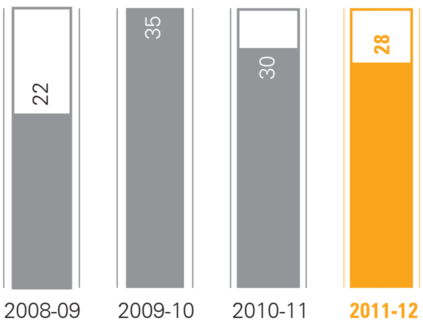
NET PROFIT MARGINS
(%)



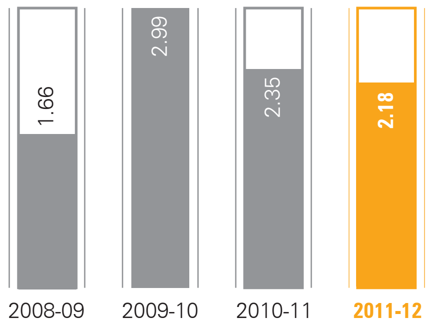
DAILY AVERAGE COLLECTION (GROSS)
(₹ million)



OPERATING MARGINS
(%)



INTEREST COVER



Operational Highlights

Commissioned **460 lane kms** under RIDCOR Phase II project

Obtained Provisional Completion Certificate for **173 lane kms of Hyderabad Outer Ring Road** project

Obtained Concessions for:

- Four laning of **Kiratpur to Ner-Chowk Section of NH-21** in the State of Himachal Pradesh to be executed as BOT (Toll) on DBFOT pattern under NHDP Phase III
- Constructing New Bridges/Structures, Repairing of existing Highway from **Kharagpur to Baleshwar section** in Orissa and West Bengal
- Developing and Operating of **Sikar-Bikaner Section of NH-11 Bikaner Bypass** in Rajasthan through Public-Private Partnership
- Developing, Design, Finance, Construction, Operation and Maintenance of **Mathura (U.P. Border) to Bhadoti** in the State of Rajasthan
- Developing, Design, Finance, Construction, Operation and Maintenance of **Rawatsar-Nowar-Bhadra roads** in the State of Rajasthan
- Developing the existing Two Lane road to a **Four Lane road on Beawar Gomti section of NH - 8** in the State of Rajasthan
- Improvement works of **Chaibasa-Kandra-Chowk Road and Adityapur - Kandra Road** under the Jharkhand Accelerated Road Development Programme

Acquired **61.22%** equity stake in Futureage Infrastructure India Limited for executing an automated car parking project of **440 car spaces** in Hyderabad through Charminar Robo Park Limited, a subsidiary of the Company

Acquired **49%** equity stake in **Chongqing YuHe Expressway Company Limited** (through ITNL International Pte. Ltd., Singapore, a wholly owned subsidiary), a company based in China which has concession rights for a road project comprising **58.72 kms of 4-lane carriage way** having bridges and tunnels as a part of its carriageway

Obtained **ISO 14001:2004** and **OHSAS 18001:2007** certifications for Environmental, Health and Safety Management System

Building a Resurgent India

Chenani - Nashri Tunnel project

IL&FS Transportation Networks Limited (ITNL) is **a leading surface transportation infrastructure company and one of the largest BOT road operators,** with the illustrious parentage of Infrastructure Leasing & Financial Services Limited (IL&FS)

ITNL is involved in the **development, operations and maintenance** of surface transportation infrastructure projects encompassing **national and state highways, roads, flyovers and bridges.** ITNL has established a diverse project portfolio in the **BOT road segment** and made successful inroads in non-road sectors like **metro rail, bus transportation and border entry points**

ITNL has set up an international **multi-segment footprint** spanning **road, urban infrastructure and railways sectors**

ITNL has promoted and developed a large portfolio of road sector projects with a **significant developmental role.** ITNL will build upon its reputation for **on-time project delivery** within the budgeted cost and transform the face of the **surface transportation infrastructure** in the country through better engineering, monitoring and use of latest technology

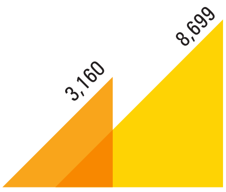
11,859 lane kms
ROAD ASSETS PORTFOLIO

5,453 lane kms
OPERATIONAL PORTFOLIO

ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007
CERTIFIED

ENROUTE TO SUCCESS

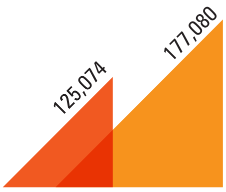
A sharply focused and strategised business model positions ITNL to seize the benefits of a robust momentum in NHAI road projects. Besides a diverse portfolio in BOT road segment, ITNL has expanded into new sub-sectors in surface transportation such as urban transportation, railways, border checkposts, parking complexes, with a vision to transform India's surface transportation infrastructure



PORTFOLIO MIX (lane kms)

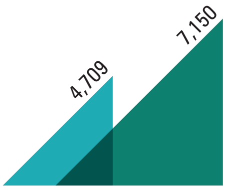
Annuity Toll

Annuity projects form 27% of asset base



PORTFOLIO MIX (₹ million)

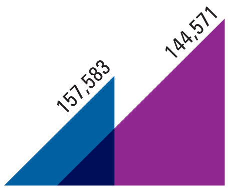
Annuity Toll



PORTFOLIO MIX (lane kms)

National Highways Other Roads

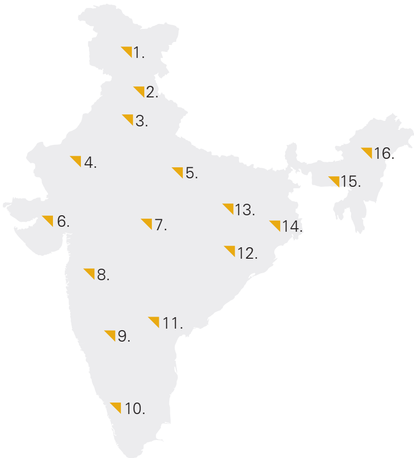
National Highways account for 40% of asset base



PORTFOLIO MIX (₹ million)

National Highways Other Roads

PAN INDIA PRESENCE



1. Jammu & Kashmir
2. Himachal Pradesh
3. Haryana
4. Rajasthan
5. Uttar Pradesh
6. Gujarat
7. Madhya Pradesh
8. Maharashtra
9. Karnataka
10. Kerala
11. Andhra Pradesh
12. Orissa
13. Jharkhand
14. West Bengal
15. Meghalaya
16. Assam

INTERNATIONAL FOOTPRINT

1. USA
2. Mexico
3. Honduras
4. Haiti
5. The Dominican Republic
6. Panama
7. Columbia
8. Ecuador
9. Argentina
10. Brazil
11. Portugal
12. Spain
13. Albania
14. Moldova
15. China
16. India
17. Thailand

Portfolio of Road Projects

An Ensemble of our Road Projects

PROJECTS UNDER OPERATION

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 20, 2001

Date of Project Completion

July 19, 2004

Value (₹ million)

5,995

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 22, 2005

Date of Project Completion

March 17, 2008

Value (₹ million)

2,762

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

November 12, 1997

Date of Project Completion

February 7, 2001

Value (₹ million)

5,888

Gujarat Road and Infrastructure Company Limited

Vadodra-Halol Road *

Scope

Development of an approximately 190 lane kms 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 17, 1998

Date of Project Completion

October 24, 2000

Value (₹ million)

1,553

Gujarat Road and Infrastructure Company Limited

Ahmedabad-Mehsana Road

Scope

Development of an approximately 333 lane kms 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

May 12, 1999

Date of Project Completion

February 20, 2003

Value (₹ million)

3,037

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

PROJECTS UNDER OPERATION

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

March 16, 2004

Date of Project Completion

November 15, 2006

Value (₹ million)

1,116

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 20, 2006

Date of Project Completion

September 30, 2009

Value (₹ million)

8,710

Rajasthan Infrastructure Development Company of Rajasthan Limited

Mega Highways Project, Rajasthan
Phase I

Scope

Development of two lane highway with paved shoulder aggregate length of 2,106 lane kms 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 17, 2006

Date of Project Completion

March 31, 2009

Value (₹ million)

16,180

Rajasthan Infrastructure Development Company of Rajasthan Limited

Mega Highways Project, Rajasthan Phase II

Scope

Development of a two-lane highway for an aggregate length of 715 lane kms. Out of which 460 lane kms have been completed for Alwar to Bhiwadi (AB), Arjunsar to Pallu (AP), Hanumangarh to Sangaria (HS) 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 Award

February 8, 2011

September 1, 2010

April 6, 2011

Date of Project Completion

HS - October 1, 2011

AB - December 5, 2011

AP - January 31, 2012

Value (₹ million)

4,322

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 1, 2009

Date of Project Completion

August 25, 2010

Value (₹ million)

3,510

East Hyderabad Expressway Limited

Hyderabad Outer Ring Road

Scope

Development of eight lane access controlled expressway with an aggregate length of 173 lane kms for the section from Pedda Amberpet to Bongulur in the State of Andhra Pradesh

Concession

The concession was awarded by Hyderabad Urban Development Authority for a period of 15 years (including construction period of 30 months)

Date of Concession Agreement

August 3, 2007

Date of Project Completion

March 1, 2011

Value (₹ million)

4,721

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 1, 2009

Value (₹ million)

2,626

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 8, 2009

Value (₹ million)

8,692

Pune Solapur Road Development Company Limited

Pune - Solapur Road

Scope

Development of four lanes with an aggregate length of approximately 571 lane kms on Pune – Solapur 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 2.5 years

Date of Concession Agreement

September 30, 2009

Value (₹ million)

14,027

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 3 years

Date of Concession Agreement

March 18, 2010

Value (₹ million)

6,886

Jharkhand Road Projects Implementation Company Limited

Jharkhand Accelerated Road

Scope

Development of two lane and four lane with an aggregate length of approximately 664 lane kms connecting Ranchi Ring Road (RRR), Ranchi Patratu Ramgarh (RPR), Adityapur-Kandra (AK) (four-laning) and Chaibasa – Kandra – Chowka (CKC) in the State of Jharkhand

Concession

Concession awarded by the Government of Jharkhand on a BOT (Annuity) basis for a period of 17.5 years (including construction period of 3 years)

Date of Concession Agreement

RRR – September 23, 2009

RPR I & II – October 14, 2009

CKC – May 28, 2011; AK – August 6, 2011

Value (₹ million)

21,347

PROJECTS UNDER CONSTRUCTION

Rajasthan Infrastructure Development Company of Rajasthan Limited

Mega Highway Project Phase II, Rajasthan

Scope

Development of a two-lane highway for an aggregate length of 715 lane kms. Out of which 460 lane kms have been completed and 255 lane kms are under construction for stretches Jhalawar to Jhalawar Road, Jhalawar to Ujjain, Kapren to Mangrol, Khushkheda to Kasola Chowk 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 Award

December 21, 2009

March 30, 2010

February 1, 2011

Value (₹ million)

3,798

N.A.M. Expressway Limited

Narketpalli 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 Narketpalli 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 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 23, 2010

Value (₹ million)

17,605

Moradabad Bareilly Expressway Limited

Moradabad Bareilly Road

Scope

Development of four lane of Moradabad Bareilly section of NH-24 from kms 148.00 to kms 262.000 (approx. length 522 lane kms) 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 19, 2010

Value (₹ million)

19,836

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 kms) 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 16, 2010

Value (₹ million)

8,240

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 (approximately 38 lane kms) 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 28, 2010

Value (₹ million)

37,200

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 4,566 days including an initial construction period of 730 days

Date of Concession Agreement

November 10, 2010

Value (₹ million)

13,500

PROJECTS UNDER DEVELOPMENT

Kiratpur Ner Chowk Expressway Limited

Kiratpur Ner Chowk Road

Scope

Development of Four Laning of Kiratpur to Ner-Chowk Section of NH-21 from km 73.200 to km 186.500 (approximately 327 lane kms) in the State of Himachal Pradesh

Concession

The concession for this project has been awarded by NHAI on a DBFOT (Toll) basis for a period of 28 years including an initial construction period of three years

Date of Concession Agreement

March 16, 2012

Value (₹ million)

22,910

Sikar-Bikaner Highway Limited

Sikar-Bikaner Road

Scope

Development and operation of Sikar-Bikaner Section from km 340.188 of NH-11 to km 557.775 of NH-11 via Sikar Bypass and Bikaner Bypass from km 553.869 of NH-11 to km 267.325 of NH-89 (approximately 540 lane kms) by Two Laning with paved shoulder in the State of Rajasthan

Concession

The concession for this project has been awarded by PWD Rajasthan on a DBFOT (Toll) basis for a period of 25 years including construction period of 2 years

Date of Award

March 31, 2012

Value (₹ million)

7,100

Jharkhand Road Projects Implementation Company Limited

Jharkhand Accelerated Road

Scope

Development of two lanes and four lane with an aggregate length of approximately 338 lane kms for various road stretches in the State of Jharkhand

Concession

Concession awarded by the Government of Jharkhand on a BOT (Annuity) basis for a period of 17.5 years (including construction period of 3 years)

Value (₹ million)

15,842

Baleshwar Kharagpur Expressway Limited

Baleshwar Kharagpur Road

Scope

Construction of New Bridges/ Structures, Repair of existing Four Lane Highway from Kharagpur to Baleshwar section of NH-60 from km 0.000 to km 119.300 (approximately 477 lane kms) in the State of Orissa and West Bengal and its Operation and Maintenance

Concession

The concession for this project has been awarded by NHAI on a DBFOT (Toll) basis for a period of 24 years including construction period of 2.5 years

Date of Concession Agreement

April 24, 2012

Value (₹ million)

6,600

ITNL Road Infrastructure Development Company Limited (Four-laning)

Beawar – Gomti Road

Scope

Development and operation of four-laning of the Beawar – Gomti section of National Highway No. 8 from km 58+245 to km 166+050 (approximately 216 lane kms) in the State of Rajasthan

Concession

The concession awarded by Department of Road Transport & Highways, Government of India, on a DBFOT (Toll) basis for two-laning of the project for an initial period of 11 years is extended to 30 years as Concessionaire has been notified for undertaking four laning for the project

Date of Concession Agreement

April 1, 2009

Value (₹ million)

12,000

Road Infrastructure Development Company of Rajasthan Limited

Mega Highways Project Phase III, Rajasthan

Scope

Development of two lane highway with an aggregate length of 607 lane kms and includes the improvement of two corridors, connecting Mathura (U.P. Border) to Bhadoti and Rawatsar-Nohar-Bhadra upto Haryana Border 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 Award

February 22, 2012

Value (₹ million)

6,315

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 9, 2007

Value (₹ million)

709

Rapid MetroRail Gurgaon Limited

Gurgaon Metro Rail Link

Scope

Development of a approximately 4.9 km 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

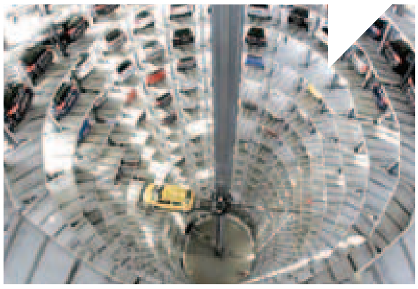
Concession for the project has been awarded to us by Haryana Urban Development Authority for a period of 99 years, including an initial construction period of two and a half years

Date of Concession Agreement

December 9, 2009

Value (₹ million)

11,000



Charminar Robo Park Limited

Car Parking Project, Charminar, Hyderabad

Scope

Development of multilevel car park in the city of Hyderabad in the State of Andhra Pradesh

Concession

The concession for this project has been awarded by Greater Hyderabad Municipal Corporation (GHMC) on BOT basis for a concession period of 30 years, including an initial construction period of two years

Date of Concession Agreement

May 25, 2012

Value (₹ million)

500

Largest Private Sector BOT Road Asset Portfolio

Fair mix of "Annuity / assured payments" and "Toll" based projects in various stages of development

Commissioned

Project	Length in lane kms	Project Cost in ₹ Mn
Vadodara Halol	190	1,553
Noida Toll Bridge	60	5,888
Ahmedabad Mehsana Road	333	3,037
North Karnataka Expressway	472	5,995
Thiruvananthapuram City Roads - I	51	1,116
West Gujarat Expressway	389	2,762
RIDCOR - I	2,106	16,180
AP Expressway	328	8,710
Hyderabad Outer Ring Road	173	4,721
Beawar Gomti	248	3,510
Ramky Elsamex Hyderabad Ring Road	152	3,994
A-4 Autovia, Spain	256	6,591
YuHe Expressway, China	235	22,750
Thiruvananthapuram City Roads - II	107	2,626
RIDCOR - II	460	3,798

Under Construction/ Development

Project	Length in lane kms	Project Cost in ₹ Mn
Jharkhand Road Development	664	21,347
Ranchi Hazaribagh	319	8,692
Moradabad Bareilly	522	19,836
Narketpalli Addanki	888	17,605
Pune Solapur	571	14,027
Jorabat Shillong	262	8,240
Warora Chandrapur	275	6,886
Chenani Nashri	38	37,200
Kiratpur Ner Chowk	327	22,910
Baleshwar Kharagpur	477	6,600
Sikar Bikaner	540	7,100
RIDCOR II	255	3,798
RIDCOR III	607	6,315
Beawar Gomti II	216	12,000

Graphs not to scale

Being at the fulcrum of a growth curve in India's infrastructure industry and having achieved the largest road asset portfolio, we move ahead with renewed vigour, with a vision to build a safe, solid and sustainable India

Chairman's Message

Deepak Dasgupta
Chairman

Dear Friends,

The Year 2011-12 was fairly eventful as far as our business performance was concerned. The unstinted support of our stakeholders enabled us to achieve our targets. Being at the fulcrum of a growth curve in India's infrastructure industry and having achieved the largest road asset portfolio, we move ahead with renewed vigour, with a vision to build a safe, solid and sustainable India

The overall macro-economic challenges combined with the sluggish growth of India's economy remain a matter of concern. However, our determination to maintain momentum helped us emerge stronger and we move forward with a vision to transform India's surface transportation infrastructure

Infrastructure: A key priority

Infrastructure has emerged as the backbone of India's economy and has the ability to make the nation one of the world's most influential economies by 2050. Therefore, India's XIIth Five Year Plan reinforces the government's focus on infrastructure creation and upgradation by having targeted an investment of ₹ 41 trillion towards this segment and there is a coherent action to accelerate spending in this sector

Last mile connectivity

Although India has a massive road network, the quality of roads needs significant improvement. The shortage of rail wagons and lack of last mile connectivity has contributed to roads becoming the preferred mode of transport for goods and services

The government's focus on inclusive development and emphasis on private sector participation for infrastructure development are clearly demonstrated by the steady escalation in road infrastructure projects

The Government has been actively focusing on development in road infrastructure through its National Highways Development Programme (NHDP) launched by the National Highways Authority of India (NHAI). Two phases of the NHDP are on the verge of completion, while upcoming projects will be awarded for phases III to VII, which together have the potential of developing approximately 33,000 kms of roads

Within ITNL

Our consolidated revenues increased 39% and our net profit 15% over the previous year despite adverse market conditions and increased competition, with a majority of this contribution emanating from construction, toll and annuity. During the year, we commissioned 633 lane kilometres, taking the total lane kilometres under operation to 5,453 lane kilometres

It is pertinent to mention here that we have created a strong portfolio of road development projects and we remain committed to our vision of transforming India's surface transportation infrastructure. Our bidding criteria are perfectly aligned with our objective of achieving threshold IRRs, rather than merely building on the order book

Key strategy

Our financial credibility and technical expertise has strengthened our bidding capacity and helped us expand our operations in into other sectors besides roads. We continue to leverage our technological competence, value engineering, financial competence and innovative design capabilities to maintain our leadership position

Our aim is to catalyse substantial community development in the hinterland of our projects and deepen long-term linkages to ensure sustainability. We focus on maintaining high levels and standards of safety at our operational sites and ensuring accident-free working conditions for our people as well as the users

Road ahead

We continue to draw immense strength from our large order pipeline. We envisage the nature of bidding to get more rational, which will augur well for the business of your Company. We are confident of continuing to win more projects on bids submitted to the NHAI and to some State Governments. We also propose to increase our international presence selectively, but our focus shall remain Road centric and India centric

Beyond roads

During the year, we continued with our community development initiatives through our project *Parivartan.* Our main focus here continues to be education.

Our expertise in project development and execution combined with our in house self sufficiency and technical skills in the areas of structures, design and operations and maintenance continues to drive business expansion

Managing and upgrading school infrastructure and holistic empowerment of project-affiliated communities through vocational training is what we plan to achieve. Our unique concept 'Computer on Wheels' received an over-whelming response from these communities and contributed immensely towards enhancing their computer knowledge and *skills*

Year ahead

Today, we have attained a position where we can confidently say that we have successfully laid a strong foundation for a sustainable future. Our expertise in project development and execution combined with our in house self sufficiency and technical skills in the areas of structures, design and operations and maintenance continues to drive business expansion. It also gives us the confidence to achieve our targets and sustain growth

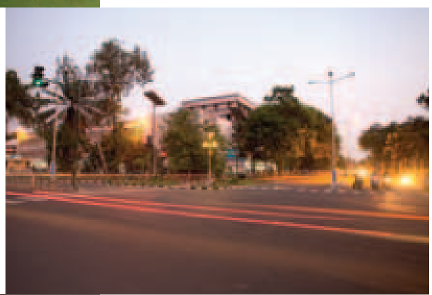
I am sincerely grateful to our stakeholders for trusting our capabilities and also to my colleagues on the Board and our employees for their dedication and commitment. I look forward to their continued support and trust in all our future endeavours

Best Wishes,

Deepak Dasgupta
Chairman

SAFE

At ITNL, we believe the route to safety is towards maintaining high levels and standards of safety at both construction and operational sites which is achieved through safety audits. This is done by ensuring accident-free working conditions for the project teams and users of the road. Stringent measures are undertaken to identify and prevent accidents through safety audits



ITNL believes in addressing occupational safety and health needs during the implementation process and works on comprehensive safety programs to make project sites safer places to work. ITNL aims to prevent work-related hazards and risks associated with construction to avoid fatalities

Besides, we ensure a proper usage of Personal Protective Equipments (PPE) to eliminate injuries from unpredicted hazards

A Periodical on "Safety in Construction"
- an initiative by ITNL

SOLID

At ITNL, we believe the road to solidity is to deliver projects with technological and engineering excellence within the budgeted time and cost. ITNL's technological capability, value engineering and its excellence in design engineering have been instrumental in maintaining a leadership position. Besides strengthening bidding, project management and execution capability, all these efforts have helped ITNL in expanding its operations in other areas of surface transportation infrastructure

ITNL's vision of transforming India's surface transportation infrastructure gains strength from the technology, experienced management and project diversity which have enhanced ITNL's credibility as a dependable industry player

Construction at the 9-km long Chenani-Nashri tunnel, India's longest road tunnel project is ongoing. Construction of this tunnel has been particularly challenging owing to steep mountainous terrain, bad weather conditions and safety concerns. The project has used advanced tunnelling and drilling equipments and a new Austrian Tunnelling method to sequentially excavate and support the tunnel

Completion of this project will be of great significance for ITNL, as it will be one of the landmark projects in ITNL's history

SUSTAINABLE

At ITNL, we believe the road to sustainability is the development of social infrastructure. Development of transportation infrastructure is imperative for the growth of the nation, but such development needs to be balanced and sustainable from a social perspective as well

ITNL strives to catalyse substantial community development and ensure sustainability through Education, Employability and Empowerment. ITNL believes that with quality resources, rural India will have more reason to smile. ITNL believes that education, employment generation and basic health facilities are the key transformational tools to catalyse substantial community development and deepen long-term linkages to ensure sustainability

ITNL's unique initiative *"Parivartan"* focuses on efforts of improvement of education, skill development and health initiatives for communities residing close to our areas of operations to pave way for social empowerment. The move is aimed towards enhancing India's socio-economic prosperity and building capabilities to develop alternative means of livelihood, enhance employability and explore other possibilities

ITNL has collaborated with IL&FS Education & Technology Services Limited for rehabilitation of communities along the National Highways of Pune-Solapur in Maharashtra, Ranchi-Hazaribagh in Jharkhand, Moradabad-Bareilly in Uttar Pradesh and Chenani-Nashri in Jammu & Kashmir

Key highlights of this initiative are:

- Reaching out to government schools and educational institutions at project sites, building capacities for intake of more students and teachers; and upgrading teaching methodologies and techniques
- Imparting mobile computer education and other IT-based trainings through Parivartan Computer Bus at schools and other locations along project roads
- Undertaking school management programs aimed at improvement of schools infrastructure and training for teachers and students
- Setting up skill development centers to train youth for employment opportunities
- Organising health checkup camps and mobilizing mobile health van with medicos for routine checkup and basic treatment for remote villages

Board of Directors

Deepak Dasgupta

Chairman & Independent Director

- Retired Indian Administrative Services Officer
- Served the Government of Haryana and the Central Government for over 35 years
- Headed various departments in the Government of Haryana and Government of India, including those related to infrastructure development and policy formulation
- Served as the Chairman of National Highways Authority of India for over five years and as an Advisor to the Asian Development Bank
- Member of the Senior Expert Committee of IDFC Private Equity Fund and the Special Task Force in Bihar
- Holds a Master's degree in Science from Delhi University

R C Sinha

Independent Director

- Retired Indian Administrative Services Officer; worked in various capacities in the Government of Maharashtra and Government of India
- Headed various departments / worked in ministries of the Government of Maharashtra, including as Collector, District Magistrate, Secretary and Additional Chief Secretary
- 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 (MSRDC) (during his tenure MSRDC developed the prestigious 'Mumbai-Pune Expressway' project); and also as Vice-Chairman & Managing Director of Maharashtra Airport Development Company Limited
- 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

- Former Managing Director and Chief Executive Officer of HDFC Standard Life Insurance Company Limited; prior to this, he was the Managing Director of HDFC Limited since 1993
- Consultant with multi-lateral and bi-lateral agencies
- Recipient of the 'Distinguished Alumnus Award' from the Indian Institute of Technology, Mumbai, and is now on the Advisory Council of the said Institution
- Also an Independent Director on the Boards of several other companies
- Currently active on the Board of Trustees of Isha Vidhya (ishavidhya.org) and Teach to Lead (teachforindia.org), engaged in the field of primary education for low income and socially disadvantaged members of the society in rural and urban India, respectively
- Also advising a company engaged in establishing a network of BPO companies in rural areas across the country
- Holds a Bachelor's degree in Technology from the Indian Institute of Technology, Mumbai, and a Master's degree in Business Administration from the American University, Washington DC

H P Jamdar

Independent Director

- Headed various departments of the Government of Gujarat, including as Secretary and Principal Secretary; during his tenure, Mr. Jamdar was appointed as Chairman of various state-owned corporations, especially in roads and ports sector
- Served as the President of Indian Roads Congress and the Institution of Engineers (India) and as the Vice-President of 'FIESCA'
- Holds a Bachelor's degree in Civil Engineering from the Gujarat University

Ravi Parthasarathy

Non-Executive Director

- Associated with the Company since January 6, 2001 and with the IL&FS Group since 1988
- Presently the Chairman of IL&FS Group
- Prior to joining the IL&FS Group, he served 20th Century Finance Corporation Limited, a financial services company, as its Executive Director
- 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

- 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 oversighting the business canvas of the Group

- Possesses over 26 years of experience in research, project development, structuring, management and financing
- Closely involved in the implementation of all the IL&FS Group Infrastructure Projects
- Participated in various High Powered Committees set up by the Government of India for policy and legal reforms, including as the Chairman of the FCCI Infrastructure Committee
- Holds a Master's degree in Economics from the London School of Economics & Political Science

Arun K Saha

Non-Executive Director

- Associated with the Company since January 6, 2001 and with IL&FS Group since 1988
- Presently the Joint Managing Director & CEO of IL&FS, overseeing 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
- Holds a Master's degree in Commerce from the University of Kolkata; 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

- 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 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

- An Ex-Indian Administrative Services Officer
- 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
- Also closely associated with the Noida Toll Bridge Company Limited
- At present, he serves as the Chief Executive Officer of Model Economic Township Company Limited
- Mr. Puri holds a Master's degree in History from Delhi University

K Ramchand

Managing Director

- 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 development initiatives, including the successful commissioning of various toll road projects in Gujarat and for the NHAI
- In his role as the Chief Executive Officer (Infrastructure) of IL&FS Group, he is associated with various initiatives in infrastructure, including SEZs and Maritime Assets
- 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
- 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

- Appointed as an Executive Director of the Company on August 13, 2008 and has been associated with the IL&FS Group since 1992
- Possesses over 28 years of industry experience
- Prior to joining the Company, he was involved with international projects in 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
- Associated with Engineers India Limited and Gammon India Limited
- Holds a Bachelor's degree in Civil Engineering, a Diploma in Systems Management and also in Financial Management

Awards and Accolades

ITNL's Annual Report of 2010-11

was conferred by "The League of American Professionals (LACP) Vision Award", the world's largest annual report competition with the following recognitions:

- The Platinum Award for excellence within its Industry

- 13th rank in the Top 100 Annual Reports Worldwide

- The Best Annual Report Cover worldwide for the past fiscal year

Project Parivartan

- Under Project Parivartan run by the Company along with IL&FS Education & Technology Services Limited, the Sholapur Municipal Corporation's School at Daji Peth was recognised for the e-Governance Award for the best ICT-enabled school of the year

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 (upto May 18, 2012)
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 AND ANALYSIS

1. INDIA's INFRASTRUCTURE INDUSTRY

The importance of infrastructural growth in India and its contribution, as a catalyst, in transforming the economy has been continuously emphasized upon in the recent past. The Indian Government has undertaken a slew of measures to provide ample opportunities for developing and improving infrastructure. The infrastructure deficit in the Indian economy presents a substantial need for infrastructure creation. The Government has well understood that the lack of Infrastructure is a stumbling block for an unhindered double-digit growth and has instituted several measures conducive for the growth of this sector. Given the capacity (financial and technical) constraints, the Government has put in place a model for infrastructure creation which forecasts financing for project implementation to be met not only through budgetary allocations, but also from private sector participation. This clearly indicates how seriously infrastructure creation is perceived by the Government

The XIIth Five Year Plan (2012-2017) reinforces the Government's focus on infrastructure creation and upgradation. It envisages a total investment of ₹ 41 trillion in the infrastructure segment in order to attain a 10% economic growth. The gap in existing infrastructure in India vis-à-vis the averages across the developed world provide a significant opportunity to support India's growth story and also fuel it. Owing to the global financial and sovereign turmoil across developed nations and the huge potential that the Indian market offers, the world is looking at the Indian market differently. This will not only intensify competition, but also ensure infrastructure creation in India is at par with the best in the world

THE INDIAN GOVERNMENT HAS UNDERTAKEN A SLEW OF MEASURES TO PROVIDE AMPLE OPPORTUNITIES FOR DEVELOPING AND IMPROVING INFRASTRUCTURE.

The ₹ 3000 billion National Highway Development Project (NHDP), covering a length of 55,000 kms, is the largest highway improvement initiative in the country.

2. OPPORTUNITIES

The success achieved so far in infrastructure development can be largely attributed to the implementation of the Public Private Partnership (PPP) framework project development. Under the PPP mode of project structuring, the delivery model becomes more effective and result-oriented. Its success has also led to replication of this model across sub-sectors in infrastructure, which augers very well for PPP market players

A. Roads

National Highways Development Project

India's roads have been the leading infrastructure sub-sector with National Highways Authority of India (NHAI) becoming one of the most successful highway implementing agencies in India. The ₹ 3000 billion National Highway Development Project (NHDP), covering a length of 55,000 kms, is the largest highway improvement initiative in the country. NHDP has been structured in a manner that puts in place infrastructure not only to support economic activity, but promulgate it as well

The Country's road network stands at a huge 4.2 million kms, a significant portion of which consists of single-lane highways, which are likely to be taken up for expansion in the next five-year plan. The Government is also contemplating to establish a National Expressways Authority of India with a mandate to develop approximately 18,000 kms of access-controlled expressways across the country. Presently, the road length and their participation in ferrying the traffic is skewed. National Highways carry 40% of the total traffic, while they constitute a mere 2% of India's road network. On the other hand, State Highways account for 18% of the road length and carry 40% of road traffic. The remaining traffic is taken up by rural roads

The NHDP has witnessed a substantial part of its projects being implemented under BOT basis across various phases, explained below in detail. It provides a significant opportunity for the development of National Highways, including construction of bridges, flyovers and elevated structures:

i. Initial phases of NHDP achieved substantial completion. Golden Quadrilateral (GQ) and Phases I & II achieved 99.85% and 81.79% completion, respectively

ii. Four-laning of 12,109 kms. (NHDP-III):

NHDP (Phase-III) includes upgradation of 12,109 kms (mainly 4 laning) of high density national highways through Build, Operate & Transfer (BOT) mode for a cost of ₹ 806,260 million. NHDP III comprises stretches of National Highways carrying huge volume of traffic, connecting state capitals with NHDP's network under Phases I and II and providing connectivity to places of economic, commercial and tourist importance. Approximately, 80% of this Phase III has either achieved completion or is under implementation and effectively covers the length and breadth of the country. Tamil Nadu, Maharashtra, Rajasthan, Bihar and Madhya Pradesh are some states that have witnessed substantial development of highways under NHDP-III. Of a total of 12,109 kms, nearly 3,342 kms have been completed, 6,314 kms are under implementation and the remaining portion is yet to be awarded

Two laning of 14,799 kms. (NHDP-IV):

With a view to provide balanced and equitable distribution of an improved/widened highways network, NHDP-IV envisages upgrading of 14,799 kms into 2-lane highways at an indicative cost of ₹ 278,000 million. This will ensure their

The Government has approved 1,000 kms of expressways to be developed on BOT basis and to be constructed on new alignments at an indicative cost of ₹ 166,800 million.

capacity, speed and safety can match minimum benchmarks required for National Highways. Although the overall progress of projects in Phase-IV, aggregating approximately 2,549 kms, has not kept pace with other phases, last year saw significant progress. The Project lengths under implementation witnessed a 3-fold increase, compared with last year

iii. Six-laning of 6,500 kms (NHDP-V):

Under NHDP-V, six-laning of 4-lane highways comprising the GQ and other high-density stretches will be implemented on BOT basis for an estimated cost of ₹ 412,100 million. These corridors have been four-laned as a part of GQ in Phase-I of NHDP. Implementation of the initial set of projects has already commenced with 818 kms having achieved six-laning. Of the 6,500 kms proposed under NHDP-V, about 5,700 kms will be taken up in GQ, while the balance 800 kms will be selected on the basis of predefined eligibility criteria, with a 10% maximum Viability Gap Funding (VGF). Approximately, 3,581 kms is operational/under construction, as in February 2012

iv. Development of 1,000 kms Expressways (NHDP-VI):

With the growing importance of urban centres in India, particularly those located within a few hundred kms of each other, expressways are both viable and beneficial. The Government has approved 1,000 kms of expressways to be developed on BOT basis and to be constructed on new alignments at an indicative cost of ₹ 166,800 million. NHAI has planned to achieve completion of this phase by December 2015

v. Other Highway Projects (NHDP-VII):

The Government has envisaged development of ring roads, by-passes, grade separators and service roads, considered necessary for full utilisation of highway capacity as well as for enhanced safety and efficiency. A programme for development of these features has been approved by the Government at an indicative cost of ₹ 166,800 million. Apart from the high-density corridors, a substantial part of National Highways network also requires development and are characterised by low density of traffic. Some of these stretches fall in backward and inaccessible areas, while some others are of strategic importance

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

The Ministry has taken up the Special Accelerated Road Development Programme in the North-Eastern Region (SARDP-NE) involving widening of 10,141 kms of National Highways and other roads in three phases. This will ensure connectivity of 88 district headquarters in the region to the National Highways

The Mumbai Trans Harbour Link connecting Sewri (Mumbai) to Nhava Sheva (Navi Mumbai) is a significant project being undertaken at an estimated cost of ₹ 88,000 million. This will be undertaken on BOT basis, with the private sector providing funds for its development. The project evinced wide interest from the private sector, with 6 consortia submitting the pre-qualification data, which the Mumbai Metropolitan Regional Development Authority (MMRDA) is currently evaluating

Annual Qualification & E-Tendering for projects awarded by NHAI

NHAI has completed its Annual Prequalification process, with over 100 applicants having been prequalified. The Annual Prequalification process has enabled reducing of the turnaround time spent for the bidding process. This will lead to expediting the award and also reducing the applicants' efforts, thus enabling them to submit more competitive bids. NHAI has also commenced the e-tendering procedure, which has reduced the time spent by bidders in preparation and submission of bids, thereby increasing efficiency of the bidding process

O&M Projects

NHAI has initiated the process for awarding various National Highway stretches on Operate, Maintain & Transfer (OMT) contracts. This segment is likely to gain momentum as these stretches (completed under various NHDPs) are likely to come up for bidding for improvements and maintenance

State Level Initiatives

State Highways attract a significantly lesser proportion of BOT projects, as compared with National Highways. Approximately, 17% of State Highway projects are on BOT mode, compared with 73% of National Highways being implemented on this basis. So far, State Roads were financed significantly through budgetary allocations and State Governments are increasingly focussing on improvement of state roads. Between 2011-12 and 2015-16, the length of roads and highways upgraded/ constructed is expected to grow at an average 8 per cent. Private sector participation in state roads is likely to increase gradually over the next 5 years. Between 2011-12 and 2015-16, total investments in state roads are expected to rise by an average 13 per cent, with State Governments increasing their focus on state road programmes. The Government has initiated model bidding documents for State Highways, which is intended to increase their share on PPP basis and provide them with much-needed impetus. States like Gujarat and Rajasthan have been at the forefront of such initiatives

B. Railways

Indian Railways, with its wide-reaching network, is one of Asia's largest railway networks and the world's second-largest under a single management. Being capital intensive, railway projects are mostly funded by budgetary provisions/allocations of the Government. In the last few years, Railways have, lost a significant share of commercial traffic to State Highways and are lagging behind the Highway sector, which has become a leader in the infrastructure development arena. The XIth Five Year Plan had envisaged a total investment of about ₹ 200.8 billion in the infrastructure sub-segment, presenting an enormous opportunity. The focus of the XIIth Five Year plan is to establish a framework for developing and implementing rail transit systems. It is envisaged that a National Urban Rail Transit Corporation will be set up, responsible for advising State Governments in implementing the Mass Rapid Transit System (MRTS). Upgradation of stations and establishment of logistic parks continue to be the Government's priority

The Dedicated Freight Corridor, which aims to connect North India with Mumbai and West Bengal, is expected to cost approximately ₹ 4,000 billion. A series of airports, parks, power plants, etc, too, have been planned as a part of the infrastructure creation effort. Development of an Eastern Freight Corridor has also been proposed to ease the movement of coal and other commodities and to facilitate container movements

The Budget Document of Indian Railways for 2012-13 has a provision for setting up Indian Railway Station Development Corporation to undertake the following projects to attract private investment through PPP mode:-

- Wagon Leasing, Sidings, Private Freight Terminals, Container Train Operations, Rail Connectivity projects (R3i and R2C-i)
- Development of elevated rail corridor from Churchgate to Virar
- Feasibility study for construction of faster corridor on Virar-Vasai-Diva-Panvel

In addition to the work being undertaken by itself, the Government is also judiciously pursuing a policy to allow the private sector to participate in development, finance, construction and operation of Metro Railway projects. In the past eight years, several Metro Rail projects have been awarded to private companies on a PPP basis. Most significant amongst these are the Mumbai One project, the Mumbai Line 2 project, the Hyderabad Metro, the Delhi Airport Express Line and the Rapid MetroRail Gurgaon project. Barring the Mumbai Line 2 project, all others projects have achieved financial closure and are either under construction or already in operation. Several other projects are expected to be awarded on PPP basis in select cities. Though the PPP market represents only a fraction of projects undertaken by the private sector as a whole, it presents a good opportunity for private sector companies to create assets in partnership with State Governments

Following Metro Rail projects have been announced by the Government:

(i) Rapid MetroRail Gurgaon Extension

The Government of Haryana has decided to extend the Rapid MetroRail System to reach a total network capacity of 20 kms. The Company alongwith its subsidiary, IL&FS Rail Limited, has already submitted a proposal

(ii) Chennai Monorail

The Government of Tamil Nadu has planned to build 57 kms monorail system in Chennai, in addition to the Chennai Metro presently under implementation. The Company alongwith its subsidiary, IL&FS Rail Limited, has teamed up with Scomi, a leading monorail supplier from Malaysia and submitted qualification documents

(iii) Delhi Monorail

The Government of Delhi has announced its intention to build 11 kms monorail system to connect the existing Delhi Metro System in West and North Delhi. The monorail is expected to be a feeder to Delhi Metro System. The Company alongwith its subsidiary, IL&FS Rail Limited, is in discussion with Scomi to partner in this project

Besides these opportunities, there are several other projects being planned in various cities across India, such as Chandigarh, Jaipur, Patna, Trivandrum and Cochin. These are in the feasibility stage and awaiting government approvals

3. THREATS

Threats are likely to arise either from major policy changes by the Government or security-related developments in a specific region. Some possible threats are mentioned below:

Business Environment Changes:

The infrastructure business is hugely prone to policy changes and is impacted substantially by changes and modifications. The threat emanates from the long gestation period in the infrastructure business. Infrastructure has a huge socio-economic impact and the government must remain aware of this aspect at

all times. Government policies have been consistent in the Highway segment and have encouraged private sector participation. The significant progress made in the Highway sector is largely attributable to the consistency retained by the government at State and Central level. Plans for growth of this sector indicate government's expectations from private sector investment. Any significant change will have an impact on private sector participation, though likelihood of significant changes in business environment are negligible

Selection Criteria:

The current selection criterion for project awards is based on qualification of participants, which is dependent on identified technical and financial criteria. Companies desirous of participation are required to submit their credentials for being qualified. The Company possesses the required strength for qualifying for all categories of projects in the pipeline. The Company has been qualified by NHAI under its annual pre-qualification process

Force Majeure Threats:

A Force Majeure event can lead to abandonment of a project located anywhere in the country. However, all agreements the Company has entered into provide risk cover in such circumstances, leading to no significant financial impact. Such events have been appropriately covered under insurance policies and Agreements entered into by the Company have covered these eventualities

Change in Law:

If Change in Law leads to an impact on infrastructure projects, the Concessionaire is insulated from any adverse impact arising from such change in law by the Concession Agreement

Credit Availability:

Driven by the push accorded to infrastructure projects on PPP basis, a large number of infrastructure sub-segments seek project financing from banks and financial institutions. The demand arising out of significant requirements of the infrastructure segment may cause institutions appraising them to impose stringent guidelines. The Company has a good track record with infrastructure financiers, which ensures projects achieve financial closure

4. SECTOR-WISE PERFORMANCE

The Company has a significant presence in different business verticals in the surface transportation segment, such as 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. The Company has ventured into new business areas like Border Check Posts and new geographies in the last year. Its capabilities in providing an end-to-end solution for infrastructure creation make it an integrated player in the infrastructure development arena

a. Roads

The Financial Year ended March 31, 2012 augured well for the Company and it was a year of several firsts. The year saw the Company venturing into new locations, both in India and abroad. The Company was awarded two new projects by NHAI and one project by PWD Rajasthan. The Company acquired a 49% stake in Chongqing YuHe Expressway Company Limited, an Expressway Project located in Chongqing in South Western China through its subsidiary, ITNL International Pte Ltd, Singapore. Besides, there were also additions to its portfolio under Mega Highways Project in Rajasthan and Jharkhand Road Development Programme. The Company holds beneficial interest in these Projects. The Company was able to financially close one of its Projects and also raise funds for the acquisition of equity stake in Chongqing YuHe Expressway Company Limited

Additionally:

i. The Company was awarded a project for Four Laning of Kiratpur to Ner-Chowk Section of NH-21 from Km 73.200 to Km 186.500 in the State of Himachal Pradesh to be executed as BOT (Toll) on DBFOT pattern under NHDP Phase-III. The Project is on toll basis with a concession period of 28 years, including construction period of 3 years and its estimated cost is ₹ 22,910 million. The Project achieved Financial Closure on March 29, 2012

ii. The Company was awarded the project for construction of New Bridges/Structures, Repair of existing Four Lane Highway from Kharagpur to Baleshwar section of NH-60 from Km 0.000 to Km 119.300 in the State of Orissa and West Bengal, including Operation & Maintenance to be executed as BOT (Toll) on DBFOT Pattern under NHDP Phase-I. The Project is on Toll basis with a concession period of 24 years, including construction period of 2.5 years. As per NHAI, the estimated project cost will be ₹ 4,710.5 million

iii. The Company was awarded the Project for Development and Operation of Sikar-Bikaner Section of NH-11 (Km 340.188 to Km 557.775 via Sikar By-pass) and Bikaner By-pass from Km 553.869 of NH-11 to Km 267.325 of NH-89 in the State of Rajasthan through Public Private Partnership on Design, Build, Finance, Operate and Transfer (DBFOT) basis. The Project is on Toll basis with a concession period of 25 years, including construction period of 2 years. As per the Public Works Department, Rajasthan (the "Authority"), the estimated cost of the Project is ₹ 6,508.4 million

iv. On December 28, 2011, ITNL International Pte. Ltd., Singapore acquired 49% equity stake in Chongqing YuHe Expressway Company Limited, based in China. The Project comprises 58.72 Kms of 4-lane carriageway constructed at a cost of RMB 3.5 billion and has bridges and tunnels as a part of its carriageway. The Concession Period for the Project is 30 years of which the residual Concession Period is 20.5 years. The revenues accrue to the Project SPV from subsidy and Toll Collection

v. The Company had signed a Concession Agreement on April 1, 2009 with Ministry of Road Transport and Highways (MORTH), Government of India for Development and Operation of the existing two-lane road from Km 58.245 to Km 177.050 (approximately 116.433 km) on the Beawar Gomti section of National Highway No. 8 in the State of Rajasthan on DBFOT (Toll) basis. The Provisional Completion certificate for the Project was issued on August 24, 2010 and the toll collection commenced from August 25, 2010. The Concession Agreement also provided for undertaking construction of the four-laning of the Project by the Concessionaire, ITNL Road Infrastructure Development Company Limited, a wholly-owned subsidiary of the Company. MORTH has decided to entrust the work for construction of four-laning of the Project by ITNL Road Infrastructure Development Company Limited. The estimated cost of the Project is ₹ 12,000 million. The Concession period for the Project will stand extended from the present 11 years to 30 years from the Appointed Date i.e. from October 28, 2009

vi. The Company was entrusted with the following projects under the Mega Highway Development Project in Rajasthan:

a) Development, Design, Finance, Construction, Operation and Maintenance of Mathura (U.P. Border) to Bhadoti in Rajasthan by RIDCOR on DBFOT (Toll) Basis. The estimated project cost is ₹ 3,875.2 million and Government of Rajasthan will provide a soft loan of ₹ 1,162.6 million

b) Development, Design, Finance, Construction, Operation and Maintenance of Rawatsar-Nowar-Bhadra roads in Rajasthan by RIDCOR on DBFOT (Toll) basis. The estimated project cost is ₹ 2,237.4 million. The Government of Rajasthan will provide a soft loan of ₹ 447.5 million

vii. The Company is carrying out the Operations and Maintenance activities of the following road projects and maintaining them, as per norms prescribed under the Concession Agreements:

- The Kotakatta By-pass–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 Mega Highways Road Project Phase I in Rajasthan

viii. Under the Jharkhand Accelerated Road Development Programme (JARDP), the

Company has been entrusted with two projects, in addition to the three it is already developing. The two new projects are: Improvement Works of Chaibasa-Kandra-Chowk Road and Adityapur – Kandra Road, aggregating 198 lane-kms with a concession period of 17.5 & 15.75 years, respectively. The total project cost together is ₹ 7,330 million

ix. The Company is currently associated with 50 proposals with various project awarding authorities aggregating 5,357 kms, which are under various stages of development

b. 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. Currently, the company is operating 470 buses in the city of Nagpur

(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 construction activity commenced in December 2010. As of this month, more than 50% of construction and fabrication work has been completed at the site and at the manufacturing plants. The system is expected to commence commissioning in October 2012, and will receive all permits and clearances from the authorities by March 2013, to commence Commercial Operation

The investment commitment (net of advances) as on March 31, 2012, is Rs 11,757.95 million for all the aforesaid projects. This amount will be infused in accordance with the provisions of the financing arrangements to be entered into for each respective project. Typically, lenders ask for infusion of around 40% to 50% of the equity commitment upfront and the balance in accordance with construction progression on reaching a certain specified debt-equity level. This investment commitment is, therefore, expected to be infused into respective projects in the next 2-3 years

5. RISKS & CONCERNS

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

(1) Market Competition:

Roads have been the most progressive of the infrastructure sub-sectors, which has led to increased competition from Indian as well as international companies. Considering the increasingly competitive market the Company operates in, its improved strategy, processes and systems are continuously modified to differentiate and ensure a robust and thriving business models

(2) Slowdown in Government Spending:

The projections made in the XIth Five Year Plan estimated the total infrastructure spend at ₹ 21 trillion, which is expected to be increased to ₹ 41 trillion during the XIIth Five Year Plan. The Government expects almost 50% of the above target to be met through private sector participation. Considering the substantial infrastructure gap and the huge positive impact infrastructure growth can have on the economy's overall development, government spending is unlikely to witness a slowdown in the near future

(3) Delay in Government Clearances / Approvals for Projects:

The Company understands the importance of attaining timely approvals and clearances for its projects to achieve a smoother execution. The Company accords assistance to the various Concessioning Authorities for facilitation of clearances. The main document for project is the Concession Agreement, which provides risk mitigation and timelines for obtaining clearances

(4) Retention of Experienced Manpower:

The Company encourages a culture that develops and empowers people, promotes team building, nurtures individuals and uses good people practices to support HR processes and initiatives. The Company continues to undertake various initiatives for development of Human Resources and to maintain a healthy and harmonious relationship within the organisation

The Company lays great emphasis on optimizing performance through various processes. Some of these are: attracting good talent and moves through learning & development, engagement and sustaining high motivation levels of people through attractive rewards and recognition

(5) Price Inflation Risk:

Input materials comprise a substantial component of construction cost. Over the years, the Company has developed in-house capabilities for accurate and reliable cost estimation. The bidding department, while preparing the project report, employs mechanisms for factoring in inflation-related increase in prices. The Company has put in place a system whereby contractors and the Company share increase in costs in order to sustain quality objectives

(6) Force Majeure

Force Majeure risks have been mitigated by obtaining adequate insurance cover for the Company. Also, the Concession Agreement has provisions for extension to offset losses incurred by the Concessionaire due to force majeure events. The Concession Agreement provides protection to the Concessionaire with no adverse impact and subsequently avails refinancing/ structured financial products to reduce such costs

(7) Increased Cost of Borrowings

The nature of the Company's business requires it to borrow from banks/financial institutions for project financing. While formulating its strategy for the proposals, the Company examines possible solutions to factor in increased cost of borrowing and mitigating its impact

6. OUTLOOK:

Inclusive development has been a key concern for the Indian Government, which can be achieved by broad-based infrastructure creation, connecting various parts of the country. This augurs well for the private sector to partner with the Government to consistently develop infrastructure and reduce the infrastructure deficit. The Company has a diverse asset portfolio which positions it uniquely for leveraging the emerging opportunities

The Company is extremely optimistic that its portfolio of projects will significantly improve its

financial performance. It is also targeting large-sized highway projects in India and in the international arena

The Company is also closely monitoring investments made in BOT projects and constantly reviewing and strengthening its systems and procedures. It has also obtained ISO 9001:2008 certification. During the year, the Company was also awarded ISO 14001:2004 and OHSAS 18001:2007 certifications for its Environmental, Health and Safety Management System

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

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

7. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Standalone

During the Financial Year 2011-12, the Company's turnover increased by 71% to ₹ 29,102.46 million, up from ₹ 17,009.80 million in Financial Year 2010-11. This is on account of the increase in construction activity in existing projects. This is also a result of the rise in number of projects in which construction activity was undertaken, which rose from 6 in 2010-11 to 8 in 2011-12

This has resulted in a consequential increase in construction costs. There is an increase in the Operation & Maintenance expenditure since expenditure was incurred during the full year for all the projects, as against part of the year during 2010-11. Other key operating data for the year comprises the following:

Earnings before Interest, Tax, Depreciation and Amortization increased from ₹ 6,170.55 million in 2010-11 to ₹ 6,898.51 million in 2011-12, registering an increase of 11.80%. However, EBITDA margin reduced from 36% to 24% mainly as a result of the change in composition of revenues, with lower margin construction revenues making up almost 77% of total revenues as against 62% in 2010-11

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

Financing cost increased by ₹ 1,101 million as a result of higher borrowings to fund higher level of operations and also on account of continuous rise in interest rates. The debt-equity ratio as at March 31, 2012 stood at 1.40 : 1

As a result of the above, profit before tax reduced from ₹ 4,517.39 million during 2010-11 to ₹ 4,136.48 million during 2011-12, a decline of 8.43%. The average rate of tax applicable increased to 39% from 36% as a result of disallowance of interest considered on borrowed funds invested in equity. Consequently, profit after tax reduced from ₹ 2,880.36 million to ₹ 2,522.98 million during 2011-12, a decline of 12.41%

Earnings per share on basic and diluted basis stood at ₹ 12.99 per share as at March 31, 2012 as against ₹ 14.83 per share as at March 31, 2011 translating into a price to earnings ratio of 14.86 times as against 15.84 times as on March 31, 2011. The price to book ratio was 1.93 times, compared with 2.56 times

Consolidated

During Financial Year 2011-12, consolidated revenues increased 39% to ₹ 57,294.28 million from ₹ 41,268.54 million over the previous year. This was largely on account of the increase in construction activity in existing projects and also increase in number of projects in which construction activity was undertaken. The latter rose from 6 in 2010-11 to 8 in 2011-12, resulting in a consequential increase in construction and other costs

Earnings before Interest, Tax, Depreciation and Amortization increased to ₹ 15,893.56 million in 2011-12, up from ₹ 12,334.66 million in 2010-11, an increase of 29%. However, EBITDA margin reduced marginally from 30% in 2010-11 to 28% in 2011-12. This was mainly as a result of the change in composition of revenues, with lower margin construction revenues making up almost 72% of total revenues, as against 67% in 2010-11

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

Financing cost increased by ₹ 2,301 million during 2011-12 due to higher draw down of debt in project SPVs to fund higher level of construction activity and also on account of increase in interest rates during the year. Debt equity ratio as at March 31, 2012 on a consolidated basis stood at 3.70: 1

Profit before tax increased to ₹ 7,845.97 million in 2011-12 from ₹ 6,739.78 million in 2010-11, registering an increase of 16.41% as a result of factors outlined in preceding paragraphs. Average rate of tax during 2011-12 fell to 31% from 33% primarily on account of recognition of a deferred tax asset on unabsorbed depreciation in one of the subsidiary companies. Profit after tax increased to ₹ 4,969.58 million in 2011-12 from ₹ 4,328.79 million in 2010-11, an increase of 14.80%

Earnings per share on basic and diluted basis stood at ₹ 25.48 per share as at March 31, 2012, as against ₹ 22.19 per share in the previous year, translating into a price to earnings ratio of 7.58 times as on March 31, 2012 as against 10.59 times in the previous year. Price to book ratio was 1.36 times against 2.04 times as at March 31, 2011

8. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company is driven by its dynamic workforce, imbued by the spirit of keeping the organization as an industry frontrunner. The Company's focus is to build an organization of highly-motivated employees, with the ability to execute ambitious business goals with acute passion and commitment

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

The Company encourages its employees to participate in various development programmes conducted at all levels. This can be done by using internal resources and /or engaging external facilitators / trainers for upgrading employee skills-sets on a periodic basis and enabling them to compete with unpredictable challenges ahead

Training programmes attended by employees during the year are:

Sr. No.	Training Programme / Seminars / Workshops
1.	Seminar on Insurance Awareness
2.	Recent Changes in Service Tax Law and Procedures
3.	Conference on Tunnel Construction in India
4.	Road Safety & Traffic Management Conference on "4th National India Roads 2011"
5.	Seminar on Transfer Pricing
6.	Tunnel Design and Construction Asia 2011
7.	Public Private Partnership in Road and Transport Infrastructure
8.	UN Decade of Action Plan on Road Safety
9.	Workshop on Project Finance
10.	Conference on Public Private Partnership in National Highways
11.	Infra Conclave Rajasthan 2011
12.	Design, Construction and Maintenance of Flexible Pavements
13.	Rigid Pavements: Design, Construction & Quality Control Aspects
14.	Bridge Diagnostics, Performance, Evaluation and Rehabilitation
15.	Reliability Based Design - Pile & Deep Foundation
16.	Intensive Training on Guarantees, Standby Letters of Credits & Letters of Credits
17.	Seminar on Practical Issues in Indirect Tax
18.	Conference on Road Infrastructure in India 2011
19.	Tunnels and Underground Construction in India
20.	Conference on Operation, Maintenance and Tolling in Road Sector
21.	Conference on Foundation and Piling Works for Infrastructure in India

Sr. No.	Training Programme / Seminars / Workshops
22.	International Summit on Public Private Partnership in Roads & Highways
23.	IRF General Assembly Meetings & 2012 Inter traffic Amsterdam – International Trade Fair And Seminar
24.	5th Indian Roads Conference 2012
25.	Advanced Cost Engineering & Strategic Cost Management for Infrastructure Projects
26.	Airport Development and Modernisation
27.	Public Private Partnership Conference at Abu Dhabi
28.	Financing of Road Projects

9. 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 Twelfth Annual Report alongwith the Audited Statements of Accounts for the year ended March 31, 2012

FINANCIAL RESULTS

The financial results of the Company are as under:

(₹ in million)

	For the Year ended March 31, 2012	For the Year ended March 31, 2011
Total Income	29,102.46	17,009.80
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)	6,898.51	6,170.55
Profit Before Tax	4,136.48	4,517.39
Profit After Tax	2,522.98	2,880.36
Balance Brought Forward	4,816.35	3,014.27
Profit available for appropriation	7,339.33	5,894.63
Appropriation:		
Dividend Proposed/Paid	(777.07)	(679.94)
Tax on Dividend	(126.06)	(110.30)
General Reserve	(252.30)	(288.04)
Balance carried forward	6,183.90	4,816.35

THE BOARD OF DIRECTORS HAS RECOMMENDED A FINAL DIVIDEND OF ₹ 4 PER EQUITY SHARE OF THE FACE VALUE OF ₹ 10/- EACH FOR THE FINANCIAL YEAR ENDED MARCH 31, 2012.

Your Company continues to maintain its leading position in the Surface Transport Sector with 28 projects in its portfolio in various stages aggregating to around 11,859 lane kms (including around 2,621 lane kms in respect of which your Company is the lowest/preferred bidder

DIVIDEND

Your Directors have recommended payment of dividend of ₹ 4 per share (Previous Year: ₹ 3.50 per share) for the year under review. The proposed dividend, if approved at the Annual General Meeting, will absorb a sum of ₹ 903.13 million including tax on dividend of ₹ 126.06 million (Previous Year: ₹ 790.24 million including dividend tax of ₹ 110.30 million)

PERFORMANCE REVIEW

Your Company continues to maintain its leading position in the Surface Transport Sector with 28 projects in its portfolio in various stages aggregating to around 11,859 lane kms (including around 2,621 lane kms in respect of which your Company is the lowest/preferred bidder). During the year gone by, the Company operationalised 460 lane kms under RIDCOR Phase II projects, received provisional completion certificate for 173 lane kms of the EHEL project and added 235 lane kms to its portfolio by acquisition of 49% stake in Yuhe Expressway Company through ITNL International Pte Ltd., a wholly owned subsidiary in Singapore. As at March 31, 2012, 14 projects have been operational with an aggregate length of approximately 5,453 lane kms

FY 2012 witnessed a spurt in the award of Projects by the Government with emphasis on the PPP route. The Government, through its various instrumentalities awarded 7,957 kms in 62 Projects, which is an improvement of 54% over the previous year. This comprises of 6,491 km by NHAI (49 projects) and 1,466 kms (13 projects) by Ministry of Road Transport and Highways. The Company was awarded 2 projects by NHAI, namely, Kiratpur Ner Chowk project in the State of Himachal Pradesh and Baleshwar Kharagpur Road Project in the states of West Bengal and Orrisa. In addition to these, the Company was also awarded the development and operation of Sikar – Bikaner stretch of NH 11, a project of 237.57 kms with a Project cost of ₹ 6.51 billion by NH Division, PWD, Rajasthan. Also, Government of Rajasthan awarded 2 projects to RIDCOR, aggregating to 303.50 kms with a total project cost of ₹ 22.89 billion

NHAI, the key highway implementation arm of the Government of India has implemented the e-tendering process for price proposals and have continued with the annual pre-qualification of bidders. This has led to a substantial reduction in the effort required for bid submission. In the annual pre-qualification process undertaken by NHAI, the Company has been qualified to bid for projects having an estimated cost of upto ₹ 53,592.9 million, which enables the Company to participate in virtually all projects on its own

Your Company through ITNL International Pte Ltd, Singapore (IIPL), a wholly owned subsidiary acquired 49% equity stake in Chongqing YuHe Expressway Company Ltd, which owns a 58 km expressway connecting downtown Chongqing with Hechuan County in Chongqing, in the People's Republic of China with toll concession rights till June 2032

The Company also acquired a 61.22% equity stake in Futureage Infrastructure India Limited (FIIL) for developing an Automated Car Parking facility for about 440 cars, at Hyderabad in the vicinity of Charminar. Amongst the other sectors of transport in the ambit of the Company, construction on the Rail project in Gurgaon continued during the financial year. The Urban Bus Transport system in the city of Nagpur continued its slow progress

Elsamex is following up for Contracts in Abu Dhabi and Mexico and continues to have orders in Operations & Maintenance of Roads & Buildings in Spain that are at levels similar to that in the previous year. A number of other leads are being pursued and efforts are being made to stabilise the operations. Elsamex has signed a contract for Road Rehabilitation Works in Haiti for Euro 40.72

FY 2012 witnessed a spurt in the award of Projects by the Government with emphasis on the PPP route. The Government, through its various instrumentalities awarded 7,957 kms in 62 Projects, which is an improvement of 54% over the previous year.

million in January 2012. This project is being funded by the European Union. The profit after tax for FY2012 stands at Euro 1.97 million

Your Company has adopted two of Elsamex's technologies viz "Micro surfacing" and "Warm Mix Asphalt Technology" which are environmental friendly and specifically designed to reduce energy consumption

Your Company closely monitors investments made in the BOT projects and continuously reviews and strengthens its systems and procedures and has obtained ISO 9001:2008 certification. During the year under review, your Company was also awarded ISO 14001:2004 and OHSAS 18001:2007 certifications for its Environmental,Health and Safety Management System

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 May 4, 2012 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 2011-12. 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. Deepak Dasgupta, Mr. Deepak Satwalekar, Mr. Vibhav Kapoor and Mr. Pradeep Puri, 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

ENVIRONMENTAL AND SOCIAL POLICY FRAMEWORK

In its pursuit of following the best business practices, your Company has adopted the Environmental and Social Policy Framework (ESPF) to address the environmental and social risks associated with the business of the Company. ESPF has been founded on the concept of Sustainable Development and recognises Environmental and Social (E&S) considerations in its business operations so as to add value and minimise any adverse impact and risks on the business. Your Company being a Pan India Developer, Operator and Facilitator of infrastructure projects, recognises the importance of ensuring proper management of E&S risk for each of its projects. ESPF will enable the Company to identify E&S risks associated with projects prior to submission of bids and depending on the outcome of Risk Rating and its impact, the Company would be able to address the relevant E&S impact and initiate suitable mitigation measures

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 Directors' 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

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 income during the year was ₹ 64.51 million and expenditure during the year was ₹ 210.24 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

Bengaluru, May 4, 2012

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

At IL&FS Transportation Networks Limited, the Corporate Governance has been an integral part of the way we have been doing our business since inception. We believe that good 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's value and discharge of social responsibility

The Company places great emphasis on values such as empowerment and integrity of its employees, safety of the employees & communities surrounding our roads, transparency in decision making process, fair & ethical dealings with all and last but not the least, accountability to all the stakeholders

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

THE COMPANY IS COMMITTED TO MEET ASPIRATIONS OF ITS STAKEHOLDERS AND IS STRIVING TO BE A PART OF THE SOCIAL DEVELOPMENT OF THE COUNTRY

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) April 29, 2011, (ii) August 5, 2011, (iii) November 9, 2011 and (iv) February 7, 2012

The Agenda and the explanatory notes forming part of agenda are prepared and 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, 2012 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 5, 2011 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	2	3	1	2
Mr. R. C. Sinha	Non-Executive, Independent	4	4	Yes	-	1	-	-
Mr. H. P. Jamdar	Non-Executive, Independent	4	4	Yes	-	1	-	-
Mr. Deepak Satwalekar	Non-Executive, Independent	4	4	Yes	-	5	2	2
Mr. Ravi Parthasarathy	Non-Executive, Non-Independent	4	4	Yes	8	3	-	-
Mr. Hari Sankaran	Non-Executive, Non-Independent	4	4	Yes	-	12	-	3
Mr. Arun K. Saha	Non-Executive, Non-Independent	4	4	Yes	3	10	2	6
Mr. Vibhav Kapoor	Non-Executive, Non-Independent	4	4	Yes	-	4	-	-
Mr. Pradeep Puri	Non-Executive, Non-Independent	4	2	No	-	9	2	2
Mr. R S Chandra	Non- Executive, Non-Independent	4	2	Yes	-	2	-	-
Mr. K Ramchand (Managing Director)	Executive, Non-Independent	4	4	Yes	1	13	1	4
Mr. Mukund Sapre (Executive Director)	Executive, Non-Independent	4	3	Yes	-	12	-	6

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, four Audit Committee meetings were held on the following dates:

(i) April 29, 2011, (ii) August 5, 2011, (iii) November 9, 2011 and (iv) February 6, 2012

Attendance

The attendance at the meetings of the Audit Committees held during the period April 1, 2011 to March 31, 2012 are given below:

Name of Director	Designation	Category of Directorship	No of Meetings	
			Held	Attended
Mr. R C Sinha	Chairman	Non-Executive, Independent	4	4
Mr. Deepak Dasgupta	Member	Non-Executive, Independent	4	4
Mr. H P Jamdar	Member	Non-Executive, Independent	4	4
Mr. Arun K Saha	Member	Non-Executive, Non-Independent	4	4

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 5, 2011 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 / dematerialization / 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) April 14, 2011, (ii) June 15, 2011, (iii) July 4, 2011, (iv) October 25, 2011 and (v) January 27, 2012

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 20 complaints during the period April 1, 2011 to March 31, 2012 and the same were resolved to the satisfaction of the Investors. There was no complaint lying unresolved as on March 31, 2012

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 11 times during the period under review on (i) April 14, 2011, (ii) May 30, 2011, (iii) July 19, 2011, (iv) August 9, 2011 (v) September 28, 2011, (vi) November 3, 2011, (vii) December 5, 2011, (viii) December 19, 2011, (ix) January 25, 2012, (x) February 29, 2012 and (xi) March 20, 2012

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 as Members

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

No Meeting was held during the year under review

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, 2012 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 (₹)	1,85,93,337	85,15,955
Perquisites (₹)	37,17,092	33,97,792
Retirement Benefits (₹)	57,99,424	17,32,500
Performance Linked Incentive (₹)	2,50,00,000	1,65,00,000
Notice Period	Three months	
Severance Fees	There is no separate provision for payment of severance fees	
	The Company does not have any Stock Option Plan for its employees	

(b) Non-Executive Directors:

(a) The Non-Executive Directors are paid remuneration by way of Commission and Sitting fees. In terms of the Shareholders' approval obtained at the Annual General Meeting held on August 4, 2010, the Commission payable to the Non-Executive Directors shall not exceed 1% of the net profit of the Company computed in accordance with Section 309(5) of the Companies Act, 1956. The commission is distributed on uniform basis to reinforce the principle of collective responsibility of Directors. However, an additional amount is also paid to the Chairman of the Board and Chairman/Members of the Audit and Remuneration Committees for the responsibility and time spent by them. The said commission is decided each year by the Board of Directors

(b) The Company pays Sitting Fees @ ₹ 20,000 per meeting (subject to tax) to its Non-Executive Directors for attending meetings of the Board and Committees of the Board. The Company also reimburses out-of-pocket expenses incurred by the Directors for attending the meetings

(c) The details of Sitting Fees and Commission paid during the period April 1, 2011 to March 31, 2012 are given below:

Name of Director	Sitting fees (₹)	Commission (₹)
Mr. Deepak Dasgupta	1,60,000	15,00,000
Mr. R. C. Sinha	1,60,000	11,00,000
Mr. H P Jamdar	1,60,000	10,00,000
Mr. Deepak Satwalekar	80,000	10,00,000
Mr. Ravi Parthasarathy	80,000	10,00,000
Mr. Hari Sankaran	2,76,667	10,00,000
Mr. Arun K Saha	4,53,334	10,00,000
Mr. Vibhav Kapoor	80,000	8,00,000
Mr. Pradeep Puri	40,000	8,00,000
Mr. R S Chandra	40,000	8,00,000

(d) Details of shares held by the Non-Executive Directors as on March 31, 2012 are given below:

Sr. No.	Name of Director	No of shares held
1	Mr. Deepak Dasgupta	79
2	Mr. Ravi Parthasarathy	3,14,800
3	Mr. Hari Sankaran	3,40,957
4	Mr. Vibhav Kapoor	3,14,800
5	Mr. Arun K. Saha	3,19,537
6	Mr. R.C. Sinha	53
7	Mr. Pradeep Puri	31,652

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

7. GENERAL BODY MEETINGS

(a) 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
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
2010-11	Y. B. Chavan Auditorium, Gen. J. Bhosale Marg, Mumbai 400021	August 5, 2011	3.30 pm	AGM	-

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, 2012

(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) Presentations made to the Institutional Investors and Analysts are posted on the Company's website

(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, 2011 to March 31, 2012

(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 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 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, 2011 to March 31, 2012

(i) A Reconciliation of Share Capital Audit is conducted every quarter by a qualified Practising Company Secretary to reconcile the total admitted capital with both the depositories namely, National Securities Depository Limited and Central Depository Services (India) Limited and the total issued and listed capital. The said report confirms that the total issued/paid up capital is in agreement with the total number of shares held in physical form and the total number of shares in dematerialised form with the depositories

(j) Compliance with Non Mandatory requirements;

i. The Code of Conduct adopted by the Company provides a mechanism for employees to report about unethical behavior, 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 Financial Statement for the year ended March 31, 2012

iii. The Company has set up a Remuneration Committee as per the provisions of Clause 49 of the Listing Agreement

9. MEANS OF COMMUNICATION

The Quarterly and Annual Consolidated Financial Results are published in leading newspapers in India. The Financial Results are also filed with the Stock Exchanges and posted on the Company's website

All the official news releases are sent to the Stock Exchanges as well as displayed on the Company's website

The Company's website: www.itnlindia.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

A Management Discussion & Analysis Statement is a part of the Company's Annual Report

10. GENERAL SHAREHOLDER INFORMATION:

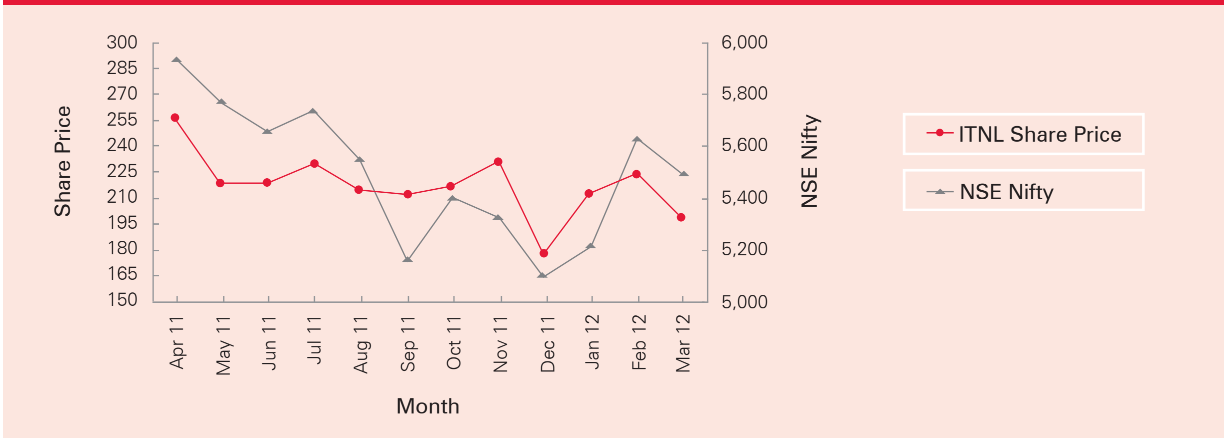
I.	Annual General Meeting(AGM)	:	
	Day/Date		Thursday, August 9, 2012
	Time		3.30 pm
	Venue		Y B Chavan Auditorium Gen. J. Bhosale Marg, Mumbai 400 021
II.	Financial year	:	April 1 to March 31
III.	Date of Book Closure	:	Wednesday, August 1, 2012 to Thursday, August 9, 2012
IV.	Dividend Payment Date	:	The dividend, if declared, shall be paid/credited before September 7, 2012
V.	Listing on Stock Exchanges	:	(i) National Stock Exchange of India Limited (NSE) (ii) Bombay Stock Exchange Limited (BSE) Listing fees have been paid
VI.	Scrip Code	:	IL&FSTRANS EQ – NSE 533177 – BSE

VII. Market Price Data (High/Low during each month) on NSE & BSE:

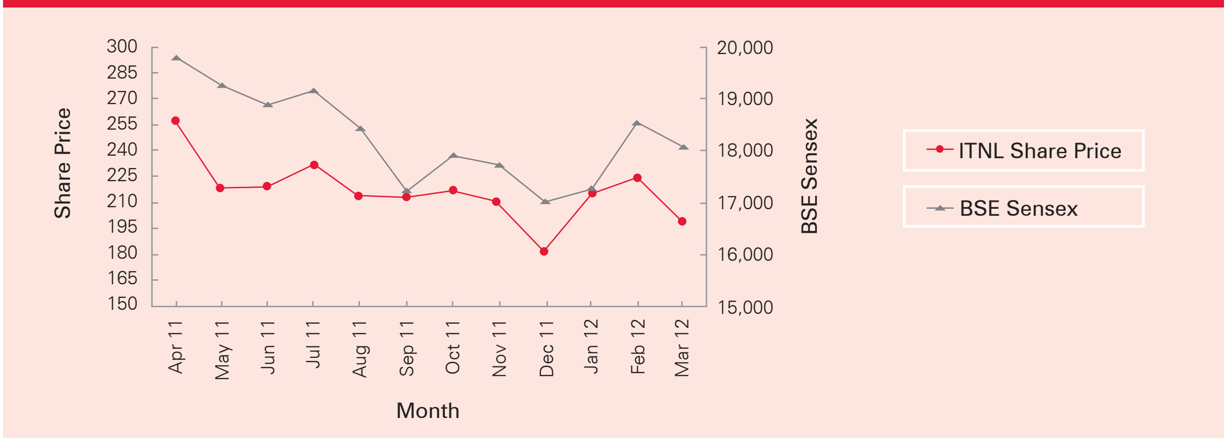
Month	NSE		BSE	
	High	Low	High	Low
Apr-11	256.85	207.10	256.65	207.00
May-11	219.00	186.00	217.45	185.30
Jun-11	218.80	191.60	218.70	192.00
Jul-11	230.50	206.00	230.50	206.00
Aug-11	214.90	168.00	213.95	170.00
Sep-11	212.00	180.25	212.70	179.55
Oct-11	218.30	190.10	217.30	190.80
Nov-11	231.00	162.85	209.90	167.25
Dec-11	178.00	144.00	182.00	145.00
Jan-12	214.00	142.55	214.45	143.10
Feb-12	223.90	186.00	224.30	181.00
Mar-12	199.00	179.50	198.95	180.10

VIII. Performance of Company's share price in comparison with NSE NIFTY and BSE SENSEX during the FY 2011-12

ITNL Share Price/NSE Nifty (High)



ITNL Share Price/BSE Sensex (High)



IX. Registrar and Share Transfer Agents:
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, 2012

Number of Equity Share holdings	Number of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of Shares
1-5000	42,953	95.34	33,66,684	1.73
5001-10000	865	1.92	6,76,838	0.35
10001-20000	475	1.05	7,12,131	0.36
20001-30000	189	0.42	4,84,349	0.25
30001- 40000	97	0.22	3,44,428	0.18
40001- 50000	65	0.14	3,04,577	0.16
50001-100000	155	0.34	11,45,849	0.59
100001 & above	255	0.57	18,72,32,876	96.38
Total	**45,054**	**100.00**	**19,42,67,732**	**100.00**

XII. Shareholding Pattern as on March 31, 2012

Sr. No	Category	No. of Shares	Percentage
1	Promoter Holding	13,50,00,000	69.49
2	Promoter Group Holding	57,63,003	2.97
3	Mutual Funds	67,37,434	3.47
4	Financial Institutions / Banks	6,28,392	0.32
5	Foreign Institutional Investors/ Foreign Venture Capital	61,92,763	3.19
6	Bodies Corporate	91,93,339	4.73
7	Foreign Bodies Corporate	1,68,37,028	8.67
8	NRI	4,43,491	0.23
9	Individuals	1,34,72,282	6.93
	Total	**19,42,67,732**	**100.00**

XIII. Dematerialisation of Shares as on March 31, 2012

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, 2012, 19,42,65,630 shares representing 99.99% of the Company's total paid-up share capital (including 72.46% 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 are given below:

Particulars		**Details**
(i)	Number of shareholders at the beginning of the year	36
(ii)	Number of outstanding shares in the suspense account at the beginning of the year	1,877
(i)	Number of shareholders who approached the Company and to whom shares were transferred from suspense account during the year	22
(ii)	Number of shares transferred from the suspense account during the year	1,221
(i)	Number of shareholders at the end of the year	14
(ii)	Number of outstanding shares in the suspense account at the end of the year	656

The voting rights on these shares shall remain frozen till the rightful owner of such shares claim 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 400 051
Telephone: + 91 22 26533333
Fax: + 91 22 26523979
Email: itnlinvestor@ilfsindia.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, 2012 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

K Ramchand
Managing Director

Mumbai, May 2, 2012

AUDITORS' 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 ("the Company") for the year ended on March 31, 2012 as stipulated in Clause 49 of the Listing Agreements of the Company with the Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of corporate governance. 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, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Agreements.

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
(RegistrationNo.117366W)

Kalpesh J. Mehta
Partner
(Membership No. 48791)

Bengaluru, May 4, 2012

Auditors' Report IL&FS Transportation Networks Limited

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, 2012, the Statement of Profit and Loss 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 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 misstatements. 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) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we give 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 that:

   (i) 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;

   (ii) 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;

   (iii) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

   (iv) in our opinion, the Balance Sheet, the Statement of Profit and Loss 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;

   (v) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

   (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;

   (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date and

   (c) 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, 2012 taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2012 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956

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

Kalpesh J. Mehta
Partner
(Membership No. 48791)

Bengaluru, May 4, 2012

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/results, clauses (ii), (x), (xii), (xiii), (xiv), (xviii), (xix) and (xx) of CARO are 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 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) In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:

(a) The Company has granted unsecured loans aggregating ₹ 12,564.48 million to thirteen parties during the year. At the year-end, the outstanding balances of such loans aggregated ₹ 8,893.34 million to fourteen parties and the maximum amount involved during the year was ₹ 11,842.58 million to fourteen parties

(b) The rate of interest and other terms and conditions of such loans are, in our opinion, prima facie, not prejudicial to the interests of the Company

(c) The receipts of principal amounts and interest have been regular during the year

(d) There are no overdue amounts over ₹ 0.10 million remaining outstanding as at March 31, 2012

In respect of loans, secured or unsecured, taken by the Company from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:

(a) The Company has taken unsecured loans aggregating ₹ 800 million from one party during the year. At the year-end, the outstanding balances of such loans aggregated ₹ 700 million from one party and the maximum amount involved during the year was ₹ 2,450 million from three parties

(b) The rate of interest and other terms and conditions of such loans are, in our opinion, *prima facie*, not prejudicial to the interests of the Company

(c) The payments of principal amounts and interest in respect of such loans have been regular / as per stipulations during the year

(iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and the sale of services. During the course of our audit, we have not observed any major weakness in such internal control system

(v) To the best of our knowledge and belief and according to the information and explanations given to us, there were no contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that needed to be entered in the register maintained under the said Section. Accordingly, sub-clause (b) of clause (v) of paragraph 4 of CARO is not applicable to the Company

(vi) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year within the meaning of Sections 58A & 58AA or any other relevant provisions of the Companies Act, 1956

(vii) 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

(viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that *prima facie* the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete

(ix) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed dues relating to Provident Fund, Income-tax, Wealth Tax, Sales Tax, Service Tax and other material statutory dues applicable to it with the appropriate authorities during the year

(b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax and other material statutory dues in arrears as at March 31, 2012 for a period of more than six months from the date they became payable

(c) There were no disputed dues as regards Income-tax, Wealth Tax, Sales Tax and Service Tax that have not been deposited as at the year end

(x) 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 and financial institutions

(xi) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not, *prima facie*, prejudicial to the interests of the Company

(xii) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained

(xiii) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet, we report that ₹ 5,239 million raised on short-term basis have been used during the year for long- term investment

(xiv) To the best of our knowledge 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
(Firm Registration No. 117366W)

Kalpesh J. Mehta
Partner
(Membership No. 48791)

Bengaluru, May 4, 2012

Balance Sheet as at 31.03.2012

₹ in million

Particulars	Note	As at March 31, 2012		As at March 31, 2011	
EQUITY AND LIABILITIES					
SHAREHOLDERS' FUNDS					
(a) Share capital	2	1,942.68		1,942.68	
(b) Reserves and surplus	3	17,495.41	19,438.09	15,904.97	17,847.65
NON-CURRENT LIABLITIES					
(a) Long-term borrowings	4	4,000.00		3,750.00	
(b) Deferred tax liabilities (Net)	7	21.22		26.64	
(c) Other long term liabilities	8	2,610.80	6,632.02	3,704.14	7,480.78
CURRENT LIABILITIES					
(a) Current maturities of long-term debt	5	8,500.00		6,100.00	
(b) Short-term borrowings	6	14,760.60		9,090.86	
(c) Trade payables	11	4,468.10		2,885.72	
(d) Other current liabilities	9	5,460.61		4,080.12	
(e) Short-term provisions	10	1,144.41	34,333.72	1,044.42	23,201.12
TOTAL			**60,403.83**		**48,529.55**
ASSETS					
NON CURRENT ASSETS					
(a) Fixed assets (net)	12				
(i) Tangible assets		142.83		142.45	
(ii) Intangible assets		158.76		225.52	
(b) Non-current investments	13	25,145.90		21,083.96	
(c) Long-term loans and advances	14	14,243.90		11,449.55	
(d) Other non-current assets	16	1,021.28	40,712.67	420.29	33,321.77
CURRENT ASSETS					
(a) Trade receivables	18	9,939.56		8,386.84	
(b) Cash and cash equivalents	19	40.78		75.58	
(c) Short-term loans and advances	15	8,551.74		6,038.23	
(d) Other current assets	17	1,159.08	19,691.16	707.13	15,207.78
TOTAL			**60,403.83**		**48,529.55**

Notes 1 to 37 form part of the financial statements

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

Kalpesh J. Mehta
Partner

Bengaluru, May 4, 2012

For and on behalf of the Board

K. Ramchand
Managing Director

Arun K. Saha
Director

George Cherian
Chief Financial Officer

Krishna Ghag
Company Secretary

Bengaluru, May 4, 2012

Statement of Profit and Loss for the Year Ended March 31, 2012

₹ in million

Particulars	Note	Year ended March 31, 2012	Year ended March 31, 2011
I) REVENUE FROM OPERATIONS	23	27,725.82	16,158.03
II) OTHER INCOME	24	1,376.64	851.77
III) TOTAL REVENUE (I + II)		**29,102.46**	**17,009.80**
IV) EXPENSES			
Operating expenses	25	20,471.91	9,532.34
Employee benefits expense	26	631.31	512.01
Finance costs	27	2,656.34	1,555.03
Depreciation and amortization expense	12	105.69	98.13
Administrative and general expenses	28	1,100.73	794.90
TOTAL EXPENSES		**24,965.98**	**12,492.41**
V) PROFIT BEFORE TAXATION (III-IV)		**4,136.48**	**4,517.39**
VI) TAX EXPENSE:			
(1) Current tax		1,600.76	1,612.27
(2) Tax relating to earlier year		4.04	-
(3) Deferred tax (net)		8.70	24.76
VI) TOTAL TAX EXPENSES (VI)		**1,613.50**	**1,637.03**
VII) PROFIT FOR THE YEAR (V - VI)		**2,522.98**	**2,880.36**
Earnings per equity share (Face value per share ₹10/-):	33		
(1) Basic		12.99	14.83
(2) Diluted		12.99	14.83

Notes 1 to 37 form part of the financial statements

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

Kalpesh J. Mehta
Partner

Bengaluru, May 4, 2012

For and on behalf of the Board

K. Ramchand
Managing Director

Arun K. Saha
Director

George Cherian
Chief Financial Officer

Krishna Ghag
Company Secretary

Bengaluru, May 4, 2012

Cash Flow Statement for the Year Ended March 31, 2012

₹ in million

	Year Ended March 31, 2012	Year Ended March 31, 2011
CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	4,136.48	4,517.39
Adjustments for		
Interest Income	(1,145.78)	(726.29)
Profit on sale of unquoted long term Investments	-	(40.09)
Provisions written back	-	(0.66)
Employee benefits (net)	1.95	1.13
Profit on sale of fixed assets (net)	(0.22)	(0.66)
Depreciation and amortization expense	105.69	98.13
Amortisation of premium on forward contract	(4.56)	-
Unrealised exchange loss on forward contract	30.96	-
Finance Costs	2,656.34	1,555.03
Write back of provision for doubtful debts / advances	-	(4.00)
Dividend Income on non-current investments	(23.60)	(32.51)
Provision for diminution in the value of Investments	110.00	100.00
Operating profit before Working Capital Changes	**5,867.26**	**5,467.47**
Increase in trade receivables (current and non current)	(1,741.54)	(3,626.73)
Increase in other assets & loans and advances (current and non current)	(118.83)	(4,528.92)
Increase in liabilities (current and non current)	1,841.00	7,069.21
Cash Generated from Operations	**5,847.89**	**4,381.03**
Direct Taxes paid (Net)	(1,627.83)	(1,805.00)
Net Cash generated from Operating Activities (A)	**4,220.06**	**2,576.03**
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to fixed assets	(39.68)	(94.76)
Proceeds from sale of fixed assets	0.59	9.18
Investment in / Purchase of equity shares of subsidiaries	(1,457.36)	(4,354.43)
Investment in Others	(1,265.72)	(1,532.77)
Advance towards Share Application Money in subsidiaries	(1,178.78)	(580.70)
Advance towards Share Application Money in others	(120.00)	(1,016.96)
Proceeds from sale of investments	-	496.21
Proceeds from redemption of Mutual Fund investments	-	2,509.63
Long term loans given	(4,703.18)	(980.93)
Long term loans recovered	790.12	-
Short term loans given (net)	(2,006.07)	(650.81)
Refund of Advance towards Share Application Money	0.05	412.25
Amount refunded / (placed) as inter-corporate deposits (net)	120.00	(120.00)
Interest received	733.11	573.51
Fixed deposits with original maturity exceeding 3 months encashed / (placed) (net)	(0.09)	1.58
Dividend received	23.60	23.60
Net Cash Used In Investing Activities (B)	**(9,103.41)**	**(5,305.40)**

Cash Flow Statement for the Year Ended March 31, 2012

₹ in million

	Year Ended March 31, 2012	Year Ended March 31, 2011
CASH FLOW FROM FINANCING ACTIVITIES		
Share Issue expenses	-	(201.14)
Recovery of Share Issue Expenses	-	48.66
Proceeds from loans repayable on demand from Banks (net)	319.74	90.86
Proceeds from long term borrowings	10,650.00	6,350.00
Repayment of long term borrowings	(8,000.00)	(3,000.00)
Proceeds from short term borrowings	15,450.00	13,880.00
Repayment of short term borrowings	(10,100.00)	(13,630.00)
Finance Costs paid	(2,681.27)	(1,481.51)
Dividend payment	(679.94)	(582.81)
Tax on Dividend paid	(110.30)	(96.80)
Net Cash generated from Financing Activities (C)	**4,848.23**	**1,377.26**
Net Decrease in Cash and Cash Equivalents (A+B+C)	**(35.12)**	**(1,352.11)**
Cash and Cash Equivalents at the beginning of the year	74.35	1,426.46
Cash and Cash Equivalents at the end of the year	39.23	74.35
Net Decrease in Cash and Cash Equivalents	**(35.12)**	**(1,352.11)**
Notes:		
1. Components of Cash & Cash Equivalents		
Cash on hand	38.15	0.78
Balances with Banks in current accounts	1.08	73.57
	39.23	**74.35**
Unpaid Dividend accounts	0.35	0.12
Fixed deposits placed for a period exceeding 3 months but not more than 12 months	1.20	1.11
Cash and Cash Equivalents as per Note 19	**40.78**	**75.58**

Notes 1 to 37 form part of the financial statements

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

Kalpesh J. Mehta
Partner

Bengaluru, May 4, 2012

For and on behalf of the Board

K. Ramchand
Managing Director

Arun K. Saha
Director

George Cherian
Chief Financial Officer

Krishna Ghag
Company Secretary

Bengaluru, May 4, 2012

Notes forming part of the financial statements for the year ended March 31, 2012

NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES

I 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 issued pursuant to the Companies (Accounting Standards) Rules, 2006. All income and expenditure having a material bearing on the financial statements are recognised on an accrual basis

II USE OF ESTIMATES

The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of Assets and Liabilities (including Contingent Liabilities) as of the date of the Financial Statements and the reported Income and Expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates

III FIXED ASSETS AND DEPRECIATION/AMORTISATION

(a) Tangible 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	Estimated Useful Life
Data processing equipments	4 years
Specialised office equipments	3 years
Assets provided to employees	3 years

(iii) Depreciation on fixed assets, other than on assets specified in Notes III(a) (i) and (ii) above, is provided for on the Written Down Value Method at the rates provided under Schedule XIV to 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 furnishings are fully depreciated in the year of purchase

Notes forming part of the financial statements for the year ended March 31, 2012

(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

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 Statement of Profit and Loss

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

IV 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

V 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

VI 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

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 is recognised 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

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

Notes forming part of the financial statements for the year ended March 31, 2012

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

Any excess revenue recognised in accordance with the stage of completion of the project, in comparison to the amounts billed to the clients in accordance with the milestones completed as per the respective development agreements, is carried forward as "Unearned Revenue"

Any short revenue recognised in accordance with the stage of completion of the project, in comparison to the amounts billed to the clients in accordance with the milestones completed as per the respective development agreements, is carried forward as "Unbilled Revenue"

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

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

VII 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 Statement of Profit and Loss

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 Statement of Profit and Loss

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 Statement of Profit and Loss. 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

VIII 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'

Notes forming part of the financial statements for the year ended March 31, 2012

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

(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

(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

IX 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

X 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 Statement of Profit and Loss 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

Notes forming part of the financial statements for the year ended March 31, 2012

XI 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 employee 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

XII 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, 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"

XIII BORROWING COSTS

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. Borrowing Costs are capitalised up to the date when the asset is ready for its intended use. The amount of borrowing costs 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

XIV CASH AND CASH EQUIVALENTS

Cash comprises of Cash on Hand, Cheques on Hand and demand deposits with Banks. Cash Equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risks of changes in value

XV 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 Statements

XVI 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

XVII DERIVATIVE TRANSACTIONS

Premium paid on option contracts acquired is treated as an asset until maturity. Premium received on option contracts written is treated as liability until maturity. In case of Forward exchange contracts which are not intended for trading or speculation purposes, the premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense for the period

Notes forming part of the financial statements for the year ended March 31, 2012

NOTE 2 : SHARE CAPITAL

Particulars	As at March 31, 2012		As at March 31, 2011	
	Number of Shares	₹ in million	Number of Shares	₹ in million
Authorised				
Equity Shares of ₹ 10/- each	250,000,000	2,500.00	250,000,000	2,500.00
Issued				
Equity Shares of ₹ 10/- each	194,267,732	1,942.68	194,267,732	1,942.68
Subscribed and Paid up				
Equity Shares of ₹ 10/- each fully paid (refer foot note no. i, ii and iii)	194,267,732	1,942.68	194,267,732	1,942.68
TOTAL	**194,267,732**	**1,942.68**	**194,267,732**	**1,942.68**

FOOT NOTES:

i) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period :

Particulars	Year ended March 31, 2012		Year ended March 31, 2011	
	Number of Shares	₹ in million	Number of Shares	₹ in million
Shares outstanding at the beginning of the year	194,267,732	1,942.68	194,267,732	1,942.68
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	**194,267,732**	**1,942.68**	**194,267,732**	**1,942.68**

ii) Shareholding more than 5% of issued, subscribed and paid up equity share capital

Shareholder	As at March 31, 2012		As at March 31, 2011	
	Number of Shares	% of total holding	Number of Shares	% of total holding
IL&FS	135,000,000	69.49%	135,000,000	69.49%
IL&FS Employees Welfare Trust	Not applicable*	Not applicable*	10,867,769	5.59%
TOTAL	**135,000,000**	**69.49%**	**145,867,769**	**75.08%**

* The number of shares held by IL&FS Employees Welfare Trust as at March 31, 2012 do not represent 5% or more of the total holding and hence, the disclosure of number of shares and percentage of total holding as at March 31, 2012 have not been given thereof

iii) Of the above 135,000,000 (As at March 31, 2011 : 135,000,000) shares are held by the holding Company viz. Infrastructure Leasing & Financial Services Limited ("IL&FS") and 2,440,534 (As at March 31, 2011 : Nil) shares are held by a fellow subsidiary viz. IL&FS Financial Services Limited

Notes forming part of the financial statements for the year ended March 31, 2012

NOTE 3 : RESERVES AND SURPLUS

₹ in million

Particulars	As at March 31, 2012		As at March 31, 2011	
(a) Securities Premium Account		10,320.57		10,320.57
(b) General Reserve				
Opening balance	715.52		427.48	
(+) Current year transfer	252.30		288.04	
(-) Written back in current year	-	967.82	-	715.52
(c) Foreign Currency translation reserve (Refer Note VII of Note 1)				
Opening Balance	52.53		52.53	
(-) Foreign exchange translation loss (net of deferred tax of ₹ 14.12 million (Previous Year ₹ Nil))	(29.41)		-	
Closing Balance		23.12		52.53
(d) Surplus in the Statement of Profit and Loss				
Opening balance	4,816.35		3,014.27	
(+) Profit for the year	2,522.98		2,880.36	
(-) Transfer to general reserve	252.30		288.04	
(-) Provision for proposed dividend (refer note no. 21)	777.07		679.94	
(-) Provision for Dividend Distribution Tax on proposed dividend	126.06		110.30	
Closing Balance		6,183.90		4,816.35
TOTAL		**17,495.41**		**15,904.97**

NOTE 4 : LONG-TERM BORROWINGS

₹ in million

Particulars	As at March 31, 2012	As at March 31, 2011
Unsecured		
Term loans from Banks (refer foot note no.1)	4,000.00	3,750.00
TOTAL	**4,000.00**	**3,750.00**

FOOT NOTES: NO. 1:

i) Terms of Repayment and rate of interest for long term borrowings outstanding as on March 31, 2012

Name of Bank	As at March 31, 2012		
	₹ in million	Terms of repayment	Due Date for Repayment
State Bank of Travancore	500.00	Bullet repayment	March 22, 2014
Bank of Baroda	2,000.00	Bullet repayment	March 21, 2014
South Indian Bank	1,000.00	Bullet repayment	December 9, 2013
Bank of India	500.00	Bullet repayment	August 25, 2013
TOTAL	**4,000.00**		

Notes forming part of the financial statements for the year ended March 31, 2012

Terms of Repayment and rate of interest for long term borrowings outstanding as on March 31, 2011

Name of Bank	As at March 31, 2011		
	₹ in million	Terms of repayment	Due Date for Repayment
Bank of India	500.00	Bullet repayment	August 25, 2013
Punjab and Sind Bank Limited	500.00	Bullet repayment	March 25, 2013
Punjab and Sind Bank Limited	625.00	Bullet repayment	March 22, 2013
United Bank of India	500.00	Bullet repayment	December 29, 2012
South Indian Bank	500.00	Bullet repayment	December 7, 2012
Punjab and Sind Bank Limited	625.00	Bullet repayment	September 25, 2012
Bank of India	500.00	Bullet repayment	August 25, 2012
TOTAL	**3,750.00**		

NOTE 5 : CURRENT MATURITIES OF LONG-TERM DEBT

₹ in million

Particulars	As at March 31, 2012	As at March 31, 2011
Unsecured from Banks	8,500.00	6,100.00
TOTAL	**8,500.00**	**6,100.00**

NOTE 6 : SHORT-TERM BORROWINGS

₹ in million

Particulars	As at March 31, 2012	As at March 31, 2011
(a) Secured		
Loans repayable on demand from Banks	410.60	90.86
(Secured by First pari passu charge over current assets and receivables)		
(b) Unsecured		
(i) Short term loans		
From Banks	12,650.00	7,300.00
From Other parties	1,000.00	-
(ii) Loans and advances from related parties	700.00	1,700.00
TOTAL	**14,760.60**	**9,090.86**

Notes forming part of the financial statements for the year ended March 31, 2012

NOTE 7 : DEFERRED TAX LIABILITIES (NET)

The Company has a net deferred tax liability of ₹ 21.22 million (As at March 31, 2011 : ₹ 26.64 million). The components are as under (refer foot notes 1 and 2):

₹ in million

Particulars	As at March 31, 2011	Movement during the year (refer foot note 2)	As at March 31, 2012
In respect of depreciation	38.28	(7.92)	30.36
In respect of employee benefits	(9.65)	1.48	(8.17)
in respect of provision for doubtful debts	(1.99)	1.02	(0.97)
DEFERRED TAX LIABILITIES (NET)	**26.64**	**(5.42)**	**21.22**

FOOT NOTE:

1) 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 deferred tax asset could be offset

2) Deferred tax charge (net) during the year includes deferred tax charge of ₹ 14.12 million on account of deferred tax liability created during the year which has been directly adjusted against Foreign Currency translation reserve recognised in respect of the foreign exchange translation differences on the Company's receivables which are regarded as an extension to the Company's net investments in a foreign entity and have not been included above

NOTE 8 : OTHER LONG TERM LIABILITIES

₹ in million

Particulars	As at March 31, 2012	As at March 31, 2011
(a) Retention money payable	735.90	318.55
(b) Mobilisation Advances Received	1,758.81	3,269.50
(b) Option premium liabilities (refer note no. 22)	116.09	116.09
TOTAL	**2,610.80**	**3,704.14**

NOTE 9 : OTHER CURRENT LIABILITIES

₹ in million

Particulars	As at March 31, 2012	As at March 31, 2011
(a) Interest accrued but not due on borrowings	24.77	49.70
(b) Mobilisation Advances Received	3,741.19	2,413.24
(c) Unearned Revenue (refer note no. 29)	1,361.94	1,420.19
(d) Unpaid dividends	0.35	0.12
(e) Other payables (Refer foot note below)	332.36	196.87
TOTAL	**5,460.61**	**4,080.12**

FOOT NOTE

Other payables includes deferred premium on forward contract of ₹ 31.53 million (As at March 31, 2011 : ₹ Nil) and statutory dues payable of ₹ 300.83 million (As at March 31, 2011 : ₹ 196.87 million)

Notes forming part of the financial statements for the year ended March 31, 2012

NOTE 10 : SHORT-TERM PROVISIONS

₹ in million

Particulars	As at March 31, 2012	As at March 31, 2011
(a) Provision for employee benefits (net)		
(refer foot note no. 2(b) of note 26)	235.17	253.70
(b) Others		
Provision for proposed dividend	777.07	679.94
Provision for dividend distribution tax	126.06	110.30
Provision for tax (net)	6.11	0.48
TOTAL	**1,144.41**	**1,044.42**

NOTE 11 : TRADE PAYABLES

According to the records available with the Company, there were no dues to Micro and Small Enterprises as defined under the Micro, Small and Medium Enterprises Development Act 2006. Hence, no disclosures are to be given in respect thereof

Notes forming part of the financial statements for the year ended March 31, 2012

NOTE 12 : FIXED ASSETS

₹ in million

	Gross Block (at cost)				Accumulated Depreciation and Amortisation				Net Block	Net Block
	Balance as at April 1, 2011	Additions	Deletions / Adjustments	Balance as at March 31, 2012	Balance as at April 1, 2011	Depreciation charge for the year	Deletions / Adjustments	Balance as at March 31, 2012	Balance as at March 31, 2012	Balance as at March 31, 2011
a Tangible Assets										
Buildings	14.96	-	-	14.96	0.85	0.24	-	1.09	13.87	14.11
Plant and Machinery	60.15	3.71	-	63.86	12.75	6.87	-	19.62	44.24	47.40
Furniture and fixtures	15.40	1.31	-	16.71	9.17	1.92	-	11.09	5.62	6.23
Vehicles	62.42	21.90	(1.42)	82.90	20.69	14.12	(1.07)	33.74	49.16	41.73
Office equipments	23.05	5.77	(0.31)	28.51	12.59	4.01	(0.29)	16.31	12.20	10.46
Data processing equipments	30.77	5.53	-	36.30	17.04	5.79	-	22.83	13.47	13.73
Leasehold improvements (Operating Lease)	12.45	-	-	12.45	3.66	4.52	-	8.18	4.27	8.79
TOTAL	**219.20**	**38.22**	**(1.73)**	**255.69**	**76.75**	**37.47**	**(1.36)**	**112.86**	**142.83**	**142.45**
b Intangible Assets										
Computer software (Acquired)	264.95	1.46	-	266.41	85.13	65.57	-	150.70	115.71	179.82
Commercial rights (acquired) (refer Foot Note no.1)	60.00	-	-	60.00	14.30	2.65	-	16.95	43.05	45.70
TOTAL	**324.95**	**1.46**	**-**	**326.41**	**99.43**	**68.22**	**-**	**167.65**	**158.76**	**225.52**
GRAND TOTAL	**544.15**	**39.68**	**(1.73)**	**582.10**	**176.18**	**105.69**	**(1.36)**	**280.51**	**301.59**	**367.97**
AS AT MARCH 31, 2011	**460.42**	**95.43**	**(11.70)**	**544.15**	**81.20**	**98.13**	**(3.15)**	**176.18**	**367.97**	

FOOT NOTE:

1) 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 12, 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)

Notes forming part of the financial statements for the year ended March 31, 2012

NOTE 13 : NON-CURRENT INVESTMENTS

₹ in million

Particulars	As at March 31, 2012	As at March 31, 2011
TRADE INVESTMENTS (REFER A BELOW)		
(a) Investments in Equity shares	21,013.34	18,427.12
(b) Investments in preference shares	804.40	583.90
(c) Investments in debentures	1,106.40	786.40
(d) Investments in Covered Warrants	1,693.00	648.00
(e) Investments in units	1,038.76	1,038.54
SUB- TOTAL	**25,655.90**	**21,483.96**
Less : Provision for diminution in the value of Investments	510.00	400.00
TOTAL	**25,145.90**	**21,083.96**

A. DETAILS OF TRADE INVESTMENTS (REFER FOOT NOTES NO.1 TO 6)

Sr. No.	Name of the Entity	As at March 31, 2012			As at March 31, 2011		
		Quantity	Face Value per unit (₹)	₹ in million	Quantity	Face Value per unit (₹)	₹ in million
(a)	Investment in Equity shares						
	Subsidiaries (Unquoted; Fully paid - At Cost)						
	Gujarat Road and Infrastructure Company Limited	76,542,250	10	442.50	76,542,250	10	442.50
	North Karnataka Expressway Limited	7,720,823	10	77.21	7,720,823	10	77.21
	East Hyderabad Expressway Limited	21,689,400	10	216.89	21,689,400	10	216.89
	ITNL International Pte. Limited (Nominal value US$ 1 each)	28,050,001	Not Applicable	1,340.15	28,050,001	Not Applicable	1,340.15
	ITNL Road Infrastructure Development Company Limited	40,000,000	10	400.00	40,000,000	10	400.00
	Elsamex S.A. (Nominal value Euro 60.10121 each) (refer Foot Note no.2)	260,949	Not Applicable	2,722.34	260,949	Not Applicable	2,722.34
	Vansh Nimay Infraprojects Limited (refer Foot Note no.3)	14,300,000	10	145.00	9,000,000	10	92.00
	IL&FS Rail Limited (Formerly Known as ITNL Enso Rail Systems Limited)	82,109,960	10	1,164.09	44,850,000	10	448.50
	Hazaribagh Ranchi Expressway Limited	37,000	10	0.37	37,000	10	0.37
	Pune Sholapur Road Development Company Limited	160,000,000	10	1,600.00	160,000,000	10	1,600.00
	West Gujarat Expressway Limited	14,799,985	10	100.50	9,800,000	10	98.00
	Moradabad Bareilly Expressway Limited	221,660,000	10	2,216.60	221,660,000	10	2,216.60
	Jharkhand Road Projects Implementation Company Limited	153,165,000	10	2,280.90	153,165,000	10	1,531.65
	Chenani Nashri Tunnelway Limited	372,000,000	10	3,720.00	347,590,000	10	3,475.90
	MP Border Checkposts Development Company Limited	25,500	10	83.52	25,500	10	0.26
	Badarpur Tollway Operations Management Limited	49,994	10	0.50	49,994	10	0.50
	Rapid MetroRail Gurgaon Limited	27,083	10	0.27	27,083	10	0.27

Notes forming part of the financial statements for the year ended March 31, 2012

Sr. No.	Name of the Entity	As at March 31, 2012 Quantity	Face Value per unit (₹)	₹ in million	As at March 31, 2011 Quantity	Face Value per unit (₹)	₹ in million
	Futureage Infrastructure India Limited (Formerly Known as Global Parking Plaza Limited)	3,000,000	10	30.00	-	-	-
	Charminar Robopark Limited	50,000	10	3.00	-	-	-
	Karyavattom Sports Facilities Limited	49,940	10	0.50	-	-	-
	Kiratpur Ner Chowk Expressway Limited	8,550,000	10	85.50	-	-	-
	ITNL Offshore Pte. Ltd. (Nominal value US$ 1 each)	50,000	Not Applicable	2.61	-	-	-
	Joint Ventures (Fully paid - At Cost)						
	Jorabat Shillong Expressway Limited (Unquoted)	21,000,000	10	210.00	21,000,000	10	210.00
	NAM Expressway Limited (Unquoted)	116,754,970	10	1,167.55	116,754,970	10	1,167.55
	Noida Toll Bridge Company Limited (Quoted)	47,195,007	10	1,871.58	47,195,007	10	1,871.58
	Associates (Unquoted; Fully paid - At Cost)						
	Thiruvananthapuram Road Development Company Limited	17,030,000	10	170.30	17,030,000	10	170.30
	Andhra Pradesh Expressway Limited	16,513,060	10	165.13	16,513,060	10	165.13
	ITNL Toll Management Services Limited	24,500	10	0.25	24,500	10	0.25
	Warora Chandrapur Ballarpur Toll Road Limited	61,708,490	10	617.08	17,490	10	0.17
	Others (Unquoted; Fully paid - At Cost)						
	Pipavav Railway Corporation Limited	12,000,000	10	179.00	12,000,000	10	179.00
	SUB-TOTAL (A)			**21,013.34**			**18,427.12**
(b)	Investments in Preference Shares in Subsidiaries (Unquoted; Fully paid - At Cost)						
	West Gujarat Expressway Limited (refer Foot Note no.5)	20,000,000	10	296.90	20,000,000	10	296.90
	Rapid MetroRail Gurgaon Limited (refer Foot Note no.6)	50,750,000	10	507.50	28,700,000	10	287.00
	SUB-TOTAL (B)			**804.40**			**583.90**
(c)	Investments in Debentures (Unquoted; Fully paid - At Cost)						
	5% optionally convertible debentures of Andhra Pradesh Expressway Limited (Associate)	7,864,000	100	786.40	7,864,000	100	786.40
	11.50% non-convertible debentures of Road Infrastructure Development Company of Rajasthan Limited	32,000,000	10	320.00	-	-	-
	SUB-TOTAL (C)			**1,106.40**			**786.40**
(d)	Investments in Covered Warrants (Unquoted; Fully paid - At Cost)						
	Infrastructure Leasing & Financial Services Limited (refer Foot Note no.4) (d)	169,300,000	10	**1,693.00**	64,800,000	10	**648.00**
(e)	Investments in Units (Unquoted; Fully paid - At Cost)						
	ITNL Road Investment Trust (a Subsidiary) (e)	1,038,762	1000	**1,038.76**	1,038,541	1000	**1,038.54**
	GRAND TOTAL (A+B+C+D+E)			**25,655.90**			**21,483.96**

Notes forming part of the financial statements for the year ended March 31, 2012

₹ in million

Particulars	As at March 31, 2012	As at March 31, 2011
Aggregate cost of quoted investments (Market value of ₹ 1,057.70 million; as at March 31, 2011 : ₹ 1,250.67 million)	1,871.58	1,871.58
Aggregate cost of unquoted investments	23,784.32	19,612.38
TOTAL	**25,655.90**	**21,483.96**

Foot Notes

1 The Company has given non-disposal undertakings to the lenders and / or equity investors of certain infrastructure companies promoted by it with regard to its investments in the equity share capital of these companies as a part of promoter's undertaking to such lenders and / or equity investors. Also, the Company has given non-disposal undertakings to the grantors of the Concession to certain infrastructure companies promoted by the Company with regard to its investments in the equity share capital of these companies

2 The Company has pledged 171,959 (As at March 31, 2011-171,959) equity shares representing 51% of the overall shareholding in Elsamex S.A., in favour of certain lenders for a Term Loan facility availed by Elsamex S.A.

3 The Company has pledged 14,300,000 (As at March 31, 2011-9,000,000) shares of Vansh Nimay Infraprojects 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")

4 The Company's investment in "Covered Warrants" aggregating to ₹ 1,693.00 million (As at March 31, 2011 ₹ 648.00 million) issued by Infrastructure Leasing & Financial Services Limited ("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"), Chhatisgarh Highways Development Company Limited ("CHDCL") and Jharkhand Road Projects Implementation Company Limited ("JRPICL") on the equity shares held by IL&FS as well as the interest granted by RIDCOR on the Fully Convertible Debentures ("FCDs") held by IL&FS. However, the Company is not entitled to rights and privileges, which IL&FS enjoys as a shareholder / debentureholder. The instruments are unsecured

5 The Company's investment in redeemable / optionally convertible cumulative preference shares of West Gujarat Expressway Limited ("WGEL") are convertible, at the option of the Company, 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")

6 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

Notes forming part of the financial statements for the year ended March 31, 2012

NOTE 14 : LONG-TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)

₹ in million

Particulars	As at March 31, 2012	As at March 31, 2011
a. Capital Advances		
Advance towards fixed assets	3.19	6.72
b. Security Deposits	54.69	42.15
c. Loans and advances to related parties		
Long term loans	5,151.37	1,888.20
Advance towards Share Application Money (refer foot note)	2,503.30	2,452.18
SUB-TOTAL (C.)	**7,654.67**	**4,340.38**
d. Prepaid expenses	101.68	108.91
e. Preconstruction and Mobilisation Advances paid to contractors (Refer foot note 2 of note 15)	4,479.27	5,364.85
f. Advance towards Share Application Money	269.80	469.80
g. Loans to others	1,680.60	1,116.74
TOTAL	**14,243.90**	**11,449.55**

Foot Note

As required under the restructuring package of Gujarat Road and Infrastructure Company Limited ("GRICL"), approved by the Corporate Debt Restructuring Cell on June 17, 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"

NOTE 15 : SHORT-TERM LOANS AND ADVANCES

₹ in million

Particulars	As at March 31, 2012	As at March 31, 2011
a. Loans and advances to related parties (Unsecured, considered good)		
Advances receivable in cash or in kind	147.10	255.54
Short term loans	3,832.47	1,465.90
Inter-corporate deposits	-	120.00
Option premium (refer note no.22)	-	1.25
	3,979.57	**1,842.69**
b. Others (Unsecured, considered good)		
Advances receivable in cash or in kind (Refer foot note 1 below)	158.65	273.89
Prepaid expenses	52.60	50.09
Short term loans	1,075.50	1,436.00
Current maturities of Long term loans and advances	42.50	-
Staff loans	8.68	5.80
Mobilisation and other Advances (Refer foot note 2 below)	2,365.45	1,589.63
Advance payment of taxes (net of provision)	868.79	840.13
	4,572.17	**4,195.54**
TOTAL	**8,551.74**	**6,038.23**

Foot Note

1. Advances receivable in cash or in kind from others includes receivable on account of forward contract (net) of ₹ 5.13 million (As at March 31, 2011 : Nil)
2. Mobilisation advances are disclosed as long term and short term on the basis of technical estimates made by the Management on the progress of construction activities on various projects

Notes forming part of the financial statements for the year ended March 31, 2012

NOTE 16 : OTHER NON-CURRENT ASSETS

₹ in million

Particulars	As at March 31, 2012	As at March 31, 2011
Retention Money Receivable (Unsecured, considered good) (refer note 29)	345.77	156.95
Interest Accrued and not due	675.51	263.34
TOTAL	**1,021.28**	**420.29**

NOTE 17 : OTHER CURRENT ASSETS

₹ in million

Particulars	As at March 31, 2012	As at March 31, 2011
Interest Accrued	232.37	231.87
Unbilled revenue (refer note no. 29)	926.71	475.26
TOTAL	**1,159.08**	**707.13**

NOTE 18 : TRADE RECEIVABLES

₹ in million

Particulars	As at March 31, 2012	As at March 31, 2011
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	9,072.31	7,984.16
	9,072.31	**7,984.16**
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	867.25	402.68
Unsecured, considered doubtful	3.00	3.00
Less: Provision for doubtful debts	(3.00)	(3.00)
	867.25	**402.68**
TOTAL	**9,939.56**	**8,386.84**

NOTE 19 : CASH AND CASH EQUIVALENTS

₹ in million

Particulars	As at March 31, 2012	As at March 31, 2011
a. Cash and cash equivalents		
Cash on hand	1.08	0.78
Balances with Banks in current accounts	38.15	73.57
	39.23	**74.35**
b. Others		
Unpaid Dividend accounts	0.35	0.12
Fixed Deposits placed for a period exceeding 3 months but not more than 12 months	1.20	1.11
	1.55	**1.23**
TOTAL	**40.78**	**75.58**
Included in above, the balances that meet the definition of cash and cash equivalents as per AS-3 "Cash Flow Statements"	**39.23**	**74.35**

Notes forming part of the financial statements for the year ended March 31, 2012

NOTE 20 : CONTINGENT LIABILITIES AND COMMITMENTS

₹ in million

Particulars	As at March 31, 2012	As at March 31, 2011
(i) Contingent Liabilities (refer foot note 1)		
a) Claims against the Company not acknowledged as debts Income tax demands contested by the Company	12.92	25.71
b) Guarantees		
Guarantees/counter guarantees issued in respect of borrowing facilities of subsidiary companies (refer foot note no.2)	12,321.95	4,888.63
(ii) Commitments		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	2.13
b) Exercise price payable in respect of call option contracts (refer note no. 22)	-	1.25
c) Investment Commitments [net of advances of ₹ 2,173.08 million, (As at March 31, 2011 : ₹ 2,321.96 million)]	11,757.95	6,963.12

Foot Note

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

2) Certain bankers have issued guarantees which have been shown under "Guarantees/counter guarantees issued in respect of borrowing facilities of subsidiary companies" aggregating ₹ 1,480.05 million (as at March 31, 2011 : ₹ 812.94 million) against a first charge on the receivables (including loans and advances) of the company

NOTE 21 : PROPOSED DIVIDEND

Name of the Entity	As at March 31, 2012		As at March 31, 2011	
	Total ₹ in million	Per share ₹	Total ₹ in million	Per share ₹
Dividend proposed to be distributed to equity shareholders	777.07	4.00	679.94	3.50

NOTE 22 : 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, 2012 in respect of derivative transactions are summarised below:

Particulars	Number of instruments	Call option prmium (₹ in million)	Exercise price payable / receivable (₹ in million)
Call options written for sale of equity shares	2	116.09	6.11
	(2)	(116.09)	(6.11)
Call option for equity shares in an SPE bought	-	-	-
	(1)	(1.00)	(1.00)

Figures in brackets relate to March 31, 2011

Notes forming part of the financial statements for the year ended March 31, 2012

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 "Other Long Term Liabilities". Conversely, premiums paid by the Company towards call options purchased by it have been aggregated under the head "Option Premium" and classified as a part of "Short-term Loans and Advances". Options in respect of "Option Premium Liabilities" amounting ₹ 39.22 million (As at March 31, 2011 : ₹ 39.22 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 Statement of Profit and Loss. The aggregate exercise price payable is included as part of the Company's commitments (Refer note no. 20)

b) Foreign currency exposures:

The period 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, 2012		As at March 31, 2011	
	₹ 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	2,722.34	EUR 41.59	2,722.34	EUR 41.59
Investments in subsidiary companies	1,342.76	USD 28.10	1,340.15	USD 28.05
Loans to subsidiary companies	153.47	USD 3.00	-	-
	4.07	EURO 0.06	-	-

(ii) Amounts payable in foreign currency on account of the following: -

Particulars	As at March 31, 2012		As at March 31, 2011	
	₹ in million	Foreign currency in million	₹ in million	Foreign currency in million
Fees for Legal and Technical fees	127.89	USD 2.50	92.92	EUR 1.47

c) Outstanding forward contracts entered into by the Company:

As at	Number of Contracts	Notional Amount
		USD in million
March 31, 2012	1	30.00

As at	Number of Contracts	Notional Amount
		USD in million
March 31, 2011	Nil	Nil

Notes forming part of the financial statements for the year ended March 31, 2012

NOTE 23 : REVENUE FROM OPERATIONS

₹ in million

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
a. Sale of services		
Advisory and project development fees	4,046.83	4,263.49
Supervision fees	1,681.97	1,302.85
Operation and maintenance income	596.45	496.98
b. Construction Revenue (refer note no.29)	21,400.57	10,094.71
TOTAL	**27,725.82**	**16,158.03**

NOTE 24 : OTHER INCOME

₹ in million

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
a. Interest Income		
Interest on loans	907.86	532.64
Interest on advance against property	141.86	123.60
Interest on debentures	72.50	46.66
Interest on covered warrants	14.09	-
Interest on call money	9.35	23.33
Interest on bank deposits	0.12	0.06
b. Dividend Income on non-current investments	23.60	32.51
c. Profit on sale of fixed assets (net)	0.22	0.66
d. Profit on sale of unquoted long term Investments	-	40.09
e. Foreign Exchange fluctuation gain (net)	74.86	-
f. Miscellaneous income	132.18	52.22
TOTAL	**1,376.64**	**851.77**

NOTE 25 : OPERATING EXPENSES

₹ in million

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Construction Contract Costs	19,413.92	8,705.18
Fees for Legal and technical services	686.94	549.66
Operation and maintenance expenses	371.05	277.50
TOTAL	**20,471.91**	**9,532.34**

NOTE 26 : EMPLOYEE BENEFITS EXPENSE

₹ in million

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Salaries and wages (refer foot note no.1)	471.51	430.27
Contribution to provident and other funds (refer foot note no. 2)	33.11	28.71
Staff welfare expenses	89.69	24.26
Deputation Cost	37.00	28.77
TOTAL	**631.31**	**512.01**

Notes forming part of the financial statements for the year ended March 31, 2012

Foot Note

1) Employee cost is net of salaries of ₹ 16.73 million (previous year : ₹ 20.40 million), and contribution to provident and other funds of ₹ 1.50 million (previous year : ₹ 1.15 million) towards amounts recovered / recoverable in respect of staff on deputation with other entities

2 Employee Benefit Obligations

(a) 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 period 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 ₹ 23.84 million (previous year ₹ 19.87 million) has been charged to the Statement of Profit and Loss in this respect

(b) 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 Statement of Profit and Loss

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

₹ in million

Particulars	**For the year ended March 31, 2012**	**For the year ended March 31, 2011**
Present Value of Commitments	37.29	31.29
Fair value of Plans	(46.23)	(39.66)
Transfer difference (net)	-	0.64
Prepaid amount taken to the balance sheet	(8.94)	(7.73)

₹ in million

Defined benefit Commitments : Gratuity	**For the year ended March 31, 2012**	**For the year ended March 31, 2011**
Opening balance	31.29	22.98
Interest costs	2.39	1.85
Current service cost	7.80	7.50
Benefits paid	(6.29)	(1.05)
Transfer to other employer	(0.16)	(3.27)
Transfer from other employer	1.33	0.81
Actuarial loss	0.93	2.48
Closing Balance	37.29	31.29

Notes forming part of the financial statements for the year ended March 31, 2012

₹ in million

Plan Assets: Gratuity	For the year ended March 31, 2012	For the year ended March 31, 2011
Opening balance	39.66	29.07
Expected return on plan assets	3.44	2.75
Contributions by the Company	7.99	10.46
Benefits paid	(6.29)	(1.05)
Transfer to other employer	(0.16)	(2.63)
Transfer from other employer	1.33	0.81
Actuarial gain	0.26	0.27
Fair value of plan assets	46.23	39.66

₹ in million

Return on plan assets: Gratuity	For the year ended March 31, 2012	For the year ended March 31, 2011
Expected return on plan assets	3.44	2.75
Actuarial gain	0.26	0.27
Actual return on plan assets	3.70	3.02

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

₹ in million

Return on plan assets: Gratuity	For the year ended March 31, 2012	For the year ended March 31, 2011
Current service costs	7.80	7.50
Interest expense	2.39	1.85
Expected return on investment	(3.44)	(2.75)
Net actuarial loss	0.67	2.21
Charge to the Statement of Profit and Loss	7.42	8.82

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

Return on plan assets: Gratuity	Year ended March 31, 2012	Year ended March 31, 2011
Rate for discounting liabilities	8.50%	8.25%
Expected salary increase rate	6.50%	6.00%
Expected return on scheme assets	8.00%	8.00%
Attrition rate	2.00%	2.00%
Mortality table used	LIC (1994-96) Ultimate Table	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

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 period and previous four annual periods are given below:

Notes forming part of the financial statements for the year ended March 31, 2012

₹ in million

Particulars	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Defined benefit obligations	37.29	31.29	22.98	18.19	19.48
Plan Assets	46.23	39.66	29.07	22.34	21.14
Unfunded liability transferred from Group Company	-	0.64	-	-	0.08
Surplus	8.94	7.73	6.09	4.15	1.58

₹ in million

Particulars	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Experience adjustments on plan liabilities gain/(loss)	(0.27)	(1.00)	0.85	(6.54)	(8.91)
Experience adjustments on plan assets gain/(loss)	(0.26)	(0.27)	3.10	(1.23)	0.95

The contributions expected to be made by the Company during the financial year 2012-13 is ₹ 45.09 million

NOTE 27 : FINANCE COSTS

₹ in million

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
a. Interest expenses		
Interest on loans	2,638.80	1,484.23
b. Other borrowing costs		
Upfront fees and other finance charges	17.54	70.80
TOTAL	**2,656.34**	**1,555.03**

NOTE 28 : ADMINISTRATIVE AND GENERAL EXPENSES

₹ in million

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Electricity	6.28	4.29
Travelling and conveyance	94.92	101.08
Printing and stationery	8.62	7.11
Rent (refer note no.32)	114.88	78.49
Rates and taxes (including wealth tax)	3.01	0.96
Repairs and maintenance (other than building and machinery)	36.19	28.88
Communication expenses	19.95	14.22
Insurance	69.16	33.33
Legal and consultation fees	67.82	82.18
Directors' fees	1.53	1.47
Bank commission	73.94	45.54
Bid documents	20.75	17.49
Foreign exchange fluctuation loss (net)	-	4.89
Brand Subscription Fees	218.25	117.68
Provision for diminution in value of investments	110.00	100.00
Miscellaneous expenses (refer foot note below)	255.43	157.29
TOTAL	**1,100.73**	**794.90**

Notes forming part of the financial statements for the year ended March 31, 2012

Foot Note

Miscellaneous expenses includes payment to auditors for the following:

₹ in million

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Payment to Auditor as :		
Audit Fees	9.50	8.38
Tax Audit Fees	0.50	0.20
Other Services (assurance)	6.86	8.04
Reimbursement of Expenses	0.14	0.10

Service tax which is being claimed for set off as input credit has not been included in the above

NOTE 29 : DISCLOSURE IN RESPECT OF CONSTRUCTION CONTRACTS

₹ in million

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Contract revenue recognised as revenue during the year	21,400.57	10,094.71

₹ in million

Particulars	As at March 31, 2012	As at March 31, 2011
Aggregate revenue recognised up to	32,667.51	11,266.94
Advances received	5,500.00	5,682.74
Retention Money	345.77	156.95
Gross amount due from customers for contract work, disclosed as asset (i.e. Unbilled Revenue)	926.71	475.26
Gross amount due to customers for contract work, disclosed as liability (i.e. Unearned Revenue)	1,361.94	1,420.19

NOTE 30 : JOINT VENTURE

The Company has the following Joint Ventures as on March 31, 2012 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 Jont Venture Company	Percentage of holding	Share in Assets	Share in Liabilities	Share in Con-tingent Liabilities	Share in Capital Commit-ments	Share in Income	Share in Expendi-ture
Noida Toll Bridge Company Limited	25.35%	1,633.52	446.56	-	-	256.94	120.56
	(25.35%)	*(1,590.34)*	*(463.94)*	*(-)*	*(-)*	*(225.48)*	*(117.41)*
Jorabat Shillong Expressway Limited	50.00%	1,988.28	1,783.14	-	1,596.72	-	0.51
	(50.00%)	*(1,210.29)*	*(1,003.63)*	*(-)*	*(2,400.25)*	*(-)*	*(3.34)*
N.A.M. Expressway Limited	50.00%	4,306.29	3,136.57	-	3,892.73	6.26	3.35
	(50.00%)	*(2,522.60)*	*(1,353.76)*	*(-)*	*(6,258.56)*	*(14.58)*	*(8.44)*

Figure in brackets relate to previous year

NOTE 31 : INCOME & EXPENDITURE IN FOREIGN CURRENCY

₹ in million

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Income - Guarantee Fees	64.51	38.47
Expenditure		
Foreign Travel	0.02	15.95
Legal and consultation Fees	176.20	86.81
Seminar and conference expenses	1.03	1.64
Purchase of lab instruments	-	31.53
Others	32.99	3.58

Notes forming part of the financial statements for the year ended March 31, 2012

NOTE 32 : LEASE

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:

₹ in million

Particulars	As at March 31, 2012	As at March 31, 2011
Future lease rentals :		
Within one year	54.82	71.63
Over one year but less than 5 years	70.31	132.77
More than 5 years	44.80	40.54
Amount charged to the Statement of Profit and Loss for rent in respect of these properties	70.51	57.95

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

NOTE 33 : EARNINGS PER SHARE

₹ in million

Particulars	Unit	Year ended March 31, 2012	Year ended March 31, 2011
Profit after tax	₹ in million	2,522.98	2,880.36
Weighted average number of equity shares outstanding	Number	194,267,732	194,267,732
Nominal value per equity share	₹	10.00	10.00
Basic / Diluted earnings per share	₹	12.99	14.83

NOTE 34 : SEGMENT INFORMATION

A. PRIMARY - BUSINESS SEGMENTS

₹ in million

	Services for Surface Transportation Business		Unallocated		Total	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Revenue						
External	27,725.82	16,158.69	-	-	27,725.82	16,158.69
Inter-Segment	-	-	-	-	-	-
Segment Revenue	27,725.82	16,158.69	-	-	27,725.82	16,158.69
TOTAL REVENUE	**27,725.82**	**16,158.69**	**-**	**-**	**27,725.82**	**16,158.69**
Segment results	6,001.39	5,485.68	-	-	6,001.39	5,485.68
Less: Interest Expenses	-	-	2,656.34	1,555.03	2,656.34	1,555.03
Less: Other unallocable expenditure	-	-	585.21	265.03	585.21	265.03
Add: Interest Income	-	-	1,145.78	726.29	1,145.78	726.29
Add: Other unallocable income	-	-	230.86	125.48	230.86	125.48
Profit before taxation					**4,136.48**	**4,517.39**
Segment assets (a)	18,924.17	17,137.21	41,479.66	31,392.34	60,403.83	48,529.55
Segment liabilities (b)	12,633.47	10,707.26	28,332.27	19,974.64	40,965.74	30,681.90
Segment capital employed (a)-(b)	**6,290.70**	**6,429.95**	**13,147.39**	**11,417.70**	**19,438.09**	**17,847.65**
Capital Expenditure	39.68	95.43	-	-	39.68	95.43
Depreciation	105.69	98.13	-	-	105.69	98.13
Non cash expenditure other than depreciation					115.79	102.77

Notes forming part of the financial statements for the year ended March 31, 2012

B. SECONDARY - GEOGRAPHICAL SEGMENTS

₹ in million

	India		Outside India		Total	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Revenue						
External	27,725.82	16,158.69	-	-	27,725.82	16,158.69
Assets						
Segment Assets	18,858.03	16,995.27	66.14	141.94	18,924.17	17,137.21
Capital Expenditure	39.68	95.43	-	-	39.68	95.43

1) Unallocated assets include Non-current investments, advance towards share application money, loans given, interest accrued, option premium assets, advance payment of taxes (net), Unpaid Dividend accounts and fixed deposits placed with banks

2) Unallocated liabilities include borrowings, Interest accrued but not due on borrowings, deferred tax liabilities (net), provision for tax (net), option premium liabiities and Unpaid dividends

NOTE 35 : RELATED PARTY DISCLOSURES

I) CURRENT YEAR

a) Name of the Related Parties and Description of Relationship:

Nature of Relationship	Name of Entity	Acronym used
Holding Company	Infrastructure Leasing & Financial Services Limited	ILFS
Subsidiaries - Direct	ITNL Road Infrastructure Development Company Limited	IRIDCL
	Gujarat Road and Infrastructure Company Limited	GRICL
	East Hyderabad Expressway Limited	EHEL
	ITNL International Pte Ltd, Singapore	IIPL
	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 Road Investment Trust	IRIT
	Moradabad Bareilly Expressway Limited	MBEL
	Jharkhand Road Projects Implementation Company Limited	JRPICL
	Chenani Nashri Tunnelway Limited	CNTL
	MP Border Checkposts Development Company Limited	MPBCDCL
	Badarpur Tollway Operations Management Limited	BTOML
	Charminar RoboPark Limited (from July 27, 2011)	CRL
	Futureage Infrastructure India Linmited (formerly known as Global Parking Plaza Limited) (from July 14, 2011)	FIIL
	IL&FS Rail Limited (formerly known as ITNL Enso Rail Systems Limited)	IRL
	ITNL Offshore Pte Ltd, Singapore (from December 5, 2011)	IOPL
	Kiratpur Ner Chowk Expressway Limited (from February 12, 2012)	KNCEL
	Karyavattom Sports Facilities Limited (from February 8, 2012)	KSFL

Notes forming part of the financial statements for the year ended March 31, 2012

Nature of Relationship	Name of Entity	Acronym used
Subsidiaries - Indirect	North Karnataka Expressway Limited	NKEL
	Elsamex Internacional, SL	
	Grusamar Ingenieria Y Consulting, SL (Proyectos De Gestion Sistemas Calculo Y Analisis S.A was merged with grusamar effective December 13, 2011)	
	Sánchez Marcos Señalización e Imagen, S.A	
	Elsamex India Private Limited	ELSAIND
	CIESM-INTEVIA S.A. Sociedad Unipersonal	
	Control 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 MetroRail Gurgaon Limited	RMGL
	Area De Servicio Coiros S.L.	
	Conservacion de Infraestructuras De Mexico SD DE CV	
	Alcantarilla Fotovoltaica SA, Sociedad Unipersonal	
	Area De Serviceo Punta Umbria SL. Sociedad Unipersonal	
Fellow Subsidiaries (Only with whom there have been transaction during the year / there was balance outstanding at the year end)	IL&FS Financial Services Limited	IFIN
	IL&FS Education & Technology Services Limited	IETS
	IL&FS Energy Development Company Limited	IEDCL
	IL&FS Environmental Infrstructure Services Limited	IEISL
	IL&FS Infrastructure Development Corporation Limited	IIDCL
	IL&FS Investment Managers Limited	IIML
	IL&FS Maritime Infrastructure Company Limited	IMICL
	Chattisgarh Highways Development Company Limited	CHDCL
	IL&FS Securities Services Limited	ISSL
	IMICL Dighi Maritime Limited	IDML
	Jharkhand Accelerated Road Development Company Limited	JARDCL
Associates	Andhra Pradesh Expressway Limited	APEL
	ITNL Toll Management Services Limited	ITMSL
	Thiruvananthpuram Road Development Company Limited	TRDCL
	Warora Chandrapur Ballarpur Toll Road Limited	WCBTRL
Jointly Controlled Entities	Noida Toll Bridge Company Limited	NTBCL
	Jorabat Shillong Expressway Limited	JSEL
	N.A.M. Expressway Limited	NAMEL
Key Management Personnel	Mr K Ramchand-Managing Director and relatives	
	Mr Mukund Sapre-Executive Director and relatives	

Notes forming part of the financial statements for the year ended March 31, 2012

NOTE 35 : RELATED PARTY DISCLOSURES (Contd.)

b) transactions/ balances with above mentioned related parties (mentioned in note 35 (i) (a) above)

₹ in million

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities	Key Management personnel and relatives	Total
BALANCES:							
Advance towards Share Application Money (Long-term)							
GRICL	-	600.00	-	-	-	-	600.00
HREL	-	964.50	-	-	-	-	964.50
MPBCDCL	-	936.48	-	-	-	-	936.48
OTHERS	-	2.32	-	-	-	-	2.32
	-	**2,503.30**	**-**	**-**	**-**	**-**	**2,503.30**
Trade Receivables							
NAMEL	-	-	-	-	1,594.66	-	1,594.66
CNTL	-	1,241.42	-	-	-	-	1,241.42
MPBCDCL	-	1,045.73	-	-	-	-	1,045.73
PSRDCL	-	1,945.98	-	-	-	-	1,945.98
OTHERS	-	1,582.87	387.15	728.98	820.04	-	3,519.04
	-	**5,816.00**	**387.15**	**728.98**	**2,414.70**	**-**	**9,346.83**
Interest Accrued - Asset (Current and Non-current)							
ILFS	14.10	-	-	-	-	-	14.10
JRPICL	-	141.85	-	-	-	-	141.85
APEL	-	-	-	265.56	-	-	265.56
OTHERS	-	30.95	1.56	91.86	1.17	-	125.54
	14.10	**172.80**	**1.56**	**357.43**	**1.17**	**-**	**547.05**
Interest accrued but not due on borrowings							
NKEL	-	24.77	-	-	-	-	24.77
	-	**24.77**	**-**	**-**	**-**	**-**	**24.77**
Investments in equity shares							
CNTL	-	3,720.00	-	-	-	-	3,720.00
ELSA	-	2,722.34	-	-	-	-	2,722.34
JRPICL	-	2,280.90	-	-	-	-	2,280.90
MBEL	-	2,216.60	-	-	-	-	2,216.60
OTHERS	-	5,692.61	-	952.76	3,249.13	-	9,894.50
	-	**16,632.45**	**-**	**952.76**	**3,249.13**	**-**	**20,834.34**
Investments in Preference Shares							
WGEL	-	296.90	-	-	-	-	296.90
RMGL	-	507.50	-	-	-	-	507.50
	-	**804.40**	**-**	**-**	**-**	**-**	**804.40**
Investments in Units							
IRIT	-	1,038.76	-	-	-	-	1,038.76
	-	**1,038.76**	**-**	**-**	**-**	**-**	**1,038.76**

Notes forming part of the financial statements for the year ended March 31, 2012

NOTE 35 : RELATED PARTY DISCLOSURES (Contd.)

b) transactions/ balances with above mentioned related parties (mentioned in note 35 (i) (a) above)

₹ in million

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities	Key Management personnel and relatives	Total
Investments in Debentures							
APEL	-	-	-	786.40	-	-	786.40
	-	**-**	**-**	**786.40**	**-**	**-**	**786.40**
Investments in Covered Warrants							
ILFS	1,693.00	-	-	-	-	-	1,693.00
	1,693.00	**-**	**-**	**-**	**-**	**-**	**1,693.00**
Short-term Lendings							
APEL	-	-	-	751.00	-	-	751.00
HREL	-	500.00	-	-	-	-	500.00
EHEL	-	470.00	-	-	-	-	470.00
IRIDCL	-	540.00	-	-	-	-	540.00
WGEL	-	425.00	-	-	-	-	425.00
OTHERS	-	494.47	73.00	249.00	330.00	-	1,146.47
	-	**2,429.47**	**73.00**	**1,000.00**	**330.00**	**-**	**3,832.47**
Long-term Lendings							
IIPL	-	1,534.70	-	-	-	-	1,534.70
JRPICL	-	1,459.40	-	-	-	-	1,459.40
OTHERS	-	1,510.87	-	646.40	-	-	2,157.27
	-	**4,504.97**	**-**	**646.40**	**-**	**-**	**5,151.37**
Short-term Borrowings							
NKEL	-	700.00	-	-	-	-	700.00
	-	**700.00**	**-**	**-**	**-**	**-**	**700.00**
Option premium liabilities							
IRIT	-	116.09	-	-	-	-	116.09
	-	**116.09**	**-**	**-**	**-**	**-**	**116.09**
Trade Payables							
ILFS	61.00	-	-	-	-	-	61.00
ELSA	-	114.39	-	-	-	-	114.39
OTHERS	-	16.87	28.73	8.74	0.11	-	54.45
	61.00	**131.26**	**28.73**	**8.74**	**0.11**	**-**	**229.84**
Advances Recoverable in Cash or Kind							
ELSA	-	47.30	-	-	-	-	47.30
IIPL	-	18.84	-	-	-	-	18.84
WGEL	-	55.35	-	-	-	-	55.35
OTHERS	-	9.43	14.51	1.63	0.04	-	25.61
	-	**130.92**	**14.51**	**1.63**	**0.04**	**-**	**147.10**

Notes forming part of the financial statements for the year ended March 31, 2012

NOTE 35 : RELATED PARTY DISCLOSURES (Contd.)

b) transactions/ balances with above mentioned related parties (mentioned in note 35 (i) (a) above)

₹ in million

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities	Key Management personnel and relatives	Total
Mobilisation Advances Received (Short-term)							
JSEL	-	-	-	-	466.40	-	466.40
CNTL	-	1,160.00	-	-	-	-	1,160.00
MBEL	-	1,024.97	-	-	-	-	1,024.97
PSRDCL	-	421.02	-	-	-	-	421.02
OTHERS	-	355.40	-	-	313.40	-	668.80
	-	**2,961.39**	**-**	**-**	**779.80**	**-**	**3,741.19**
Mobilisation Advances Received Long-term)							
CNTL	-	1,240.00	-	-	-	-	1,240.00
PSRDCL	-	215.19	-	-	-	-	215.19
OTHERS	-	221.21	-	-	82.41	-	303.62
	-	**1,676.40**	**-**	**-**	**82.41**	**-**	**1,758.81**
Retention Money Receivable							
JSEL	-	-	-	-	116.11	-	116.11
HREL	-	67.72	-	-	-	-	67.72
PSRDCL	-	150.97	-	-	-	-	150.97
OTHERS	-	10.97	-	-	-	-	10.97
	-	**229.66**	**-**	**-**	**116.11**	**-**	**345.77**
Transactions:							
Advance Towards Share Application Money made							
JRPICL	-	749.25	-	-	-	-	749.25
MPBCDCL	-	806.15	-	-	-	-	806.15
IRL	-	715.59	-	-	-	-	715.59
OTHERS	-	245.30	-	-	0.05	-	245.35
	-	**2,516.29**	**-**	**-**	**0.05**	**-**	**2,516.34**
Interest on Loans (Expense)							
ILFS	2.96	-	-	-	-	-	2.96
NKEL	-	66.68	-	-	-	-	66.68
OTHERS	-	-	4.27	-	-	-	4.27
	2.96	**66.68**	**4.27**	**-**	**-**	**-**	**73.91**
Inter-corporate deposits - matured							
ILFS	5,020.00	-	-	-	-	-	5,020.00
	5,020.00	**-**	**-**	**-**	**-**	**-**	**5,020.00**

Notes forming part of the financial statements for the year ended March 31, 2012

NOTE 35 : RELATED PARTY DISCLOSURES (Contd.)

b) transactions/ balances with above mentioned related parties (mentioned in note 35 (i) (a) above)

₹ in million

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities	Key Management personnel and relatives	Total
Inter-corporate deposits - placed							
ILFS	4,900.00	-	-	-	-	-	4,900.00
	4,900.00	**-**	**-**	**-**	**-**	**-**	**4,900.00**
Investments made / purchased							
ILFS	1,047.50	-	-	-	-	-	1,047.50
WCBTRL	-	-	-	616.91	-	-	616.91
JRPICL	-	749.25	-	-	-	-	749.25
IRL	-	715.59	-	-	-	-	715.59
OTHERS	-	722.70	-	-	-	-	722.70
	1,047.50	**2,187.54**	**-**	**616.91**	**-**	**-**	**3,851.95**
Lendings							
APEL	-	-	-	791.00	-	-	791.00
HREL	-	750.00	-	-	-	-	750.00
IIPL	-	2,525.72	-	-	-	-	2,525.72
JRPICL	-	989.40	-	-	-	-	989.40
OTHERS	-	1,813.57	73.00	199.00	330.00	-	2,415.57
	-	**6,078.69**	**73.00**	**990.00**	**330.00**	**-**	**7,471.69**
Borrowings							
ILFS	800.00	-	-	-	-	-	800.00
	800.00	**-**	**-**	**-**	**-**	**-**	**800.00**
Repayment of Lendings							
APEL	-	-	-	651.00	-	-	651.00
EHEL	-	344.40	-	-	-	-	344.40
IIPL	-	790.13	-	-	-	-	790.13
OTHERS	-	9.00	-	-	-	-	9.00
	-	**1,143.53**	**-**	**651.00**	**-**	**-**	**1,794.53**
Repayment of Borrowings							
ILFS	800.00	-	-	-	-	-	800.00
ISSL	-	-	1,000.00	-	-	-	1,000.00
	800.00	**-**	**1,000.00**	**-**	**-**	**-**	**1,800.00**
Revenue from Operations							
CNTL	-	5,535.99					5,535.99
HREL	-	4,072.38	-	-		-	4,072.38
MBEL		4,406.23					4,406.23
NAMEL					3,461.00		3,461.00
OTHERS	-	6,314.51	390.14	514.20	1,641.67	-	8,860.52
	-	**20,329.11**	**390.14**	**514.20**	**5,102.67**	**-**	**26,336.12**
Mobilisation Advance Received							
MPBCDCL	-	295.90	-	-	-	-	295.90
JSEL	-	-	-	-	134.60	-	134.60
NAMEL	-	-	-	-	510.20	-	510.20
	-	**295.90**	**-**	**-**	**644.80**	**-**	**940.70**

Notes forming part of the financial statements for the year ended March 31, 2012

NOTE 35 : RELATED PARTY DISCLOSURES (Contd.)

b) transactions/ balances with above mentioned related parties (mentioned in note 35 (i) (a) above)

₹ in million

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities	Key Management personnel and relatives	Total
Other Income							
ILFS	23.35	-	-		-	-	23.35
APEL	-	-	-	230.49	-	-	230.49
JRPICL	-	142.71	-	-	-	-	142.71
IIPL	-	351.37	1.73	36.54	30.91	-	420.55
	23.35	**494.08**	**1.73**	**267.03**	**30.91**	**-**	**817.10**
Administrative and general expenses							
ILFS	302.05	-	-	-	-	-	302.05
ELSA	-	133.17	-	-	-	-	133.17
OTHERS	-	-	70.01	-	0.22	2.75	72.98
	302.05	**133.17**	**70.01**	**-**	**0.22**	**2.75**	**508.20**
Operating expenses							
ELSAIND	-	46.61	-	-	-	-	46.61
BTOML	-	69.69	-	-	-	-	69.69
OTHERS	-	-	7.80	-	-	-	7.80
	-	**116.30**	**7.80**	**-**	**-**	**-**	**124.10**
Dividend paid							
ILFS	472.50	-	-	-	-	-	472.50
	472.50	**-**	**-**	**-**	**-**	**-**	**472.50**
Director Remuneration							
Mr K Ramchand	-	-	-	-	-	53.08	53.08
Mr Mukund Sapre	-	-	-	-	-	28.77	28.77
	-	**-**	**-**	**-**	**-**	**81.85**	**81.85**

Notes forming part of the financial statements for the year ended March 31, 2012

NOTE 35 : RELATED PARTY DISCLOSURES

II) PREVIOUS YEAR

a) Name of the Related Parties and Description of Relationship:

Nature of Relationship	Name of Entity	Acronym used
Holding Company	Infrastructure Leasing & Financial Services Limited	ILFS
Subsidiaries - Direct	ITNL Road Infrastructure Development Company Limited	IRIDCL
	Gujarat Road and Infrastructure Company Limited	GRICL
	East Hyderabad Expressway Limited	EHEL
	ITNL International Pte Ltd, Singapore	IIPL
	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
	IL&FS Rail Limited (formerly known as ITNL Enso Rail Systems Limited)	IRL
	Moradabad Bareilly Expressway Limited	MBEL
	Jharkhand Road Projects Implementation Company Limited	JRPICL
	ITNL Road Investment Trust	IRIT
	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

Notes forming part of the financial statements for the year ended March 31, 2012

NOTE 35 : RELATED PARTY DISCLOSURES

II) PREVIOUS YEAR

a) Name of the Related Parties and Description of Relationship:

Nature of Relationship	Name of Entity	Acronym used
Subsidiaries - Indirect	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)	
Fellow Subsidiaries (Only with whom there have been transaction during the year / there was balance outstanding at the year end)	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
	Thiruvananthpuram Road Development Company Limited	TRDCL
	Warora Chandrapur Ballarpur Toll Road Limited	WCBTL
Jointly Controlled Entities	Noida Toll Bridge Company Limited	NTBCL
	Jorabat Shillong Expressway Limited	JSEL
	N.A.M. Expressway Limited	NAMEL
Key Management personnel	Mr K Ramchand-Managing Director and relatives	
	Mr Mukund Sapre-Executive Director and relatives	

Notes forming part of the financial statements for the year ended March 31, 2012

NOTE 35 : RELATED PARTY DISCLOSURES (Contd.)

b) transactions with above mentioned related parties (mentioned in note 35 (ii) (a) above)

₹ in million

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities	Key Management personnel and relatives	Total
BALANCES:							
Advance Towards Share Application Money (Long Term)							
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**
Trade Receivables							
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	-	2,896.92
	-	**6,527.40**	**-**	**300.58**	**1,554.48**	**-**	**8,382.46**
Option premium assets							
ILFS	1.25	-	-	-	-	-	1.25
	1.25	**-**	**-**	**-**	**-**	**-**	**1.25**
Interest Accrued - Asset (Current and Non-current)							
ILFS	0.43	-	-	-	-	-	0.43
APEL	-	-	-	319.13	-	-	319.13
OTHERS	-	33.76	-	12.15	-	-	45.91
	0.43	**33.76**	**-**	**331.28**	**-**	**-**	**365.47**
Interest accrued but not due on borrowings							
ISSL	-	-	34.94	-	-	-	34.94
NKEL	-	14.76	-	-	-	-	14.76
	-	**14.76**	**34.94**	**-**	**-**	**-**	**49.70**
Investments in equity shares							
CNTL	-	3,475.90	-	-	-	-	3,475.90
ELSA	-	2,722.34	-	-	-	-	2,722.34
MBEL	-	2,216.60	-	-	-	-	2,216.60
OTHERS	-	6,248.30	-	335.85	3,249.13	-	9,833.28
	-	**14,663.14**	**-**	**335.85**	**3,249.13**	**-**	**18,248.12**
Inter-corporate deposits							
ILFS	120.00	-	-	-	-	-	120.00
	120.00	**-**	**-**	**-**	**-**	**-**	**120.00**

Notes forming part of the financial statements for the year ended March 31, 2012

NOTE 35 : RELATED PARTY DISCLOSURES (Contd.)

b) transactions with above mentioned related parties (mentioned in note 35 (ii) (a) above)

₹ in million

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities	Key Management personnel and relatives	Total
Investments in Preference Shares							
WGEL	-	296.90	-	-	-	-	296.90
RMGL	-	287.00	-	-	-	-	287.00
	-	**583.90**	**-**	**-**	**-**	**-**	**583.90**
Investments in units							
IRIT	-	1,038.54	-	-	-	-	1,038.54
	-	**1,038.54**	**-**	**-**	**-**	**-**	**1,038.54**
Investments in Debentures							
APEL	-	-	-	786.40	-	-	786.40
	-	**-**	**-**	**786.40**	**-**	**-**	**786.40**
Investments in Covered Warrants							
ILFS	648.00	-	-	-	-	-	648.00
	648.00	**-**	**-**	**-**	**-**	**-**	**648.00**
Short-term Lendings							
WGEL	-	202.50	-	-	-	-	202.50
APEL	-	-	-	611.00	-	-	611.00
EHEL	-	519.40	-	-	-	-	519.40
OTHERS	-	83.00	-	50.00	-	-	133.00
	-	**804.90**	**-**	**661.00**	**-**	**-**	**1,465.90**
Long-term Lendings							
GRICL	-	308.80	-	-	-	-	308.80
IRIDCL	-	213.00	-	-	-	-	213.00
APEL	-	-	-	474.60	-	-	474.60
HREL	-	250.00	-	-	-	-	250.00
JRPICL	-	470.00	-	-	-	-	470.00
OTHERS	-	-	-	171.80	-	-	171.80
	-	**1,241.80**	**-**	**646.40**	**-**	**-**	**1,888.20**
Short-term Borrowings							
ISSL	-	-	1,000.00	-	-	-	1,000.00
NKEL	-	700.00	-	-	-	-	700.00
	-	**700.00**	**1,000.00**	**-**	**-**	**-**	**1,700.00**
Option premium liabilities							
IRIT	-	116.09	-	-	-	-	116.09
	-	**116.09**	**-**	**-**	**-**	**-**	**116.09**
Trade Payables							
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**	**54.25**	**2.69**	**-**	**-**	**186.55**

Notes forming part of the financial statements for the year ended March 31, 2012

NOTE 35 : RELATED PARTY DISCLOSURES (Contd.)

b) transactions with above mentioned related parties (mentioned in note 35 (ii) (a) above)

₹ in million

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities	Key Management personnel and relatives	Total
Advances receivable in cash or in kind							
ELSA	-	141.93	-	-	-	-	141.93
WGEL	-	68.60	-	-	-	-	68.60
OTHERS	-	15.22	2.45	8.23	19.11	-	45.01
	-	**225.75**	**2.45**	**8.23**	**19.11**	**-**	**255.54**
Mobilisation Advance Received (Long Term)							
CNTL	-	1,771.21	-	-	-	-	1,771.21
MBEL	-	482.04	-	-	-	-	482.04
JSEL	-	-	-	-	372.22	-	372.22
PSRDCL	-	410.72	-	-	-	-	410.72
OTHERS	-	233.31	-	-	-	-	233.31
	-	**2,897.28**	**-**	**-**	**372.22**	**-**	**3,269.50**
Mobilisation Advance Received (Short Term)							
CNTL	-	628.80	-	-	-	-	628.80
MBEL	-	919.20	-	-	-	-	919.20
HREL	-	439.74	-	-	-	-	439.74
OTHERS	-	393.32	-	-	32.18	-	425.50
	-	**2,381.06**	**-**	**-**	**32.18**	**-**	**2,413.24**
Retention Money Receivable							
HREL	-	70.20	-	-	-	-	70.20
IRIDCL	-	47.65	-	-	-	-	47.65
JSEL	-	-	-	-	39.10	-	39.10
	-	**117.85**	**-**	**-**	**39.10**	**-**	**156.95**
Transactions:							
Advance Towards Share Application Money 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**
Interest on Lons (Expense)							
ILFS	53.00						53.00
ISSL			49.01				49.01
NKEL		17.45					17.45
	53.00	**17.45**	**49.01**	**-**	**-**	**-**	**119.46**
Inter-corporate deposits - matured							
ILFS	7,980.00	-	-	-	-	-	7,980.00
	7,980.00	**-**	**-**	**-**	**-**	**-**	**7,980.00**

Notes forming part of the financial statements for the year ended March 31, 2012

NOTE 35 : RELATED PARTY DISCLOSURES (Contd.)

b) transactions with above mentioned related parties (mentioned in note 35 (ii) (a) above)

₹ in million

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities	Key Management personnel and relatives	Total
Inter-corporate deposits - placed							
ILFS	8,100.00	-	-	-	-	-	8,100.00
	8,100.00	**-**	**-**	**-**	**-**	**-**	**8,100.00**
Investments made / purchased							
ILFS	148.00	-	-	-	-	-	148.00
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
OTHERS	-	948.25	-	-	210.00	-	1,158.25
	148.00	**8,239.75**	**-**	**-**	**1,377.55**	**-**	**9,765.30**
Lendings							
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**
Repayment of Lendings							
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**
Repayment of Borrowings							
ILFS	5,580.00	-	-	-	-	-	5,580.00
OTHERS	-	50.00	-	-	-	-	50.00
	5,580.00	**50.00**	**-**	**-**	**-**	**-**	**5,630.00**
Borrowings							
ILFS	5,580.00	-	-	-	-	-	5,580.00
NKEL	-	750.00	-	-	-	-	750.00
ISSL	-	-	1,000.00	-	-	-	1,000.00
	5,580.00	**750.00**	**1,000.00**	**-**	**-**	**-**	**7,330.00**
Sale of Assets							
ILFS	0.07	-	-	-	-	-	0.07
	0.07	**-**	**-**	**-**	**-**	**-**	**0.07**
Revenue from operations							
CNTL	-	4,451.29	-	-	-	-	4,451.29
MPBCDCL	-	4,032.81	-	-	-	-	4,032.81
OTHERS	-	6,133.42	-	354.08	1,886.98	-	8,374.48
	-	**14,617.52**	**-**	**354.08**	**1,886.98**	**-**	**16,858.58**
Administrative and general expenses							
ILFS	202.66	-	-	-	-	-	202.66
ELSA	-	173.14	-	-	-	-	173.14

Notes forming part of the financial statements for the year ended March 31, 2012

NOTE 35 : RELATED PARTY DISCLOSURES (Contd.)

b) transactions with above mentioned related parties (mentioned in note 35 (ii) (a) above)

₹ in million

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities	Key Management personnel and relatives	Total
IETS	-	-	14.21	-	-	-	14.21
ITCL	-	-	11.03	-	-	-	11.03
OTHERS	-	-	1.03	-	0.22	0.74	1.99
	202.66	**173.14**	**26.27**	**-**	**0.22**	**0.74**	**403.03**
Other borrowing costs							
IFIN	-	-	26.60	-	-	-	26.60
IGFSL (UK)	-	-	30.03	-	-	-	30.03
	-	**-**	**56.63**	**-**	**-**	**-**	**56.63**
Operating Expenses							
BTOML		23.23	-	-	-	-	23.23
	-	**23.23**	**-**	**-**	**-**	**-**	**23.23**
Other Income							
ELSA	-	38.47	-	-	-	-	38.47
GRICL	-	39.61	-	-	-	-	39.61
APEL	-	-	-	227.85	-	-	227.85
ILFS	23.27	-	-	-	-	-	23.27
NTBCL	-	-	-	-	23.60	-	23.60
OTHERS	-	90.99	0.33	13.50	-	-	104.82
	23.27	**169.07**	**0.33**	**241.35**	**23.60**	**-**	**457.62**
Refund of Advance Towards Share Application Money							
NKEL	-	412.00	-	-	-	-	412.00
OTHERS	-	-	-	0.25	-	-	0.25
	-	**412.00**	**-**	**0.25**	**-**	**-**	**412.25**
Sale of Shares							
IRIT	-	114.33	-	-	-	-	114.33
	-	**114.33**	**-**	**-**	**-**	**-**	**114.33**
Mobilisation Advance Received							
CNTL	-	2,400.00					2,400.00
MBEL	-	1,401.25					1,401.25
OTHERS	-	663.19	-	-	404.40	-	1,067.59
	-	**4,464.44**	**-**	**-**	**404.40**	**-**	**4,868.84**
Dividend paid							
ILFS	405.00	-	-	-	-	-	405.00
	405.00	**-**	**-**	**-**	**-**	**-**	**405.00**
Director Remuneration							
Mr. K Ramchand	-	-	-	-	-	36.85	36.85
Mr. Mukund Sapre	-	-	-	-	-	21.48	21.48
	-	**-**	**-**	**-**	**-**	**58.33**	**58.33**

Notes forming part of the financial statements for the year ended March 31, 2012

NOTE 36 : DISCLOSURE OF LOANS AND ADVANCES IN THE NATURE OF LOANS TO SUBSIDIARIES AND ASSOCIATES

₹ in million

Name of Company	March 31, 2012		March 31, 2011	
	Amount as at March 31, 2012	Maximum amount outstanding during the year	Amount as at March 31, 2011	Maximum amount outstanding during the year
Subsidiaries				
East Hyderabad Expressway Limited	470.00	644.40	519.40	519.40
Gujarat Road and Infrastructure Company Limited	308.80	308.80	308.80	308.80
ITNL International Pte. Ltd., Singapore	1,688.16	2,525.72	-	-
ITNL Road Infrastructure Development Company Limited	753.00	753.00	213.00	322.50
Vansh Nimay Infraprojects Limited	173.00	173.00	83.00	110.00
West Gujarat Expressway Limited	425.00	425.00	202.50	202.50
Elsamex India Private Limited	6.00	15.00	-	30.09
IL&FS Rail Limited (Formerly Known as ITNL Enso Rail Systems Limited)	-	-	-	50.00
Hazaribagh Ranchi Expressway Limited	1,000.00	1,000.00	250.00	250.00
Jharkhand Road Projects Implementation Company Limited	1,459.40	1,459.40	470.00	470.00
MP Border Checkposts Development Company Limited	485.00	485.00	-	-
Pune Sholapur Road Development Company Limited	162.00	162.00	-	-
Elsamex S.A., Spain	4.07	4.07	-	-
Associates				
Andhra Pradesh Expressway Limited	1,225.60	1,555.60	1,085.60	1,304.60
Thiruvananthapuram Road Development Company Limited	386.80	386.80	221.80	221.80
Warora Chandrapur Ballarpur Toll Road Limited	34.00	34.00	-	-

NOTE 37 :

Consequent to the NOTIFICATION NO. S.O. 447(E), DATED 28-2-2011 [AS AMENDED BYNOTIFICATION NO. F.NO. 2/6/2008-CL-V, DATED 30-3-2011] the above financial statements have been presented in accordance with the Revised Schedule VI. As required under the said notification corresponding figures for the previous year have been reclassified and presented in accordance with the current year presentation

For and on behalf of the Board

K. Ramchand
Managing Director

Arun K. Saha
Director

George Cherian
Chief Financial Officer

Krishna Ghag
Company Secretary

Bengaluru, May 4, 2012

Auditors' Report IL&FS Transportation Networks Limited

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 / operations (the Company, its subsidiaries and jointly controlled entities / operations constitute "the Group") as at March 31, 2012, the Consolidated Statement of Profit and Loss 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 23 (Accounting for Investments in Associates in Consolidated Financial Statements) and the jointly controlled entities / operations accounted in accordance with Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the 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 misstatements. 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 sixteen subsidiaries, whose financial statements reflect total assets of ₹ 82,427.29 million as at March 31, 2012, total revenues of ₹ 41,839.26 million and net cash outflows amounting to ₹. 2,058.65 million for the year ended on that date as considered in the Consolidated Financial Statements. We also did not audit the financial statements of four jointly controlled entities, in which the Group's proportionate share in total assets is ₹. 22,604.04 million as at March 31, 2012, in total revenues is ₹ 4,212.62 million and in net cash outflows is ₹ 905.49 million as considered in the Consolidated Financial Statements. The financial statements of

these twenty entities have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these entities, is based solely on the reports of the other Auditors

4. The consolidated financial statements also include the Group's share of net loss of three associates, which have been accounted based on the equity method in accordance with Accounting Standard 23 (Accounting for Investments in Associates in Consolidated Financial Statements), in respect of which ₹ 232.03 million being the Group's proportionate share of loss of the associates from the date of acquisition upto March 31, 2012 has been recognised (includes share of loss of ₹ 87.78 million for the year ended March 31, 2012). These financial statements have been audited by other auditors whose reports have also been furnished to us and our opinion, insofar as they relate to the amounts included in respect of these associates, is based solely on the report of the other Auditors

5. The consolidated financial statements include the Group's proportionate share in the profit of one associate from the date of acquisition upto December 31, 2011 amounting to ₹19.91 million (including share of Profit of ₹19.95 million for the period then ended) based on the unaudited financial statements as at / for the nine months ended December 31, 2011. There is no financial information available with the Management thereafter

6. Without qualifying our opinion, we draw attention to Note 13 and Note 19 to the consolidated financial statements, wherein significant elements of the consolidated financial statements have been determined based on management estimates (which in turn are based on technical evaluations by independent experts). These include:

   (i) Intangible Assets and Intangible Assets under Development covered under service concession arrangements aggregating to carrying value of ₹ 62,146.93 million (40.76% of the total assets), the useful lives and the annual amortisation thereof;

   (ii) Provision for Overlay carried at ₹ 681.40 million in respect of intangible assets covered under service concession arrangements; and

   (iii) Financial Assets covered under service concession arrangements, included as a part of Receivables against Service Concession Arrangements, carried at ₹ 46,789.80 million (30.69% of the total assets) 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

7. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements), Accounting

Standard 23 (Accounting for Investment in Associates in Consolidated Financial Statements) and Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006

8. Based on our audit and on consideration of the separate audit reports on individual financial statements of the Company, its aforesaid subsidiaries, joint ventures and associates and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements, read with our comments in paragraph 6 above and subject to our comments in paragraph 5 above, 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, 2012;

   (ii) in the case of the Consolidated Statement of Profit and Loss, 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
(Firm Registration No. 117366W)

Kalpesh J. Mehta
Partner
(Membership no. 48791)

Bengaluru, May 4, 2012

Consolidated Balance Sheet as at 31.03.2012

₹ in million

Particulars	Note	As at March 31, 2012		As at March 31, 2011	
EQUITY AND LIABILITIES					
SHAREHOLDERS' FUNDS					
(a) Share capital	2	1,942.68		1,942.68	
(b) Reserves and surplus	3	25,695.22	27,637.90	20,449.53	22,392.21
MINORITY INTEREST	4,5		2,934.65		2,175.13
NON-CURRENT LIABLITIES					
(a) Long-term borrowings	6	69,737.62		35,990.11	
(b) Deferred tax liabilities (net)	8	2,046.51		1,438.65	
(c) Other long term liabilities	9	2,291.01		1,113.61	
(d) Long-term provisions	11	750.91	74,826.05	691.78	39,234.15
CURRENT LIABILITIES					
(a) Current maturities of long-term debt		10,525.53		7,594.31	
(b) Current maturities of finance lease obligations		65.22		128.97	
(c) Short-term borrowings	7	21,930.82		10,235.07	
(d) Trade payables		11,304.42		9,884.69	
(e) Other current liabilities	10	1,860.04		1,458.73	
(f) Short-term provisions	12	1,395.19	47,081.22	1,122.69	30,424.46
TOTAL			**152,479.82**		**94,225.95**
ASSETS					
NON CURRENT ASSETS					
(a) Fixed assets (net)	13				
(i) Tangible assets		1,251.63		1,104.14	
(ii) Intangible assets		27,612.84		12,915.10	
(iii) Capital work-in-progress		195.20		10.32	
(iv) Intangible assets under development		34,812.66	63,872.33	15,755.81	29,785.37
(b) Goodwill on consolidation (net)		5,265.68		2,795.59	
(c) Non-current investments	14	3,831.91		1,919.88	
(d) Deferred tax assets	8	5.23		116.75	
(e) Long-term loans and advances	16	7,944.32		5,927.69	
(f) Other non-current assets	18	48,690.68	65,737.82	25,933.80	36,693.71
CURRENT ASSETS					
(a) Current Investments	15	122.22		89.29	
(b) Inventories	20	210.10		262.17	
(c) Trade receivables	21	8,820.13		7,489.01	
(d) Cash and cash equivalents	22	2,837.87		5,275.46	
(e) Short-term loans and advances	17	9,198.44		10,926.89	
(f) Other current assets	19	1,680.91	22,869.67	3,704.05	27,746.87
TOTAL			**152,479.82**		**94,225.95**

Notes 1 to 40 form part of the consolidated financial statements

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

Kalpesh J. Mehta
Partner

Bengaluru, May 4, 2012

For and on behalf of the Board

K. Ramchand
Managing Director

Arun K. Saha
Director

George Cherian
Chief Financial Officer

Krishna Ghag
Company Secretary

Bengaluru, May 4, 2012

Consolidated Statement of Profit and Loss

for the Year Ended March 31, 2012

₹ in million

		Note	Year ended March 31, 2012	Year ended March 31, 2011
I)	REVENUE FROM OPERATIONS	24	56,056.21	40,482.26
II)	OTHER INCOME	25	1,238.07	786.28
III)	TOTAL REVENUE (I + II)		**57,294.28**	**41,268.54**
IV)	EXPENSES			
	Cost of materials consumed	26	1,242.04	1,370.29
	Operating expenses	27	33,254.59	21,825.02
	Employee benefits expense	28	3,693.91	3,521.58
	Finance costs	29	7,282.07	4,980.58
	Depreciation and amortization expense		765.52	614.19
	Administrative and general expenses	30	3,210.18	2,217.10
	TOTAL EXPENSES (IV)		**49,448.31**	**34,528.76**
V)	PROFIT BEFORE TAXATION (III-IV)		7,845.97	6,739.78
VI)	TAX EXPENSE:			
	(1) Current tax		1,830.94	1,700.20
	(2) Deferred tax (net)		626.27	542.25
	TOTAL TAX EXPENSES (VI)		**2,457.21**	**2,242.45**
VII)	PROFIT FOR THE YEAR BEFORE CONSOLIDATION ADJUSTMENTS (V-VI)		**5,388.76**	**4,497.33**
VIII)	Share of profit transferred to minority interest (net)		(457.71)	(120.73)
IX)	Share of profit / (loss) of associates (net)		38.53	(47.81)
	PROFIT FOR THE YEAR (VII+VIII+IX)		**4,969.58**	**4,328.79**
	Earnings per equity share (Face value per share ₹10/-):	31		
	(1) Basic		25.48	22.19
	(2) Diluted		25.48	22.19

Notes 1 to 40 form part of the consolidated financial statements

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

Kalpesh J. Mehta
Partner

Bengaluru, May 4, 2012

For and on behalf of the Board

K. Ramchand
Managing Director

Arun K. Saha
Director

George Cherian
Chief Financial Officer

Krishna Ghag
Company Secretary

Bengaluru, May 4, 2012

Consolidated Cash Flow Statement

for the Year Ended March 31, 2012

₹ in million

	Year Ended March 31, 2012	Year Ended March 31, 2011
CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Taxes, Minority Interest and Share of Associates	7,845.97	6,739.78
Adjustments for		
Interest Income	(930.95)	(691.06)
Profit on sale of investments (net)	(8.58)	(4.27)
Dividend income	(2.10)	(10.37)
Finance costs	7,282.07	4,980.58
Loss on sale of fixed assets (net)	2.97	9.98
Provision for employee benefits (net)	0.66	16.96
Depreciation and amortization expense	765.52	614.19
Provision for Bad and Doubtful Debts	316.85	51.99
Provision for Overlay expenses	130.48	115.74
Provision for dimunition in value of investments	(37.03)	6.00
Foreign Currency Transalation reserve	186.43	206.19
Preliminary expense written off	0.04	0.11
Excess provisions written back	(33.06)	(0.05)
Operating profit before Working Capital Changes	**15,519.27**	**12,035.77**
Adjustments changes in working capital:		
Increase in Trade receivables	(1,634.23)	(1,062.91)
(Decrease) / Increase in other assets & loans and advances (current and non current)	2,099.30	(5,086.08)
Increase in liabilities (current and non current)	2,264.86	5,398.42
Cash Generated from Operations	**18,249.20**	**11,285.20**
Direct Taxes paid (Net)	(1,962.04)	(2,012.56)
Net Cash generated from Operating Activities (A)	**16,287.16**	**9,272.64**
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to fixed assets	(19,716.25)	(14,148.98)
Increase in Receivable against Service Concession Arrangements (net)	(21,520.44)	(13,220.55)
Proceeds from sale of fixed assets	76.68	15.38
Purchase of / advance towards investments (net)	(1,267.63)	(1,150.27)
Acquisition of Subsidiaries / Jointly Controlled Entities	(9,130.97)	(15.34)
Sale proceeds of investments	-	381.66
Proceeds from redemption of Mutual Fund units (net)	29.68	2,505.80
Long term loans given	(1,538.18)	(699.90)
Long term loans recovered	17.40	-
Short term loans given (net)	(741.87)	234.79
Interest received	637.30	581.63
Dividend received	2.10	10.37
Fixed deposits for periods exceeding 3 months placed (net)	(255.89)	(529.43)
Inter-corporate deposits placed (net)	(403.30)	(247.43)
Advance against property	-	(149.43)
Net Cash used in investing Activities (B)	**(53,811.38)**	**(26,431.70)**

Consolidated Cash Flow Statement

for the Year Ended March 31, 2012

₹ in million

	Year Ended March 31, 2012	Year Ended March 31, 2011
CASH FLOW FROM FINANCING ACTIVITIES		
Share Issue expenses paid	-	(195.33)
(Decrease)/ Increase in Advance towards capital	-	61.00
Proceeds from borrowings	50,216.83	43,782.33
Repayments of borrowings	(10,232.23)	(22,583.05)
Finance costs paid	(6,740.31)	(4,684.97)
Dividend payment	(687.83)	(592.00)
Tax on Dividend paid	(106.47)	(91.64)
Capital Grant received	1,929.09	411.55
Proceeds from minority interest	377.16	294.95
Net Cash generated from Financing Activities (C)	**34,756.24**	**16,402.84**
Net Decrease in Cash and Cash Equivalents (A+B+C)	**(2,767.97)**	**(756.22)**
Cash and Cash Equivalent at the beginning of the year	4,359.70	5,115.92
Cash and Cash Equivalent at the end of the year	1,591.73	4,359.59
Net Decrease in Cash and Cash Equivalents	**(2,767.97)**	**(756.33)**
Notes:		
Components of Cash and Cash Equivalents		
Cash on Hand	14.81	16.10
Balances with Banks in current accounts	1,393.84	1,920.54
Fixed deposits placed for a period less than 3 months	183.08	2,423.06
	1,591.73	**4,359.70**
Unpaid Dividend Accounts	0.35	0.11
Cash and Cash equivalents on acquisition of Joint Venture	74.25	-
Fixed deposits placed for a period exceeding 3 months	1,171.54	915.65
Cash and Cash Equivalents as per Note 22	**2,837.87**	**5,275.46**

Notes 1 to 40 form part of the consolidated financial statements

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

Kalpesh J. Mehta
Partner

Bengaluru, May 4, 2012

For and on behalf of the Board

K. Ramchand
Managing Director

Arun K. Saha
Director

George Cherian
Chief Financial Officer

Krishna Ghag
Company Secretary

Bengaluru, May 4, 2012

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012

NOTE - 1: PRINCIPLES OF CONSOLIDATION, SIGNIFICANT ACCOUNTING POLICIES

A. 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

B. 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, 2012 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, 2011 and adjusted for effects of significant transactions and other events that have occurred between January 1, 2012 and March 31, 2012

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012

C. 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 givenbelow:

Name of the Subsidiary	Country of Incorpora-tion	Proportion of Group's Interest (%)		Date of Acquisition of Control
		2011-12	2010 - 11	
1. Held directly:				
Gujarat Road and Infrastructure Company Limited ("GRICL")	India	83.61	83.61	January 11, 2007
Scheme of ITNL Road Investment Trust ("IRIT")	India	100.00	100.00	March 13, 2007
East Hyderabad Expressway Limited ("EHEL")	India	74.00	74.00	September 5, 2007
ITNL Road Infrastructure Development Company Limited ("IRIDCL")	India	100.00	100.00	January 17, 2008
IL&FS Rail Limited (formerly known as ITNL Enso Rail Systems Limited) ("ENSO")	India	69.29	57.50	February 4, 2008
Elsamex SA (includes 22.61 % shares held through IIPL, previous year 22.61%) ("Elsamex")	Spain	100.00	100.00	March 18, 2008
ITNL International Pte. Ltd. ("IIPL")	Singapore	100.00	100.00	September 19, 2008
Vansh Nimay Infraprojects Limited ("VNIL")	India	90.00	90.00	March 25, 2009
West Gujarat Expressway Limited ("WGEL") [through control over the composition of Board of Directors as at March 31, 2011]	India	74.00	49.00	June 10, 2009 (initial control)
Hazaribagh Ranchi Expressway Limited ("HREL")	India	74.00	74.00	August 1, 2009
Pune Sholapur Road Development Company Limited ("PSRDCL")	India	100.00	100.00	September 25, 2009
Moradabad Bareilly Expressway Limited ("MBEL")	India	100.00	100.00	February 4, 2010
Jharkhand Road Projects Implementation Company Limited ("JRPICL")	India	93.04	98.05	February 27, 2010
Chenani Nashri Tunnelway Limited ("CNTL")	India	100.00	100.00	June 2, 2010
MP Border Checkpost Development Company Limited ("MPBCDCL")	India	51.00	51.00	October 28, 2010
Badarpur Tollway Operations Management Limited ("BTOML")	India	100.00	99.99	December 9, 2010
Futureage Infrastructure India Limited ("FIIL") [formerly known as Global Parking Plaza Limited]	India	61.22	-	July 14, 2011
Charminar RoboPark Limited ("CRL")	India	97.85	-	July 27, 2011
ITNL Offshore Pte. Ltd. ("IOPL")	Singapore	100.00	-	December 5, 2011
Karyavattom Sports Facility Limited ("KSFL")	India	99.88	-	February 8, 2012
Kiratpur Ner Chowk Expressway Limited ("KNCEL")	India	100.00	-	February 12, 2012
2. Held through subsidiaries:				
North Karnataka Expressway Limited ("NKEL")	India	87.00@	87.00@	March 21, 2007
Proyectos y Promociones Inmobilarias Sanchez Marcos SL	Spain	100.00 $	100.00 *	March 18, 2008
Atenea Seguridad y Medio Ambiente S.A.	Spain	100.00 $	100.00 *	March 18, 2008
Proyectos De Gestion Sistemas Calculo Y Analisis S.A	Spain	100.00 $	100.00 *	March 18, 2008
Sanchez Marcos Senalizacion e Imagen S.A.	Spain	100.00 $	100.00 *	March 18, 2008
Senalizacion Viales e Imagen S.U.	Spain	100.00 $	100.00 *	March 18, 2008
Elsamex Internacional SL	Spain	100.00 $	100.00 *	March 18, 2008
Grusamar Ingenieria Y Consulting, S.L.	Spain	100.00 $	100.00 *	March 18, 2008
Elsamex Portugal Enghenería e Sistemas de Gestao S.A.	Portugal	73.50 $	73.50 *	March 18, 2008
Intevial Gestao Integral Rodoviaria, S.A.	Portugal	100.00 $	100.00 *	March 18, 2008
Elsamex India Private Limited	India	99.15 $	99.15 *	March 18, 2008
Yala Construction Co Private Limited	India	86.78 $	88.78 *	March 18, 2008
Mantenimiento y Conservacion de Vialidades S.A. de C.V.	Mexico	64.00 $	64.00 *	March 18, 2008
ESM Mantenimiento Integral de SA de CV	Mexico	100.00 $	100.00 *	March 18, 2008

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012

Name of the Subsidiary	Country of Incorporation	Proportion of Group's Interest (%)		Date of Acquisition of Control
		2011-12	2010 - 11	
CISEM-INTEVIA, S.A.	Spain	100.00 $	100.00 *	March 18, 2008
Control 7, S.A.	Spain	100.00 $	100.00 *	March 18, 2008
Geotecnia 7, S.A.U.	Spain	100.00 $	100.00 *	March 18, 2008
Grusamar Albania SHPK	Albania	51.00 $	51.00 *	March 18, 2008
Rapid MetroRail Gurgaon Limited ("RMGL")	India	59.26#	53.60#	July 30, 2009
Area De Servicio Coiros S.L.U.	Spain	100.00 $	100.00 *	May 31, 2010
Conservacion De Infraestructuras De Mexico S.A. De C.V.	Mexico	96.40 $	96.40 *	September 1, 2010
Alcantarilla Fotovoltaica, S.L.	Spain	100.00 $	100.00 *	December 17, 2010
Area De Servicio Punta Umbria, S.L.U.	Spain	100.00 $	100.00 *	December 17, 2010

$ Proportion of Group's Interest as at December 31, 2011
* Proportion of Group's Interest as at December 31, 2010
@ Out of the above 13.00% is held directly by the Company and balance 74.00% through the scheme of IRIT (Previous year 13.00% held by the Company and balance 74.00% through the scheme of IRIT).
# Out of the above 26.00% is directly held by the Company and balance 33.26% through ENSO (Previous year 26.00% held by Company and balance 27.60% held through ENSO)

The financial position and results (before eliminations) of KSFL, KNCEL, IOPL,FIIL and CRL which became subsidiaries during the year ended March 31, 2012 are given below:

Equity and Liabilities as at	FIIL March 31, 2012	CRL March 31, 2012	KNCEL March 31, 2012	KSFL March 31, 2012	IOPL March 31, 2012
Shareholders' Funds (including share application money)	44.66	4.42	84.13	0.26	2.12
Current Liabilities	20.16	0.17	388.13	62.63	0.10
	64.82	**4.59**	**472.26**	**62.89**	**2.22**
Assets as at	**March 31, 2012**	**March 31, 2012**	**March 31, 2012**	**March 31, 2012**	**March 31, 2012**
Fixed Assets (Net Block)	3.11	-	435.69	62.74	-
Investments	0.18	-	-	-	-
Long term loans and advances	60.88	-	-	-	
Current Assets	0.65	4.59	36.57	0.15	2.22
	64.82	**4.59**	**472.26**	**62.89**	**2.22**
Income for the period (from the date of incorporation / acquisition to March 31, 2012)					
Operating income	-	-	343.70	-	-
TOTAL INCOME	**-**	**-**	**343.70**	**-**	**-**
Expense for the period (from the date of incorporation / acquisition to March 31, 2012)					
Operating expenses	-	-	343.70	-	-
Depreciation	0.72	-	-	-	-
Other administrative expenses	2.49	1.06	1.35	0.07	0.43
TOTAL EXPENSES	**3.21**	**1.06**	**345.05**	**0.07**	**0.43**
Loss for the period before tax	(3.21)	(1.06)	(1.35)	(0.07)	(0.43)
Taxes	-	-	-	-	-
Loss for the period after tax	**(3.21)**	**(1.06)**	**(1.35)**	**(0.07)**	**(0.43)**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012

The financial position and results (before eliminations) of CNTL, MPBCDCL, BTOML which became subsidiaries during the previous year ended March 31, 2011 are given below:

	CNTL	MPBCDCL	BTOML
Equity and Liabilities as at	**March 31, 2011**	**March 31, 2011**	**March 31, 2011**
Shareholders' Funds (including share application money)	3,777.64	270.15	1.31
Non-current liabilities	164.88	-	0.04
Current liabilities	3,952.69	2,232.83	10.11
	7,895.21	**2,502.98**	**11.46**
Assets as at	**March 31, 2011**	**March 31, 2011**	**March 31, 2011**
Fixed Assets (net block)	1.46	2,239.27	0.05
Long term loans and advances, Other non current assets	7,633.15	167.12	0.06
Current Assets	260.60	96.59	11.35
	7,895.21	**2,502.98**	**11.46**
Income for the period (from the date of incorporation / acquisition to 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**
Expense for the period (from the date of incorporation / acquisition to 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**

D. INTEREST IN JOINTLY CONTROLLED ENTITIES:

(a) 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

(b) 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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012

(c) 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 (%)	
			2011-12	2010 - 11
Held Directly :				
Noida Toll Bridge Company Limited ("NTBCL")	India	Various dates	25.35	25.35
N.A.M. Expressway Limited ("NEL")	India	June 15, 2010	50.00	50.00
Jorabat Shillong Expressway Limited ('JSEL")	India	June 18, 2010	50.00	50.00
Held through Subsidiaries :				
Geotecnia y Control De Qualitat, S.A.	Spain	July 15, 2010	50.00 $	50.00 *
Chongqing Yuhe Expressway Co. Ltd. ("Yuhe")	China	December 27, 2011	49.00	-

Footnote:

(i) NTBCL includes ITNL Toll Management Services Limited subsidiary of NTBCL, which is also an associate of the Company

(ii) $ Proportion of Group's Interest as at December 31, 2011

(iii) * Proportion of Group's Interest as at December 31, 2010

E. INTEREST IN JOINT CONTROLLED OPERATIONS :

(a) 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

(b) 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

(c) The Group's interest in jointly controlled operations are :

Name of the Jointly Controlled Operations	Proportion of Group's Interest (%)	
	2011-12 $	2010 - 11*
Ute Elsamex Arias	75%	75%
Elsamex-Arias Ute Conservación Coruña Ii	60%	60%
Elsamex-Infraestructuras Terrestres	80%	80%
Elsamex- Modecar Ute Chenlo	80%	80%
Ute Elsamex Arias Oca Conservación Orense	50%	50%
Ute Elsamex Grusamar	-	50%
Ute Elsamex-Alpidesa	50%	50%
Elsamex-Iberseñal Ute Señalización Madrid	60%	60%
Elsamex-Opsa Ute Peri Serrano Uribe	80%	80%
Elsamex-Fitonovo Ute Casa Del Queso	50%	50%
Elsamex-Const.Cesfer Ute San Jerónimo	-	50%
Elsamex-Torrescamara Ute Presas	50%	50%
Grusamar-Elsamex-Atenea Ute Seguridad Vial Murcia	30%	30%

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012

Name of the Jointly Controlled Operations	Proportion of Group's Interest (%)	
	2011-12 $	2010 - 11*
Elsamex-Cauchil Ute Elsamex- Cauchill Jaen	80%	80%
Cauchil – Elsamex Ute Guadahortuna	50%	50%
Elsamex-Cauchil Ute Sierra Nevada	50%	50%
Elsamex-Cauchil Ute Estepona	50%	50%
Elsamex- Prointec Ute R4	50%	50%
Api Conservacion-Elsamex Ute Teruel II	50%	50%
Elsan Pacsa-Elsamex Ute Navalvillar De Pela II	50%	50%
Elsamex-Sando Ute II Conservación A-395	50%	50%
Elsamex-Sando Ute Refuerzo Del Firme A-395	50%	50%
Elsamex-Asfaltos Uribe Este Señal Ute Durango II	45%	45%
Elsamex-Lopesan Ute Conservación Zona Sur	50%	50%
Serop-Elsamex Ute Mantenimiento Serop-Elsamex	50%	50%
Elsamex-Const.Hispánica Ute Peaje La Jonquera	50%	50%
Ute Elsamex Mag 3	-	40%
Ute Mag 3 Elsamex	-	60%
Elsamex-Asfaltos Urretxu Ute Itziar	50%	50%
Elsamex-Tractores Y Obras	50%	50%
Ute Elsamex-Tyosa Obras Públicas	50%	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%
Ute Abedul Zamora	25%	25%
Ute Area Leon	-	25%
Ute Abedul Villavidel	25%	25%
Ute Abedul Cáceres	25%	25%
Ute Abedul Ponferrada	25%	25%
Atenea – Grusamar Ute Andalucía	25%	20%
Atenea – Grusamar Ute Asturias	20%	20%
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%
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%

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012

Name of the Jointly Controlled Operations	Proportion of Group's Interest (%)	
	2011-12 $	2010 - 11*
Grusamar- Elsamex – Atenea Ute Seguridad Vial Murcia	50%	50%
Grusamar – Inserco Ute Santas Martas Palanquinos	50%	50%
Intevia-Grusamar-Dair Ute Seguridad Vial Bizkaia	10%	10%
Intevia-Grusamar Ute Seguridad Vial Norte	30%	30%
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 – 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%
Ute Ciesm- Labiker	80%	80%
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	50%	34%
Ute Romana Sucursal Dominicana	100%	100%
Ute Cordoba	50%	50%
Ute Intevia-Tairona-LYCSA	-	20%
Ute Vizcaya II	45%	45%
Ute Elsamex-Tyosa	50%	50%
Ute Arona	60%	60%
Ute sector 03	50%	50%
Ute Viales el Jable	50%	50%
Ute AP-7 Ondara	60%	60%
Ute Almanzora	65%	65%
Ute Autovia de Santiago	50%	50%
Ute Tren Mallorca	80%	80%
Ute Grusamar-Eyser	50%	50%
Ute Dallas	50%	50%
Ute Cican Ciesm	50%	50%
Ute intevia tairona castinsa	30%	30%
Ute Urbanizacion Centro	30%	-
Atenea – Basoinsa Ute Atda Bergara Zizurkil	50%	-
Ute Grusumar – Inserco Rambla Retamar	50%	-
Ute Pycsa – Atenea	50%	-
Ute Mantenimient De Cuenca	50%	-
Ute Elsamex-Lujan Alicante	50%	-
Ute Sur Sevilla	50%	-
Ute Grusamar-Intecsa-Inarsa-Atenea	30%	-
Ute Grusamar-Intecsa-Inarsa-Atenea	30%	-
Ute Grusamar-Ingelan	60%	-
Ute Conservacion Asturias	50%	-
Ute Conservacion Almeria	70%	-

$ Proportion of Group's Interest as at December 31, 2011
* Proportion of Group's Interest as at December 31, 2010

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012

F. 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

(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 (%)**	
		2011-12	**2010-11**
1. Held directly :			
Andhra Pradesh Expressway Limited ("APEL")	India	49.00	49.00
Thiruvananthapuram Road Development Company Limited ("TRDCL")	India	50.00	50.00
ITNL Toll Management Services Limited ("ITMSL") (see footnote below)	India	49.00	49.00
Warora Chandrapur Ballarpur Toll Road Limited ("WCBTRL")	India	35.00	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	23.44 $	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	34.00 $	34.10 *

Note: ITMSL is a subsidiary of NTBCL which is consolidated as a Jointly Controlled Entity

$ Proportion of Group's Interest as at December 31, 2011.

* Proportion of Group's Interest as at December 31, 2010

G. 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 Consolidated Statement of Profit and Loss

(d) Goodwill on acquisition of the foreign subsidiary is restated at the rate prevailing at the end of the year

H. DEBENTURE ISSUE EXPENDITURE

Incremental costs directly attributable to the issue of debentures are being charged to the Consolidated Statement of Profit and Loss over the period of redemption of debentures

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012

I. ACCOUNTING FOR RIGHTS UNDER SERVICE CONCESSION ARRANGEMENTS

i) Recognition and measurement

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

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

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

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 Consolidated Statement of Profit and Loss 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 Consolidated Statement of Profit and Loss 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 Consolidated Statement of Profit and Loss in the period in which such costs are incurred

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012

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

J. FIXED ASSETS AND DEPRECIATION/AMORTISATION:

a) Tangible fixed assets and depreciation

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

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

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

Depreciation on tangible fixed assets is computed as under:

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

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

Asset Type	Useful Life
Computers	4 years
Specialised Office Equipment	3 years
Assets Provided to Employees	3 years

(iii) Depreciation on fixed assets, other than on assets specified in J (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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012

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 Consolidated Statement of Profit and Loss

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 Foot Note no. ii of Note 13 to the financial statements)

K. 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

L. 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 Consolidated Statement of Profit and Loss 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 Consolidated Statement of Profit and Loss in proportion to the depreciation charge over the useful life of the asset

M. 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

N. 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) 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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012

O. 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 is recognised 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

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

P. 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 Consolidated Statement of Profit and Loss

(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 Consolidated Statement of Profit and Loss

(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 Consolidated Statement of Profit and Loss. 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 Consolidated Statement of Profit and Loss

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012

Q. 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 Consolidated Statement of Profit and Loss

c) Other Employee Benefits

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

R. 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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012

(e) Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal tax in the future period. Accordingly, it is recognised as an asset in the Balance Sheet when it is probable that the future economic benefit associates with it will flow to the Company

S. 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

T. 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"

U. FINANCIAL INCOME AND BORROWING COSTS:

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

V. 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

W. 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 Consolidated Statement of Profit and Loss 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 Consolidated Statement of Profit and Loss. 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 Consolidated Statement of profit and loss

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012

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

Premium paid on option contracts acquired is treated as an asset until maturity. Premium received on option contracts written is treated as liability until maturity. In case of Forward exchange contracts which are not intended for trading or speculation purposes, the premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the Consolidated Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense for the period

X. 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 Consolidated Statement of Profit and Loss 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

Y. CASH AND CASH EQUIVALENTS:

Cash comprises of Cash on Hand, Cheques on Hand and demand deposits with Banks. Cash Equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risks of changes in value

Z. CONSOLIDATED CASH FLOW STATEMENT:

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

NOTE 2 : SHARE CAPITAL

Particulars	As at March 31, 2012		As at March 31, 2011	
	Number of Shares	₹ in million	Number of Shares	₹ in million
Authorised				
Equity Shares of ₹ 10/- each	250,000,000	2,500.00	250,000,000	2,500.00
Issued				
Equity Shares of ₹ 10/- each	194,267,732	1,942.68	194,267,732	1,942.68
Subscribed and Paid up				
Equity Shares of ₹ 10/- each fully paid (refer foot note no. i, ii, and iii)	194,267,732	1,942.68	194,267,732	1,942.68
TOTAL	194,267,732	1,942.68	194,267,732	1,942.68

FOOT NOTES:

i) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012

Particulars	As at March 31, 2012		As at March 31, 2011	
	Number of Shares	₹ in million	Number of Shares	₹ in million
Shares outstanding at the beginning of the year	194,267,732	1,942.68	194,267,732	1,942.68
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	194,267,732	1,942.68	194,267,732	1,942.68

ii) Of the above 135,000,000 (As at March 31, 2011 : 135,000,000) shares are held by the holding Company viz. Infrastructure Leasing & Financial Services Limited ("IL&FS") and 2,440,534 (As at March 31, 2011 : Nil) shares are held by a fellow subsidiary viz. IL&FS Financial Services Limited

iii) Shareholder's Shareholding more than 5% shares

Shareholder	As at March 31, 2012		As at March 31, 2011	
	Number of Shares held	% of total holding	Number of Shares held	% of total holding
IL&FS	135,000,000	69.49%	135,000,000	69.49%
IL&FS Employee Welfare Trust	Not Applicable*	Not Applicable*	10,867,769	5.59%
TOTAL	**135,000,000**	**69.49%**	**145,867,769**	**75.08%**

* The number of shares held by IL&FS Employee Welfare Trust as at March 31, 2012 do not represent 5% or more of the total holding and hence, the disclosure of number of shares and percentage of holding as at March 31, 2012 have not been given

NOTE 3 : RESERVES AND SURPLUS

₹ in million

Particulars	As at March 31, 2012		As at March 31, 2011	
(a) Securities Premium Account				
Opening balance	10,320.57		10,320.57	
(+/-) Addition / (Deletion) during year	-	10,320.57	-	10,320.57
(b) General Reserve				
Opening balance	715.51		427.47	
(+) Current year transfer	252.29		288.04	
(-) Written back in current year	-	967.80	-	715.51
(c) Debenture Redemption Reserve				
Opening balance	21.96		20.47	
(+) Created during the year	237.95		1.49	
(-) Written back in current year	-	259.91	-	21.96
(d) Capital Reserve				
Opening balance	1,881.55		29.13	
(+) Created during the year	1,085.91		1,852.42	
(-) Written back in current year	-	2,967.46	-	1,881.55
(e) Other Reserves (refer foot note no.i)				
Foreign currency translation reserve	102.35		(221.15)	
Cash flow hedge reserve	(523.42)	(421.07)	(290.59)	(511.74)
(f) Capital Reserve on Consolidation (net) (refer foot note no. ii)				
Opening balance	1,215.19		1,076.06	
(+) On account of acquisition (net)	55.36		139.13	
(-) Written back in current year	-	1,270.55	-	1,215.19
(g) Surplus in Consolidated Statement of Profit and Loss				
Opening balance	6,806.49		3,580.21	
(+) Profit for the current year	4,969.58		4,328.79	
(-) Consolidation adjustment	(2.62)		-	
(-) Transfer to general reserve	(252.29)		(288.04)	
(-) Transfer to debenture redemption reserve	(237.95)		(1.49)	
(-) Dividends (including dividend tax)	(934.39)		(794.16)	
(-) Premium on preference shares of subsidiary	(16.19)		(16.14)	
(-) Dividend Tax on premium on preference shares of subsidiary	(2.63)	10,330.00	(2.68)	6,806.49
TOTAL		**25,695.22**		**20,449.53**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012

FOOT NOTES:

i) (a) Foreign currency translation reserve

₹ in million

Particulars	As at March 31, 2012	As at March 31, 2011
Balance at the beginning of the year	(221.15)	(438.70)
Movement for the year (net)	323.50	217.55
Balance at the end of the year	102.35	(221.15)

(b) Cash flow hedge reserve

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

₹ in million

Particulars	As at March 31, 2012	As at March 31, 2011
Balance at the beginning of the year	(290.59)	(271.53)
Movement for the year (net)	(232.83)	(19.06)
Balance at the end of the year	(523.42)	(290.59)

ii) During the current year, the Company has purchased additional shares of WGEL by exercising the Option available with it. This purchase has resulted in capital reserve on consolidation of ₹ 66.42 million. The Company has adjusted the goodwill on consolidation of ₹ 11.06 million arising on earlier purchase of WGEL Shares. Thus, net amount of ₹ 55.36 million has been credited to capital reserve on consolidation

NOTE 4 : PREFERENCE SHARES ISSUED BY SUBSIDIARY TO MINORITY SHAREHOLDERS (INCLUDED UNDER MINORITY INTEREST) :

One Subsidiary company 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, 2012 ₹ 152.98 (Previous year ₹ 136.80 million) and the tax on distribution thereof aggregates ₹ 24.82 (Previous year 22.72 million)

These preference shares issued amounting to ₹ 350.00 million (as at March 31, 2011 : ₹ 350.00 million) have been included as a part of Minority Interest

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012

NOTE 5 : ADVANCE TOWARDS CAPITAL TO SUBSIDIARY BY MINORITY SHAREHOLDERS (INCLUDED UNDER MINORITY INTEREST) :

₹ in million

Particulars	As at March 31, 2012	As at March 31, 2011
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	**450.00**	**511.00**

As required under the restructuring package of a subsidiary viz. GRICL approved by the Corporate Debt Restructuring Cell on June 17, 2004, the promoters of 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 Group has classified the amount as an Advance towards Capital

The aggregate amount of ₹ 450.00 million (as at March 31, 2011 : ₹ 511.00 million) as detailed above has been included as a part of Minority Interest

NOTE 6 : LONG-TERM BORROWINGS

₹ in million

Particulars	As at March 31, 2012		As at March 31, 2011	
(a) Bonds / Debentures (refer foot note no. i)				
(i) Secured				
Non convertible debentures	3,116.00		3,751.00	
Deep discount bonds	360.22	3,476.22	356.90	4,107.90
(ii) Unsecured				
Non convertible debentures	252.00	252.00	288.00	288.00
(b) Term Loans				
(i) Secured				
From banks (refer foot note no. ii)	52,206.03		25,948.63	
From financial institutions	997.56		716.09	
From others	254.71	53,458.30	420.66	27,085.38
(ii) Unsecured				
From banks	5,646.10		4,323.42	
From others	6,905.00	12,551.10	56.45	4,379.87
(c) Finance lease obligations				
(i) Secured	-	-	128.96	128.96
TOTAL		**69,737.62**		**35,990.11**

NOTE 7 : SHORT-TERM BORROWINGS

₹ in million

Particulars	As at March 31, 2012		As at March 31, 2011	
(a) Loans repayable on demand				
(i) Secured				
From banks	685.15		1,065.77	
From financial institutions	-		28.60	
From others	8.03	693.18	-	1,094.37
(ii) Unsecured				
From banks	210.73		809.61	
From financial institutions	-	210.73	12.11	821.72
(b) Term Loans				
Secured from banks	7,161.91		-	
Unsecured from banks	12,650.00		7,300.00	
Unsecured from related parties	-		1,018.98	
Unsecured from others	1,215.00	21,026.91	-	8,318.98
TOTAL		**21,930.82**		**10,235.07**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012

NOTE 8 : DEFERRED TAX LIABILITIES (NET) AND DEFERRED TAX ASSETS

The Group entities have net deferred tax liabilities aggregating ₹ 2,046.51 (Previous year ₹ 1,438.65 million) and deferred tax assets aggregating ₹ 5.23 (Previous year ₹ 116.75 million) as at March 31, 2012

a) The components of deferred tax liabilities (net) are furnished below:

₹ in million

Particulars	As at March 31, 2012	As at March 31, 2011
Liabilities:		
Timing differences in respect of income	2,023.45	765.45
Timing differences in respect of depreciation	32.32	1,072.22
Assets:		
Timing differences in respect of depreciation	(0.06)	-
Timing differences in respect of employee benefits	(8.22)	(9.72)
Timing differences in respect of unabsorbed depreciation and business losses	-	(302.60)
Timing differences in respect of provision for doubtful debts	(0.98)	(2.55)
Timing differences in respect of provision for overlay	-	(84.15)
Deferred tax liabilities (net)	**2,046.51**	**1,438.65**

b) The components of deferred tax assets is furnished below:

₹ in million

Particulars	As at March 31, 2012	As at March 31, 2011
Assets:		
Timing differences in respect of income	0.01	114.86
Timing differences in respect of depreciation	2.50	0.23
Timing differences in respect of employee benefits	2.72	1.66
Deferred tax assets	**5.23**	**116.75**

NOTE 9 : OTHER LONG TERM LIABILITIES

₹ in million

	Particulars	As at March 31, 2012		As at March 31, 2011	
(a)	Trade Payables				
	From others	796.00	796.00	185.10	185.10
(b)	Others				
	Redemption premium accrued but not due on borrowings	1,213.33		721.10	
	Other Liabilities	281.68	1,495.01	207.41	928.51
	TOTAL		**2,291.01**		**1,113.61**

NOTE 10 : OTHER CURRENT LIABILITIES

₹ in million

Particulars	As at March 31, 2012		As at March 31, 2011	
(a) Interest accrued but not due on borrowings	42.74		40.24	
(b) Interest accrued and due on borrowings	-		34.06	
(c) Income received in advance	29.14		77.28	
(d) Advance received	470.07		419.30	
(e) Unearned revenue	9.77		38.13	
(f) Other liabilities (statutory and other dues)	1,308.32	1,860.04	849.72	1,458.73
TOTAL		**1,860.04**		**1,458.73**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012

NOTE 11 : LONG-TERM PROVISIONS

₹ in million

Particulars	As at March 31, 2012		As at March 31, 2011	
(a) Provision for dividend on preference shares of subsidiary	5.15		5.15	
(b) Provision for dividend tax on preference dividend of subsidiary	0.88		0.88	
(c) Provision for premium on preference shares of subsidiary	152.99		136.80	
(d) Provision for dividend tax on premium on preference shares of subsidiary	25.35		22.72	
(e) Provision for employee benefits	21.28		11.15	
(f) Provision for overlay (Refer foot note (i) of note no. 12)	537.77		507.59	
(g) Provision for contingency (Refer foot note no. i)	7.49	750.91	7.49	691.78
TOTAL		**750.91**		**691.78**

FOOT NOTE

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

₹ in million

Particulars	As at March 31, 2012	As at March 31, 2011
Opening balance	7.49	7.49
Add : Provision made during the year	-	-
Less : Provision utilised / reversed during the year	-	-
Closing balance	**7.49**	**7.49**

NOTE 12 : SHORT-TERM PROVISIONS

₹ in million

Particulars	As at March 31, 2012		As at March 31, 2011	
(a) "Provision for employee benefits (net) (refer foot note no. (i) (B) of note 28)"	252.26		261.73	
(b) Provision for tax (net of advance)	68.74		29.80	
(c) Proposed dividend on equity shares	800.67		679.94	
(d) Provision for tax on proposed dividend on equity shares	129.89		110.30	
(e) Provision for overlay (refer foot note no. i)	143.63	1,395.19	11.15	1,122.69
TOTAL		**1,395.19**		**1,122.69**

FOOT NOTE

(i) Provision for overlay in respect of toll roads maintained by the Group under service concession arrangements and classified as intangible assets represents contractual obligations to restore an infrastructure facility to a specified level of serviceability in respect of such asset. Estimate of the provision is measured using a number of factors, such as 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

Movements in provision made for overlay are tabulated below:

₹ in million

Particulars	As at March 31, 2012 Long-term	As at March 31, 2012 Current	As at March 31, 2011 Long-term
Opening balance	507.59	40.92	432.77
Adjustment for new acquisition / exchange difference during the year	17.45	-	2.18
Utilised for the year	-	(15.04)	-
Provision made during the year	12.73	117.75	113.56
Closing balance	537.77	143.63	548.51

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012

NOTE 13 : FIXED ASSETS

₹ in million

	Gross Block					Accumulated Depreciation and Amortisation					Net Block	
	Balance as at April 1, 2011	Adjustments / Re-classifications (Refer footnote iv)	Additions	Deletions / Adjustments	Balance as at March 31, 2012	Balance as at April 1, 2011	Adjustments / Re-classifications (Refer footnote iv)	Depreciation charge for the year (refer foot note i)	Deletions / Adjustments	Balance as at March 31, 2012	Balance as at March 31, 2012	Balance as at March 31, 2011
a Tangible Assets												
Land	26.03	(1.96)	-	-	24.07	-	-	-	-	-	24.07	26.03
Building and structures	53.36	120.58	-	-	173.94	2.79	20.22	3.46	-	26.47	147.47	50.57
Vehicles	1,027.97	16.27	51.32	18.57	1,076.99	782.02	(28.10)	109.45	14.88	848.49	228.50	245.95
Data processing equipments	106.66	18.29	16.02	1.25	139.72	78.84	13.15	13.15	1.24	103.90	35.82	27.82
Office premises	11.53	-	-	0.01	11.52	1.92	-	0.19	0.01	2.10	9.42	9.61
Office equipments	60.17	12.00	11.04	1.57	81.64	30.89	6.43	10.13	1.20	46.25	35.39	29.28
Leasehold improvements	12.45	-	-	-	12.45	3.65	-	4.52	-	8.17	4.28	8.80
Furniture and fixtures	133.04	141.51	3.38	0.15	277.78	116.64	24.20	16.82	0.36	157.30	120.48	16.40
Electrical installations	15.31	83.41	0.02	0.15	98.59	14.39	80.57	3.25	1.56	96.65	1.94	0.92
Plant and machinery	1,056.43	790.47	110.12	32.71	1,924.31	997.11	584.48	96.54	25.11	1,653.02	271.29	59.32
Advertisement structure	11.67	13.13	-	-	24.80	9.23	7.12	2.73	-	19.08	5.72	2.44
Plant and machinery - Leased	1,028.94	(736.34)	10.22	-	302.82	611.67	(474.94)	42.09	-	178.82	124.00	417.27
Vehicles - Leased	83.56	30.77	15.00	3.50	125.83	54.67	(5.91)	18.79	3.02	64.53	61.30	28.89
Furniture and fixtures - Leased	10.38	(10.38)	-	-	-	4.71	(4.71)	-	-	-	-	5.67
Building and structures - Leased	158.15	11.81	-	-	169.96	9.71	3.99	3.20	-	16.90	153.06	148.44
Land - Leased	26.73	2.16	-	-	28.89	-	-	-	-	-	28.89	26.73
TOTAL	**3,822.38**	**491.72**	**217.12**	**57.91**	**4,473.31**	**2,718.24**	**226.50**	**324.32**	**47.38**	**3,221.68**	**1,251.63**	**1,104.14**
b Intangible Assets												
Software / Licences	181.00	15.18	5.32	-	201.50	124.33	11.66	15.23	-	151.22	50.28	56.67
Commercial rights acquired (refer foot note no. ii)	207.76	-	-	1.22	206.54	26.70	(0.02)	26.96	0.25	53.39	153.15	181.06
Rights under service concession arrangements (refer foot note no. iii)	13,280.37	14,477.91	891.45	68.12	28,581.61	681.63	173.29	392.42	-	1,247.34	27,334.27	12,598.74
Trademarks and licences	1.79	0.14	-	0.01	1.92	1.78	0.13	-	-	1.91	0.01	0.01
Others	172.38	10.03	0.02	0.02	182.41	93.76	5.34	8.18	-	107.28	75.13	78.62
TOTAL	**13,843.30**	**14,503.26**	**896.79**	**69.37**	**29,173.98**	**928.20**	**190.40**	**442.79**	**0.25**	**1,561.14**	**27,612.84**	**12,915.10**
c Capital work-in-progress	**10.32**		**184.88**	**-**	**195.20**	**-**				**-**	**195.20**	**10.32**
d Intangible Assets	**15,755.81**	**-**	**19,056.85**	**-**	**34,812.66**	**-**	**-**	**-**	**-**	**-**	**34,812.66**	**15,755.81**
GRAND TOTAL	**33,431.81**	**14,994.98**	**20,355.64**	**127.28**	**68,655.15**	**3,646.44**	**416.90**	**767.11**	**47.63**	**4,782.82**	**63,872.33**	**29,785.37**
PREVIOUS YEAR	**19,134.36**	**153.36**	**14,176.37**	**32.28**	**33,431.81**	**2,954.58**	**83.97**	**614.58**	**6.69**	**3,646.44**	**29,785.37**	

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012

FOOT NOTES:

1) Depreciation on assets used during the construction period 1.59 (previous year ₹ 0.39 million) has been included in "Capital Work in Progress". Therefore, the charge to the statement of profit and loss is lower by this amount

2) During the year 2006-07, the Group incurred a cost of Rupees 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)

3) Estimates under Service Concession Arrangement - Right under Service Concession Arrangements / Intangible assets under Developments

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

₹ in million

Particulars	As at March 31, 2012	As at March 31, 2011
Margin on construction services recognised in respect of intangible assets (₹ in million)	5,009.67	2,170.59
Carrying amounts of intangible assets (₹ in million)	27,334.27	12,598.74
Amortisation charge in respect of intangible assets (₹ in million)	392.42	212.12
Units of usage (No. of vehicles)	50,867,738 to 1,554,733,739	56,042,180 to 1,770,530,926
Provision for overlay in respect of intangible assets (₹ in million)	681.40	548.51
Carrying amounts of intangible assets under developments (₹ in million)	34,812.66	15,755.81

4) Adjustments includes additions to Gross Block and Accumulated Depreciation towards acquisition of new subsidiaries / jointly controlled entities during the year and deductions to Gross Block and Accumulated Depreciation towards sale / cesssation of subsidiaries / jointly controlled entities and regrouping of previous year figures

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012

NOTE 14 : NON-CURRENT INVESTMENTS

₹ in million

Particulars	As at March 31, 2012		As at March 31, 2011	
a) Investments in Unquoted Equity Instruments - Associates				
Investments in associates	1,268.36		699.13	
Add /(Less): Unrealised gain on transactions between the Company and its associates	(11.94)		17.51	
Add: Post-acquisition share of profit / (loss) of associates (net)	175.24		39.25	
Add: Post-acquisition share of movement in the other reserves of an associate (net)	9.84		9.10	
Less: Cash flow hedge reserve	(392.75)	1,048.75	(225.37)	539.62
b) Investments in Unquoted Equity Instruments (refer note 32)		182.85		182.36
c) Investments in Covered Warrants (refer foot note no. i)		1,693.00		648.00
d) Investments in Other Instruments		1,111.51		791.13
Less: Provision for dimunition in the value of Investments		(204.20)		(241.23)
TOTAL		**3,831.91**		**1,919.88**

FOOT NOTE

(i) The Company's investment in "Covered Warrants" aggregating to ₹ 1,693.00 million (As at March 31, 2011 ₹ 648.00 million) issued by Infrastructure Leasing & Financial Services Limited ("IL&FS") the holding company, 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"), Chhatisgarh Highways Development Company Limited ("CHDCL") and Jharkhand Road Projects Implementation Company Limited ("JRPICL") on the equity shares held by IL&FS as well as the interest granted by RIDCOR on the Fully Convertible Debentures ("FCDs") held by IL&FS. However, The Company is not entitled to rights and privileges, which IL&FS enjoys as a shareholder / debentureholder. The instruments are unsecured

NOTE 15 : CURRENT INVESTMENTS

₹ in million

Particulars	As at March 31, 2012	As at March 31, 2011
Investments in Units of Mutual Funds	122.22	89.29
TOTAL	**122.22**	**89.29**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012

NOTE 16 : LONG-TERM LOANS AND ADVANCES

₹ in million

	Particulars	As at March 31, 2012		As at March 31, 2011	
(a)	Capital Advances				
	Unsecured, considered good	142.28	142.28	785.25	785.25
(b)	Security Deposits				
	Secured, considered good	1.83		42.20	
	Unsecured, considered good	81.09	82.92	120.89	163.09
(c)	Loans and advances to related parties				
	Unsecured, considered good				
	- Option premium (net of provision)	36.67		136.43	
	- Long term loans	1,237.29	1,273.96	1,287.11	1,423.54
(d)	Other loans and advances				
	Unsecured, considered good				
	- Advance recoverable in cash or kind - others	4,764.56		3,403.31	
	- Loans to others	1,680.60	6,445.16	152.50	3,555.81
	TOTAL		**7,944.32**		**5,927.69**

NOTE 17 : SHORT-TERM LOANS AND ADVANCES

₹ in million

	Particulars	As at March 31, 2012		As at March 31, 2011	
(a)	Loans and advances to related parties				
	Unsecured, considered good				
	- Advance recoverable in cash or kind - related parties	15.91		11.28	
	- Inter-corporate deposits	673.30		270.00	
	- Advance towards share application money	-		616.91	
	- Short term loans	1,073.00	1,762.21	660.99	1,559.18
(b)	Other loans and advances				
	Unsecured, considered good				
	- Advance recoverable in cash or kind	3,808.43		6,161.56	
	- MAT credit entitlement	213.07		71.02	
	- Advance payment of taxes (net of provision)	1,096.62		989.35	
	- Advance towards share application money	269.80		469.83	
	- Short term loans - others	2,005.81		1,675.95	
	- Current maturities of Long term loans and advances	42.50	7,436.23	-	9,367.71
	TOTAL		**9,198.44**		**10,926.89**

NOTE 18 : OTHER NON-CURRENT ASSETS

₹ in million

	Particulars	As at March 31, 2012		As at March 31, 2011	
(a)	Long term Trade Receivables (unsecured, considered good)	278.29		0.06	
(b)	Receivables against Service Concession Arrangement (refer foot note (i) of note no. 19)"	45,980.02		23,715.91	
(c)	Toll Receivable account (refer foot note no. (i)	1,898.70		1,898.70	
(d)	Interest accrued but not due	533.67	48,690.68	319.13	25,933.80
	TOTAL		**48,690.68**		**25,933.80**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012

FOOT NOTE

(i) 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 Receivable Account

NOTE 19 : OTHER CURRENT ASSETS

₹ in million

Particulars	As at March 31, 2012		As at March 31, 2011	
(a) Unbilled revenue	-		515.40	
(b) Interest accrued	243.44		164.33	
(c) Receivables against Service Concession Arrangement (refer foot note no. i)	809.78		1,553.45	
(d) Grant receivable	627.69	1,680.91	1,470.87	3,704.05
TOTAL		**1,680.91**		**3,704.05**

FOOT NOTE

(i) Estimates under Service Concession Arrangement - Financial assets

Under the Service Concession Arrangements, 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 Arrangements Accordingly, 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

Particulars	As at March 31, 2012	As at March 31, 2011
Margin on construction and operation & maintenance and renewal services recognised in respect of Receivables against Service Concession Arrangements	4,104.42	2,490.34
Carrying amounts of Financial Assets included under Receivables against Service Concession Arrangements	46,789.80	25,269.36
Revenue recognised on Receivables against Service Concession Arrangements on the basis of effective interest method	9,362.88	6,254.28

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012

NOTE 20 : INVENTORIES

₹ in million

Particulars	As at March 31, 2012	As at March 31, 2011
Inventories (at cost)		
(i) Raw materials	47.82	10.72
(ii) Finished goods	158.21	248.58
(iii) Stores and spares	4.07	2.87
TOTAL	**210.10**	**262.17**

NOTE 21 : TRADE RECEIVABLES

₹ in million

Particulars	As at March 31, 2012		As at March 31, 2011	
(a) Trade receivables outstanding for a period less than six months from the date they are due for payment				
Unsecured, considered good	5,927.48	5,927.48	6,843.56	6,843.56
(b) Trade receivables outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, considered good	2,892.65		645.45	
Other considered doubtful	3.00		3.58	
Less: Provision for doubtful debt	(3.00)	2,892.65	(3.58)	645.45
TOTAL		**8,820.13**		**7,489.01**

NOTE 22 : CASH AND CASH EQUIVALENTS

₹ in million

Particulars	As at March 31, 2012		As at March 31, 2011	
(a) Cash and cash equivalents				
Cash on hand	14.81		16.10	
Current accounts	1,468.09		1,920.54	
Fixed Deposits placed for a period less than 3 months	183.08	1,665.98	2,423.06	4,359.70
(b) Other bank balances				
Unpaid dividend accounts	0.35		0.11	
Fixed Deposits placed for a period exceeding 3 months	1,171.54	1,171.89	915.65	915.76
TOTAL		**2,837.87**		**5,275.46**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012

NOTE 23 : CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

(A) CONTINGENT LIABILITIES

₹ in million

	Particulars	As at March 31, 2012	As at March 31, 2011
(i)	Claims against the Group not acknowledged as debt	812.72	381.89
(ii)	Other money for which The Company is contingently liable		
	- Income tax demands contested by the Group	429.84	126.55
	- Royalty to Nagpur Municipal Corporation	10.74	10.74
(iii)	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 wavier 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

(iv) In case of disputes decided in favour of the Group at the First Appellate Authority for amounts disallowed amounting to ₹ 1,639. 24 million (previous year ₹ Nil), the department has gone for further appeal in all the cases. If decided against The Company, it will result in reduction of unabsorbed losses and unabsorbed depreciation as per the Income -Tax law

(v) In case of disputes decided against the Group for amounts disallowed amounting to ₹ 16.14 million (previous year ₹ 389.77 million), The Company has gone for further appeal in all the cases. If decided against The Company, it will result in reduction of unabsorbed losses and unabsorbed depreciation as per the Income-Tax law

(B) CAPITAL COMMITMENTS

₹ in million

	Particulars	As at March 31, 2012	As at March 31, 2011
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances paid aggregate ₹ 5,842.65 (previous year ₹ 6,868.17 million)	61,221.11	62,300.32
(ii)	Exercise price payable in respect of call option contracts	-	11.77
(iii)	Investment Commitments [net of advances of ₹ 269.80 million, (As at March 31, 2011 : ₹ 469.80 million)]	200.00	320.00

(C) OTHER COMMITMENTS

₹ in million

	Particulars	As at March 31, 2012	As at March 31, 2011
(i)	Negative grant to National Highways Authority of India ("NHAI") (upto 2019-20)	2,700.00	2,800.00

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012

NOTE 24 : REVENUE FROM OPERATIONS

₹ in million

Particulars	Year ended March 31, 2012		Year ended March 31, 2011	
(a) Income from services				
Advisory and project management fees	1,905.89		809.13	
Lenders' engineer and supervision fees	342.13		124.88	
Operation and maintenance income	7,167.44		8,635.21	
Toll revenue	2,781.32		1,870.15	
Periodic maintenance income	-		68.52	
Finance income	3,108.60		1,827.57	
Licence fee	12.61		40.50	
Operation and maintainace Grant from NHAI	79.30	15,397.29	47.45	13,423.41
(b) Construction income		40,602.72		26,944.19
(c) Sales (net of sales tax)		56.20		114.66
TOTAL		**56,056.21**		**40,482.26**

NOTE 25 : OTHER INCOME

₹ in million

Particulars	Year ended March 31, 2012		Year ended March 31, 2011	
(a) Interest Income				
Interest on loans granted	535.88		401.80	
Interest on debentures	86.59		46.65	
Interest on call money	33.94		31.44	
Interest on bank deposits	96.41		72.69	
Interest on short term deposit	36.27		14.88	
Interest on advance towards property	141.86	930.95	123.60	691.06
(b) Profit on sale of investment (net)		8.58		4.27
(c) Profit on sale of fixed assets		0.33		0.80
(d) Dividend income		2.10		10.37
(e) Other non-operating income				
Advertisement income	1.10		4.31	
Excess provisions written back	33.06		0.05	
Exchange rate fluctuation gain (net)	73.09		-	
Miscellaneous income	188.86	296.11	75.42	79.78
TOTAL		**1,238.07**		**786.28**

NOTE 26 : COST OF MATERIALS CONSUMED

₹ in million

Particulars	Year ended March 31, 2012		Year ended March 31, 2011	
(a) Material consumption	1,211.90		1,252.37	
(b) Purchase of traded products	30.14	1,242.04	117.92	1,370.29
TOTAL		**1,242.04**		**1,370.29**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012

NOTE 27 : OPERATING EXPENSES

₹ in million

Particulars	Year ended March 31, 2012		Year ended March 31, 2011	
Construction contract costs	30,512.48		17,896.53	
Fees for technical services / design and drawings	554.89		382.81	
Diesel and fuel expenses	220.64		196.57	
Operation and maintenance expenses	1,703.91		3,146.64	
Provision for overlay expenses	130.48		113.56	
Periodic maintenace expenses	13.11		62.09	
Toll plaza expenses	19.08		26.82	
Negative grant to NHAI	100.00	33,254.59	-	21,825.02
TOTAL		**33,254.59**		**21,825.02**

NOTE 28 : EMPLOYEE BENEFITS EXPENSE

₹ in million

Particulars	Year ended March 31, 2012		Year ended March 31, 2011	
Salaries and wages	2,941.36		2,870.22	
Contribution to provident and other funds (refer foot notes below)	655.45		56.06	
Staff welfare expenses	97.10	3,693.91	595.30	3,521.58
TOTAL		**3,693.91**		**3,521.58**

FOOTNOTE:

(i) Employee benefit obligations:

(A) 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 ₹ 23.84 million (previous year ₹ 14.64 million) has been charged to the consolidated Statement of Profit and Loss in this respect

(B) 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 Consolidated Statement of Profit and Loss

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012

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

₹ in million

Particulars	As at March 31, 2012	As at March 31, 2011
Present value of commitment	57.39	41.65
Fair value of plans	56.35	46.28
Unrecognised past service cost	-	0.64
Payable / (Prepaid) amount taken to the balance sheet	**1.04**	**(3.99)**

Defined benefit commitments:

₹ in million

Gratuity	As at March 31, 2012	As at March 31, 2011
Opening balance	41.65	28.80
Interest cost	3.25	2.23
Current service cost	14.21	12.22
Benefits paid	(7.19)	(5.79)
Actuarial (gain) / loss	4.30	6.65
Transferred from / to other company	1.17	(2.46)
Closing balance	**57.39**	**41.65**

Plan Assets:

₹ in million

Gratuity	As at March 31, 2012	As at March 31, 2011
Opening balance	46.31	35.27
Expected return on plan assets	4.11	3.24
Contributions by The Company / Group	11.82	14.30
Benefits paid	(7.19)	(5.79)
Transferred from / to other company	1.17	(1.82)
Actuarial gain / (loss)	0.15	1.11
Other adjustments	(0.02)	-
Fair value of plan assets	**56.35**	**46.31**

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:

₹ in million

Gratuity	Year ended March 31, 2012	Year ended March 31, 2011
Expected return on plan assets	4.11	3.24
Actuarial gain / (loss)	0.15	1.11
Actual return on plan assets	**4.26**	**4.35**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012

Expenses on defined benefit plan recognised in the Consolidated Statement of Profit and Loss:

₹ in million

Gratuity	Year ended March 31, 2012	Year ended March 31, 2011
Current service cost	14.21	12.22
Interest expenses	3.25	2.23
Expected return on investments	(4.11)	(3.24)
Net actuarial (gain) / loss	4.15	5.53
Expenses charged to Consolidated Statement of Profit and Loss	**17.50**	**16.74**

(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

Name of the Entity	Year Ended March 31, 2012		Year Ended March 31, 2011	
	Group entities other than a jointly controlled entity	Jointly controlled entity	Group entities other than a jointly controlled entity	Jointly controlled entity
Rate for discounting liabilities	8.25%-8.50%	8.25%-8.50%	8.25%	8.25%
Expected salary increase rate	6.00%-6.50%	6.50%	4.50%-6.00%	6.00%
Expected return on scheme assets	8.00%	6.50%	8.00% -8.25%	5.00%
Attrition date	2%	Not disclosed	2%	Not disclosed
Mortality table used	LIC (1994-96) Ultimate	Not disclosed	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 period and previous three annual periods is given below:

₹ in million

Gratuity (Funded Plan)	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Defined benefit commitments	57.39	41.65	28.80	21.50	21.64
Plan assets	56.35	46.28	35.27	(26.41)	(23.07)
Unfunded liability transferred from group companies	-	0.64	-	-	0.07
(Surplus) / Deficit	**1.04**	**(3.99)**	**(6.47)**	**(4.91)**	**(1.36)**

₹ in million

Gratuity (Funded Plan)	Year ended March 31, 2012	Year ended March 31, 2011	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2008
Experience adjustments on plan commitments	(0.40)	4.32	(0.87)	6.22	8.99
Experience adjustments on plan assets	(0.35)	1.11	0.15	(1.34)	(0.93)

(iv) The contribution expected to be made by some of the constituents of the Group during the financial year 2012-13 is ₹ 49.82

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012

NOTE 29 : FINANCE COSTS

₹ in million

	Particulars	Year ended March 31, 2012		Year ended March 31, 2011	
(a)	Interest expenses				
	Interest on loans for fixed period	6,599.57		3,825.82	
	Interest on debentures	80.44		217.43	
	Interest on deep discount bonds	135.12	6,815.13	3.06	4,046.31
(b)	Other finance charges				
	Guarantee commission	26.38		37.62	
	Finance charges	440.56	466.94	896.65	934.27
	TOTAL		**7,282.07**		**4,980.58**

NOTE 30 : ADMINISTRATIVE AND GENERAL EXPENSES

₹ in million

Particulars	Year ended March 31, 2012		Year ended March 31, 2011	
Legal and consultation fees	274.52		273.78	
Travelling and conveyance	338.33		283.56	
Rent	488.10		468.34	
Rates and taxes	72.87		113.84	
Repairs and maintenance others	103.98		89.78	
Bank commission	232.26		98.76	
Communication expenses	67.08		68.42	
Insurance	140.87		106.71	
Exchange rate fluctuation loss (net)	-		6.57	
Printing and stationery	38.37		54.17	
Electricity charges	34.77		18.33	
Bad debts and provision for doubtful debts	316.85		51.99	
Loss on sale of fixed assets (net)	3.30		10.78	
Brand subscription fees	218.25		140.36	
Miscellaneous expenses	880.63	3,210.18	431.71	2,217.10
TOTAL		**3,210.18**		**2,217.10**

NOTE 31 : EARNINGS PER EQUITY SHARE

₹ in million

Particulars	Unit	Year ended March 31, 2012	Year ended March 31, 2011
Profit for the year	₹ in million	4,969.58	4,328.79
Premium on preference shares of subsidiary	₹ in million	(16.19)	(16.14)
Dividend Tax on premium on preference shares of subsidiary	₹ in million	(2.63)	(2.68)
Profit available for Equity Shareholders	₹ in million	4,950.76	4,309.97
Weighted average number of Equity Shares outstanding	Number	194,267,732	194,267,732
Nominal Value per equity share	₹	10.00	10.00
Basic Earnings per share	₹	25.48	22.19
Weighted average number of Equity shares used to compute diluted earnings per share	Number	194,267,732	194,267,732
Diluted Earnings per share	₹	25.48	22.19

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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012

NOTE 32 : INVESTMENTS IN AHA

Investments in Airport Holding Australasia Pte Limited (AHA) has not been considered as Investments in Associates as in the view of the Management, no significant influence exist

NOTE 33 : DISCLOSURE IN TERMS OF ACCOUNTING STANDARD (AS) 7 – CONSTRUCTION CONTRACTS

₹ in million

Particulars	As at March 31, 2012	As at March 31, 2011
Contract revenue recognised as revenue during the year ended	764.69	1,230.32
Aggregate amount of Contract Costs incurred recognised Profits up to	545.91	1,230.32
Gross amount due from customers for contract work, disclosed as asset, as at	-	6.38
Gross amount due to customers for contract work, disclosed as liability as at the	-	208.47

NOTE 34 : DISCLOSURE OF 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	Year ended March 31, 2012	Year ended March 31, 2011
Within one year	365.87	345.26
Over one year but less than 5 years	161.83	130.76
More than 5 years	44.80	76.02

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

Particular	For the year ended March 31, 2012	For the year ended March 31, 2011
Amount charged to the Consolidated Statement of Profit and Loss for rent	434.54	323.60

(B) Finance Leases:

(a) Subsidiaries

₹ in million

Particular	March 31, 2012			March 31, 2011		
	Minimum Lease Payment	Present value of minimum lease payments	Lease Charges	Minimum Lease Payment	Present value of minimum lease payments	Lease Charges
Amount payable not later than one year	71.56	65.22	6.34	135.87	128.96	6.91
Amount payable >1 but < 5 years	83.17	71.16	12.00	104.98	95.40	9.58
Amount payable > 5 years	41.32	38.90	2.41	44.96	41.85	3.11
TOTAL	**196.05**	**175.28**	**20.75**	**285.81**	**266.21**	**19.60**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012

(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

Particular	March 31, 2012			March 31, 2011		
	Minimum Lease Payment	Present value of minimum lease payments	Lease Charges	Minimum Lease Payment	Present value of minimum lease payments	Lease Charges
Amount payable < 1 year	-	-	-	0.12	0.11	0.00
Amount payable >1 but < 5 years	-	-	-	-	-	-
TOTAL	**-**	**-**	**-**	**0.12**	**0.11**	**0.00**

NOTE 35 : The Group's percentage holding in various jointlly controlled entities are given below:

Name of the jointly controlled entity	As at March 31, 2012	As at March 31, 2011
	% holding	% holding
NTBCL	25.35	25.35
JSEL	50.00	50.00
NEL	50.00	50.00
Yuhe (from December 27, 2011)	49.00	-

The proportionate share in assets, liabilities, income and expenditures of above jointly controlled entities as included in these CFS is given below:

₹ in million

Particulars	As at March 31, 2012	As at March 31, 2011
Assets		
Fixed assets (net)	19,642.53	2,559.32
Deferred tax assets	2.21	-
Loans and advances (current and non-current)	388.24	431.37
Other non-current assets	2,225.33	1,201.30
Current Investments	89.90	60.23
Other current assets	255.83	968.56
	22,604.04	**5,220.78**
Equity and Liabilities		
Reserves and surplus	749.81	1,535.83
Loans	10,928.58	751.47
Deferred Tax Liability	183.95	15.34
Other liabilities	1,034.61	1,234.86
	12,896.95	**3,537.50**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012

₹ in million

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Income		
Revenue from operations	4,188.17	2,454.15
Other Income	24.44	22.61
	4,212.61	**2,476.76**
Expenses		
Operating expenses	466.52	1,200.09
Administrative and general expenses	149.73	76.41
Depreciation and amortization expense	110.23	10.03
Finance costs	282.49	106.67
Taxes - Current Tax	13.46	7.36
- Deferred tax	166.45	15.34
	1,188.88	**1,415.90**

₹ in million

Particulars	As at March 31, 2012	As at March 31, 2011
Contingent Liabilities	-	12.51
Capital Commitments	5,725.12	8,814.16

NOTE 36 :

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

(I) The following are toll based service concession arrangements of the Group which have been classified as "Intangible Assets" in the Note 13 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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012

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

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	Under Construction	39 years	April 14, 2043
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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012

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 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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012

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 Checkposts 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

k) The Kiratpur Net Chowk Project ("KNCP") is a concession arrangement entered into between National Highways Authority Limited and Kiratpur Net Chowk Expressway Limited ("KNCEL"). KNCEL is required to build, operate and transfer the KNCP for a period of 28 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 KNCEL will entitle KNCEL to be eligible for compensation as per the concession

l) The Chongqing Yuhe Expressway Project ("CYEP") is a concession arrangement entered into between People's Repubic of China and Chongqing Yuhe Expressway Company Limited ("Yuhe"). The government has granted the right to charge the users of Chongqing Yuhe Expressway for a period of 20 years to Yuhe. The Premature termination before the said period of concession is not permitted except in the event of a force majeure

(II) The following are annuity based service concession arrangements of the Group which have been classified as financial assets under "Receivables against service concession arrangements" in the financial statements in Note 19:

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 ("NKEL"). The construction activities were completed on July 19, 2004. Besides construction, NKEL's obligations include routine maintenance and period maintenance of the flexible pavement and the rigid pavement at predefined intervals. In consideration, NKEL 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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012

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 form 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

NOTE 37 :

Segment Reporting - Refer Annexure - I

NOTE 38 :

Related Party Disclosure - Refer Annexure II

NOTE 39 :

Statement to be furnished under section 212 (8) of Companies Act, 1956 relating to subsidiaries includes the financial information of the subsidiaries received for the purpose of preparation of the consolidated financials statements - Refer Annexure III

NOTE 40 :

Previous Year : Consequent to the NOTIFICATION NO. S.O. 447(E), DATED 28-2-2011 [AS AMENDED BY NOTIFICATION NO. F.NO. 2/6/2008-CL-V, DATED 30-3-2011] the above financial statements have been presented in accordance with the Revised Schedule VI. As required under the said notification corresponding figures for the previous year have been reclassified and presented in accordance with the current year presentation

For and on behalf of the Board

K. Ramchand Managing Director	Arun K. Saha Director
George Cherian Chief Financial Officer	Krishna Ghag Company Secretary

Bengaluru, May 4, 2012

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012

NOTE 37 : SEGMENT REPORTING

ANNEXURE I

₹ in million

	Surface Transportation Business		Other		Total	
	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011
Revenue						
External	54,418.84	38,825.65	1,637.37	1,656.61	56,056.21	40,482.26
Inter-Segment	-	-	-	-	-	-
Segment Revenue	**54,418.84**	**38,825.65**	**1,637.37**	**1,656.61**	**56,056.21**	**40,482.26**
Segment expenses	40,245.14	27,834.04	1,478.82	1,500.67	41,723.96	29,334.71
Segment results	14,173.70	10,991.61	158.55	155.94	14,332.25	11,147.55
Unallocated income (excluding interest income)					307.12	95.22
Unallocated expenditure					442.28	213.47
Finance cost					7,282.07	4,980.58
Interest Income unallocated					930.95	691.06
Tax expense (net)					2,457.21	2,242.45
Share of profit / (loss) of Associates (net)					38.53	(47.81)
Share of profit transferred to minority interest (net)					457.71	120.73
Profit for the year					**4,969.58**	**4,328.79**
Segment assets	135,636.94	79,921.95	1,989.55	1,627.85	137,626.49	81,549.80
Unallocated Assets (Refer footnote 1)					14,853.34	12,676.15
Total assets					**152,479.83**	**94,225.95**
Segment liabilities	13,269.55	10,510.70	1,303.28	1,140.55	14,572.83	11,651.25
Unallocated Liabilities (Refer footnote 2)					107,334.44	58,007.36
Total liabilities					**121,907.27**	**69,658.61**
Capital Expenditure for the year	20,355.66	14,176.37	-		20,355.66	14,176.37
Depreciation and amortization expense	717.25	571.64	48.27	42.55	765.52	614.19
Non cash expenditure other than depreciation for the year					447.34	612.88

II) SECONDARY - GEOGRAPHICAL SEGMENTS:

₹ in million

	India	India	Outside India	Outside India
	2011-12	2010-11	2011-12	2010-11
Revenue - External	48,112.63	30,830.94	7,943.58	9,650.52
Segment Assets	113,289.26	72,056.38	24,337.22	9,493.42
Capital Expenditure	19,566.64	13,927.36	789.02	249.01

1) Unallocated assets include investments, advance towards share application money, loans given, interest accrued, option premium, deferred tax assets, advance payment of taxes (net of provision), unpaid dividend accounts and fixed deposits placed for a period exceeding 3 months, etc

2) Unallocated liabilities include borrowings, interest accrued but not due on borrowings, deferred tax liabilities (net), provision for tax (net), unpaid dividends, etc

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012

NOTE 38 : RELATED PARTY DISCLOSURES - ANNEXURE II

i. CURRENT YEAR

a) Name of the Related Parties and Description of Relationship:

Nature of Relationship	Name of Entity	Acronym used
Holding Company	Infrastructure Leasing & Financial Services Limited	ILFS
Fellow Subsidiaries (Only with whom there have been transaction during the year / there was balance outstanding at the year end)	IL&FS Financial Services Limited	IFIN
	IL&FS Education & Technology Services Limited	IETS
	IL&FS Energy Development Company Limited	IEDCL
	IL&FS Environmental Infrastructure & 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 Urban Infrastructure Managers Limited	IUIML
	Chattisgarh Highways Development Company Limited	CHDCL
	IL&FS Global Financial Services (ME) Limited	IGFSML
	IL&FS Global Financial Services Pte Limited	IGFSPL
	IL&FS Securities Services Limited	ISSL
	IL&FS Township & Urban Assets Limited (formerly known as MPPL Enterprises Limited)	ITUAL
	IL&FS Trust Company Limited	ITCL
	Jharkhand Accelerated Road Development Company Limited	JARDCL
Associates	Andhra Pradesh Expressway Limited	APEL
	ITNL Toll Management Services Limited	ITMSL
	Thiruvananthpuram Road Development Company Limited	TRDCL
	Warora Chandrapur Ballarpur Toll Road Limited	WCBTRL
	Centro De Investigacion De Carreteras De Andalucia S.A.	CICAN
	CGI-8, S.A.	CGI-8
	Labtec Ensayos Tecnicos Canarios S.A.	LABTEC
	Empresas Pame SA DECV	EPSD
	Elsamex Road Technology Company Limited	ERTC
	Ramky Elsamex Hyderabad Ring Road	REHRR
	Sociedad Concesionaria Autovia A-4 Madrid S.A.	A4 CONCESSION
	Alcantarilla Fotovolcaica SA	AFSA
	Zheisiang Elsamex Road Tech Company	Zheisiang Elsamex
	Yala Construction Company Limited-Thailand	Thailand
	VCS Enterprises Limited	VCSEL
Key Management Personnel	Mr K Ramchand-Managing Director and relatives	
	Mr Mukund Sapre-Executive Director and relatives	

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012

NOTE 38 : RELATED PARTY DISCLOSURES - (Contd.)

ANNEXURE II

b) transactions/ balances with above mentioned related parties (mentioned in note 38 (i) (a) above)

₹ in million

Particulars	Holding Company	Fellow Subsidiaries	Associates	Key Management personnel and relatives	Total
BALANCES:					
Advance towards capital in a subsidiary					
ILFS	150.00	-	-	-	150.00
	150.00	**-**	**-**	**-**	**150.00**
Interest accrued (current and non-current)					
ILFS	21.11	-	-	-	21.11
APEL	-	-	312.38	-	312.38
TRDCL	-	-	43.06	-	43.06
OTHERS	-	1.56	1.97	-	3.53
	21.11	**1.56**	**357.41**	**-**	**380.08**
Inter-corporate deposits					
ILFS	673.30	-	-	-	673.30
	673.30	**-**	**-**	**-**	**673.30**
Investment in Debentures					
APEL	-	-	786.40	-	786.40
	-	**-**	**786.40**	**-**	**786.40**
Investment in Covered Warrants					
ILFS	1,693.00	-	-	-	1,693.00
	1,693.00	**-**	**-**	**-**	**1,693.00**
Short-term Lendings					
APEL	-	-	751.00	-	751.00
TRDCL	-	-	215.00	-	215.00
OTHERS	-	73.00	34.00	-	107.00
	-	**73.00**	**1,000.00**	**-**	**1,073.00**
Long-term Lendings					
APEL	-	-	474.60	-	474.60
A4 CONCESSION	-	-	373.87	-	373.87
TRDCL	-	-	171.80	-	171.80
OTHERS	-	-	217.02	-	217.02
	-	**-**	**1,237.29**	**-**	**1,237.29**
Advances Recoverable in Cash or Kind					
APEL			1.63		1.63
A4 CONCESSION	-	1.94	-	-	1.94
Zheisiang Elsamex	-	12.14	-	-	12.14
OTHERS	-	0.20	-	-	0.20
	-	**14.28**	**1.63**	**-**	**15.91**
Trade Payables					
ILFS	62.57	-	-	-	62.57
IFIN	-	476.08	-	-	476.08
OTHERS	-	128.48	13.19	-	141.67
	62.57	**604.56**	**13.19**	**-**	**680.32**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012

NOTE 38 : RELATED PARTY DISCLOSURES - (Contd.) ANNEXURE II

a) transactions/ balances with above mentioned related parties (mentioned in note 38 (i) (a) above)

₹ in million

Particulars	Holding Company	Fellow Subsidiaries	Associates	Key Management personnel and relatives	Total
Trade Receivables					
ILFS	16.42	-	-	-	16.42
IFIN	-	387.15	-	-	387.15
A4 CONCESSION	-	-	613.86	-	613.86
WCBTRL	-	-	599.00	-	599.00
OTHERS	-	0.26	348.18	-	348.44
	16.42	**387.41**	**1,561.04**	**-**	**1,964.87**
Unsecured Loans and Advances from Related Parties					
ILFS	288.00	-	-	-	288.00
	288.00	**-**	**-**	**-**	**288.00**
Option premium assets (Long-term loans and advances)					
ILFS (net of provision of ₹ 163.28 million)	36.67	-	-	-	36.67
	36.67	**-**	**-**	**-**	**36.67**
Long-term borrowings					
ILFS	732.82	-	-	-	732.82
	732.82	**-**	**-**	**-**	**732.82**
Redemption premium accrued but not due on borrowings					
ILFS	291.02	.	-	-	291.02
	291.02	**-**	**-**	**-**	**291.02**
Current liabilities					
ILFS	28.73	-	-	-	28.73
	28.73	**-**	**-**	**-**	**28.73**
Transactions					
Inter-corporate deposits - matured					
ILFS	6,203.19	-	-	-	6,203.19
	6,203.19	**-**	**-**	**-**	**6,203.19**
Inter-corporate deposits - placed					
ILFS	6,606.49	-	-	-	6,606.49
	6,606.49	**-**	**-**	**-**	**6,606.49**
Operating expenses					
ILFS	0.58	-	-	-	0.58
IEISL	-	11.87	-	-	11.87
	0.58	**11.87**	**-**	**-**	**12.45**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012

NOTE 38 : RELATED PARTY DISCLOSURE - (Contd.)

ANNEXURE II

a) transactions/ balances with above mentioned related parties (mentioned in note 38 (i) (a) above)

₹ in million

Particulars	Holding Company	Fellow Subsidiaries	Associates	Key Management personnel and relatives	Total
Lendings					
APEL	-	-	791.00	-	791.00
TRDCL	-	-	165.00	-	165.00
OTHERS	-	73.00	-	-	73.00
	-	**73.00**	**956.00**	**-**	**1,029.00**
Repayment of Lendings					
APEL	-	-	651.00	-	651.00
	-	**-**	**651.00**	**-**	**651.00**
Other Income					
ILFS	57.29	-	-	-	57.29
APEL	-	-	230.49	-	230.49
OTHERS	-	1.73	61.99	-	63.72
	57.29	**1.73**	**292.48**	**-**	**351.50**
Revenue from Operations					
IFIN	-	390.00	-	-	390.00
WCBTRL	-	-	371.71	-	371.71
APEL	-	-	116.42	-	116.42
OTHERS	-	0.14	26.06	-	26.20
	-	**390.14**	**514.19**	**-**	**904.33**
Administrative and general expenses					
ILFS	302.09	-	-	-	302.09
IETS	-	43.59	-	-	43.59
OTHERS	-	26.88	17.44	2.75	47.07
	302.09	**70.47**	**17.44**	**2.75**	**392.75**
Investment made / purchased					
ILFS	1,187.50	-	-	-	1,187.50
WCBTRL	-	-	616.91	-	616.91
OTHERS	-	0.00	-	-	0.00
	1,187.50	**0.00**	**616.91**	**-**	**1,804.41**
Borrowings					
ILFS	800.00	-	-	-	800.00
	800.00	**-**	**-**	**-**	**800.00**
Repayment of Borrowings					
ILFS	903.89	-	-	-	903.89
ISSL	-	1,000.00	-	-	1,000.00
	903.89	**1,000.00**	**-**	**-**	**1,903.89**
Interest on Loans (Expense)					
ILFS	182.67	-	-	-	182.67
OTHERS	-	4.27	-	-	4.27
	182.67	**4.27**	**-**	**-**	**186.94**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012

NOTE 38 : RELATED PARTY DISCLOSURES - (Contd.) ANNEXURE II

a) transactions/ balances with above mentioned related parties (mentioned in note 38 (i) (a) above)

₹ in million

Particulars	Holding Company	Fellow Subsidiaries	Associates	Key Management personnel and relatives	Total
Finance charges					
ILFS	3.43	-	-	-	3.43
IFIN	-	62.51	-	-	62.51
ITCL	-	49.65	-	-	49.65
ITUAL	-	55.15	-	-	55.15
IGFSML	-	37.76	-	-	37.76
OTHERS	-	15.72	-	-	15.72
	3.43	**220.79**	**-**	**-**	**224.22**
Intangible assets under development					
ILFS	35.01	-	-	-	35.01
IFIN	-	125.63	-	-	125.63
OTHERS	-	12.92	-	-	12.92
	35.01	**138.55**	**-**	**-**	**173.56**
Redemption of Non convertible Debentures					
ILFS	36.00	-	-	-	36.00
	36.00	**-**	**-**	**-**	**36.00**
Guarantee commision					
ILFS	15.29	-	-	-	15.29
	15.29	**-**	**-**	**-**	**15.29**
Dividend paid					
ILFS	472.74	-	-	-	472.74
	472.74	**-**	**-**	**-**	**472.74**
Director Remuneration					
Mr. K Ramchand	-	-	-	53.08	53.08
Mr. Mukund Sapre	-	-	-	28.77	28.77
	-	**-**	**-**	**81.85**	**81.85**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012

NOTE 38 : RELATED PARTY DISCLOSURES - (Contd.) ANNEXURE II

ii. PREVIOUS YEAR

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

Nature of Relationship	Name of Entity	Acronym used
Holding Company	Infrastructure Leasing & Financial Services Limited	ILFS
Fellow Subsidiaries (Only with whom there have been transaction during the year / there was balance outstanding at the year end)	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 Company Limited	CHDCL
	IL&FS Securities Services Limited	ISSL
	IL&FS Trust Company Limited	ITCL
	IL&FS Water Limited	IWL
	Jharkhand Accelerated Road Development Company Limited	JARDCL
	Tamil Nadu Water Investment Company 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 Limited (upto March 29, 2011)	IUISL
Associates	Andhra Pradesh Expressway Limited	APEL
	ITNL Toll Management Services Limited	ITMSL
	Thiruvananthpuram Road Development Company Limited	TRDCL
	Warora Chandrapur Ballarpur Toll Road Limited	WCBTRL
	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
Key Management personnel	Mr. K Ramchand-Managing Director and relatives	
	Mr. Mukund Sapre-Executive Director and relatives	

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012

NOTE 38 : RELATED PARTY DISCLOSURES - (Contd.) ANNEXURE II

b) transactions / balances with above mentioned related parties (mentioned in note 38 (ii) (a) above)

₹ in million

Particulars	Holding Company	Fellow Subsidiaries	Associates	Key Management personnel and relatives	Total
BALANCES:					
Advance towards capital in a subsidiary (Included in Minority Interest)					
ILFS	150.00	-	-	-	150.00
	150.00	**-**	**-**	**-**	**150.00**
Advance Towards Share application money made					
WCBTRL	-	-	616.91	-	616.91
	-	**-**	**616.91**	**-**	**616.91**
Current liabilities					
ILFS	28.73	-	-	-	28.73
	28.73	**-**	**-**	**-**	**28.73**
Investments in Covered Warrants					
ILFS	648.00	-	-	-	648.00
	648.00	**-**	**-**	**-**	**648.00**
Option premium assets (Long-term loans and advances)					
ILFS (net of provision of ₹ 64.77 million)	136.43	-	-	-	136.43
	136.43	**-**	**-**	**-**	**136.43**
Interest Accrued (asset)					
ILFS	5.66	-	-	-	5.66
APEL	-	-	319.13	-	319.13
Others	-	-	12.15	-	12.15
	5.66	**-**	**331.28**	**-**	**336.94**
Interest accrued and not due on borrowings					
ISSL	-	34.94	-	-	34.94
	-	**34.94**	**-**	**-**	**34.94**
Inter-corporate deposits					
ILFS	270.00	-	-	-	270.00
	270.00	**-**	**-**	**-**	**270.00**
Short-term lendings					
APEL	-	-	610.99	-	610.99
TRDCL	-	-	50.00	-	50.00
	-	**-**	**660.99**	**-**	**660.99**
Long-term lendings					
APEL	-	-	474.60	-	474.60
TRDCL	-	-	171.80	-	171.80
A4 Concession	-	-	640.71	-	640.71
	-	**-**	**1,287.11**	**-**	**1,287.11**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012

NOTE 38 : RELATED PARTY DISCLOSURES - (Contd.)

ANNEXURE II

b) transactions / balances with above mentioned related parties (mentioned in note 38 (ii) (a) above)

₹ in million

Particulars	Holding Company	Fellow Subsidiaries	Associates	Key Management personnel and relatives	Total
Long-term borrowings					
ILFS	1,302.86	-	-	-	1,302.86
	1,302.86	**-**	**-**	**-**	**1,302.86**
Short-term borrowings					
ISSL	-	1,000.00	-	-	1,000.00
ILFS	18.98	-	-	-	18.98
	18.98	**1,000.00**	**-**	**-**	**1,018.98**
Investments in Debentures					
APEL	-	-	786.40	-	786.40
	-	**-**	**786.40**	**-**	**786.40**
Trade payables					
ILFS	33.59	-	-	-	33.59
IFIN	-	415.31	-	-	415.31
Others	-	50.74	9.75	-	60.49
	33.59	**466.05**	**9.75**	**-**	**509.39**
Trade Receivables					
WCBTRL	-	-	189.00	-	189.00
TRDCL	-	-	102.89	-	102.89
A4 Concession	-	-	562.90	-	562.90
Zhesiang Elsamex	-	-	111.69	-	111.69
Others	-	1.29	156.71	-	158.00
	-	**1.29**	**1,123.19**	**-**	**1,124.48**
Advances Recoverable in Cash or Kind					
ILFS	0.32	-	-	-	0.32
APEL	-	-	8.28	-	8.28
Others	-	2.68	-	-	2.68
	0.32	**2.68**	**8.28**	**-**	**11.28**
Secured Deposit					
IETS	-	0.79	-	-	0.79
IEL	-	0.36	-	-	0.36
OTHERS	-	0.00	-	-	0.00
	-	**1.15**	**-**	**-**	**1.15**
Transactions					
Advance Towards Share application money made					
ILFS	30.00	-	-	-	30.00
WCBTRL	-	-	616.91	-	616.91
	30.00	**-**	**616.91**	**-**	**646.91**
Finance costs					
ILFS	3.36	-	-	-	3.36
IFIN	-	632.84	-	-	632.84
Others	-	13.07	-	-	13.07
	3.36	**645.91**	**-**	**-**	**649.27**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012

NOTE 38 : RELATED PARTY DISCLOSURES - (Contd.) ANNEXURE II

b) transactions / balances with above mentioned related parties (mentioned in note 38 (ii) (a) above)

₹ in million

Particulars	Holding Company	Fellow Sub-sidiaries	Associates	Key Man-agement personnel and rela-tives	Total
Investments made / purchased					
ILFS	148.00	-	-	-	148.00
	148.00	**-**	**-**	**-**	**148.00**
Interest on Loans (Expense)					
ILFS	383.99	-	-	-	383.99
ISSL	-	49.01	-	-	49.01
	383.99	**49.01**	**-**	**-**	**433.00**
Inter-corporate deposits - matured					
ILFS	7,980.00	-	-	-	7,980.00
	7,980.00	**-**	**-**	**-**	**7,980.00**
Inter-corporate deposits - placed					
ILFS	8,776.22	-	-	-	8,776.22
	8,776.22	**-**	**-**	**-**	**8,776.22**
Lendings					
TRDCL	-	-	221.80	-	221.80
APEL	-	-	45.00	-	45.00
	-	**-**	**266.80**	**-**	**266.80**
Borrowings					
ILFS	5,580.00	-	-	-	5,580.00
ISSL	-	1,000.00	-	-	1,000.00
	5,580.00	**1,000.00**	**-**	**-**	**6,580.00**
Repayment of Lendings					
APEL	-	-	264.00	-	264.00
	-	**-**	**264.00**	**-**	**264.00**
Repayment of Borrowings					
ILFS	5,719.89	-	-	-	5,719.89
	5,719.89	**-**	**-**	**-**	**5,719.89**
Sale of Assets					
ILFS	0.07	-	-	-	0.07
	0.07	**-**	**-**	**-**	**0.07**
Other Income					
ILFS	23.61	-	-	-	23.61
APEL	-	-	227.85	-	227.85
Others	-	4.89	66.57	-	71.46
	23.61	**4.89**	**294.42**	**-**	**322.92**
Revenue from operations					
APEL	-	-	110.91	-	110.91
WCBTRL	-	-	210.00	-	210.00
Others	-	-	64.74	-	64.74
	-	**-**	**385.65**	**-**	**385.65**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012

NOTE 38 : RELATED PARTY DISCLOSURES - (Contd.)

ANNEXURE II

b) transactions / balances with above mentioned related parties (mentioned in note 38 (ii) (a) above)

₹ in million

Particulars	Holding Company	Fellow Subsidiaries	Associates	Key Management personnel and relatives	Total
Administrative and general expenses					
ILFS	202.78	-	-	-	202.78
IFIN	-	69.62	-	-	69.62
Others	-	66.27	-	0.74	67.01
	202.78	**135.89**	**-**	**0.74**	**339.41**
Intangible assets under development					
ILFS	8.29	-	-	-	8.29
IFIN	-	76.16	-	-	76.16
Others	-	3.40	-	-	3.40
	8.29	**79.56**	**-**	**-**	**87.85**
Operating Expenses					
ILFS	22.71	-	-	-	22.71
ISSL	-	0.03	-	-	0.03
Others	-	0.39	-	-	0.39
	22.71	**0.42**	**-**	**-**	**23.13**
Refund of Advance Towards Share application money					
TRDCL	-	-	0.25	-	0.25
	-	**-**	**0.25**	**-**	**0.25**
Guarantee commission					
ILFS	15.29	-	-	-	15.29
	15.29	**-**	**-**	**-**	**15.29**
Director Remuneration					
Mr. K Ramchand	-	-	-	36.85	36.85
Mr. Mukund Sapre	-	-	-	21.48	21.48
	-	**-**	**-**	**58.33**	**58.33**
Dividend paid					
ILFS	405.24	-	-	-	405.24
	405.24	**-**	**-**	**-**	**405.24**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012

NOTE 39 : STATEMENT PURSUANT TO EXEMPTION RECEIVED UNDER SECTION 212 (8) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARIES

ANNEXURE III

Sr. No.	Name of Subsidiary	Reporting Currency	Country of incorporation	Exchange Rate as at March 31, 2012	Capital	Reserve and Surplus	Total Assets	Total Liabilities (Other than shareholder's funds)	Investments other than investment in subsidiary	Total Revenue	Profit before taxation	Provision for taxation	Profit after taxation	Proposed dividiend
1	Gujarat Road and Infrastructure Company Limited	INR	India	1.00	1,265.42	1,851.89	7,186.54	4,069.23	-	1,086.99	555.95	(321.02)	876.97	-
2	East Hyderabad Expressway Limited	INR	India	1.00	293.10	327.87	4,219.66	3,598.69	-	480.91	(20.81)	(95.57)	74.76	-
3	ITNL Road Infrastructure Development Company Limited	INR	India	1.00	400.00	0.17	3,680.76	3,280.59	-	506.94	(384.51)	-	(384.51)	-
4	IL&FS Rail Limited (Formerly known as ITNL Enso Rail Systems Limited)	INR	India	1.00	1,680.00	18.40	2,081.45	383.05	-	2,280.32	106.70	13.53	93.17	-
5	Vansh Nimay Infraprojects Limited	INR	India	1.00	158.90	(598.39)	282.92	722.41	-	493.76	(189.66)	-	(189.66)	-
6	Scheme of ITNL Road Investment Trust	INR	India	1.00	1,038.76	(127.64)	911.48	0.36	32.31	2.09	1.71	-	1.71	-
7	West Gujarat Expressway Limited	INR	India	1.00	400.00	(23.27)	2,682.43	2,305.70	-	403.63	(168.76)	-	(168.76)	-
8	Hazaribagh Ranchi Expressway Limited	INR	India	1.00	0.50	201.57	8,422.43	8,220.36	-	4,828.23	111.76	37.49	74.27	-
9	Pune Sholapur Road Development Company Limited	INR	India	1.00	1,600.00	366.95	7,870.13	5,903.18	-	2,410.75	214.73	71.11	143.62	-
10	Moradabad Bareilly Expressway Limited	INR	India	1.00	2,216.60	3,320.20	13,552.50	8,015.70	-	4,956.18	564.77	184.56	380.21	-
11	Jharkhand Road Projects Implementation Company Limited	INR	India	1.00	2,451.40	701.20	18,015.93	14,863.33	-	9,056.26	466.47	147.66	318.81	-
12	Chenani Nashri Tunnelway Limited	INR	India	1.00	3,720.00	510.09	14,784.94	10,554.85	-	6,922.14	669.62	217.26	452.36	-
13	Badarpur Tollway Operations Management Limited	INR	India	1.00	0.50	2.39	12.94	10.05	-	69.72	2.29	0.71	1.58	-
14	MP Border Checkpost Development Company Limited	INR	India	1.00	163.77	304.31	5,764.81	5,296.73	-	2,899.23	459.73	151.46	308.27	-
15	North Karnataka Expressway Limited	INR	India	1.00	593.91	1,411.11	5,993.25	3,988.23	-	681.38	171.96	35.37	136.59	-
16	Rapid MetroRail Gurgaon Limited	INR	India	1.00	1,451.04	336.24	5,484.78	3,697.50	-	3,225.10	351.09	124.45	226.64	-
17	ITNL International Pte. Limited	USD	Singapore	51.16	1,340.15	(353.40)	10,358.99	9,372.24	8,677.10	16.09	(150.30)	0.98	(151.28)	-
18	ITNL Offshore Pte. Limited	USD	Singapore	51.16	2.61	(0.49)	2.22	0.10	-	-	(0.43)	-	(0.43)	-
19	Kiratpur Ner Chowk Expressway Limited	INR	India	1.00	85.50	(1.37)	472.26	388.13	-	343.70	(1.37)	-	(1.37)	-
20	Karyavattom Sports Facilities Limited	INR	India	1.00	0.50	(0.24)	62.90	62.64	-	-	(0.24)	-	(0.24)	-
21	Futureage Infrastructure India Limited (Formerly known as Global Parking Plaza Limited)	INR	India	1.00	49.00	(4.33)	64.84	20.17	-	-	(3.21)	-	(3.21)	-
22	Charminar RoboPark Limited	INR	India	1.00	3.16	(1.06)	4.59	2.49	-	-	(1.06)	-	(1.06)	-
23	Elsamex SA	Euro	Spain	68.34	1,384.89	2,147.25	7,436.02	3,903.88	296.58	4,989.81	142.50	5.40	137.10	-
24	Proyectos y Promociones Inmobilarias Sanchez Marcos S L	Euro	Spain	68.34	0.21	(0.58)	(0.37)	-	-	4.78	(7.53)	(2.26)	(5.27)	-
25	Atenea Seguridad y Medio Ambiente S.A.	Euro	Spain	68.34	8.90	50.20	62.03	2.93	-	269.33	13.70	3.79	9.91	-
26	Sanchez Marcos SI SA	Euro	Spain	68.34	4.10	0.96	5.06	-	-	5.59	(5.60)	(1.65)	(3.95)	-
27	Senalizacion Viales e Imagen S.A.U. (SEVIMAGEN) S.A.U.	Euro	Spain	68.34	47.02	(227.61)	85.85	266.44	-	97.38	(59.48)	(27.50)	(31.98)	-
28	Elsamex Internacional SRL	Euro	Spain	68.34	977.99	(310.78)	1,543.70	876.49	-	669.18	(145.73)	10.05	(155.78)	-
29	Grusamar Ingenieria y Consulting SRL	Euro	Spain	68.34	238.84	0.91	247.51	7.76	8.21	598.58	44.51	(13.64)	58.15	-
30	Elsamex Portugal Ingeniaría e SG SA	Euro	Portugal	68.34	23.92	52.70	88.76	12.14	5.09	215.84	10.79	4.15	6.64	-
31	Intevial Gestao Integral Rodoviaria, S.A.	Euro	Portugal	68.34	51.26	22.16	80.04	6.62	-	1,018.39	34.48	10.79	23.69	-
32	Elsamex India Private Limited	INR	India	1.00	21.18	(0.67)	31.64	11.13	-	100.06	12.86	4.38	8.48	-
33	Yala Construction Co Private Limited	INR	India	1.00	22.37	40.32	66.23	3.54	-	102.80	3.39	1.13	2.26	-
34	Mantenimiento and Conservacion Vialidades SA (MANCOVI) Mexico Construction	pesosmejicanos	Mexico	4.05	38.66	8.46	47.12	-	-	320.04	9.53	2.98	6.55	-
35	ESM Mantenimiento Integral de SA de CV	pesosmejicanos	Mexico	4.05	22.47	1.93	24.40	-	-	32.24	1.01	0.14	0.87	-
36	Centro De Investigación Elpidio Sánchez Marcos, S.A.	Euro	Spain	68.34	4.10	36.13	80.26	40.03	3.31	210.03	(10.64)	(5.96)	(4.68)	-
37	Control 7, S.A	Euro	Spain	68.34	37.62	25.46	81.96	18.88	-	178.49	28.87	(5.19)	34.06	-
38	Geotecnia 7	Euro	Spain	68.34	6.83	3.26	11.88	1.79	-	26.66	6.79	1.70	5.09	-
39	Grusamar Albania SHPK	Euro	Albania	68.34	0.06	(2.06)	(2.00)	-	-	-	(1.21)	-	(1.21)	-
40	Area De Servicio Coiros S.L.	Euro	Spain	68.34	68.55	118.92	333.87	146.40	-	32.83	1.60	0.48	1.12	-
41	Conservacion De Infraestructuras De Mexico S.A. De C.V.	pesosmejicanos	Mexico	4.05	0.20	(0.09)	0.11	-	-	-	-	-	-	-
42	Alcantarilla Fotovoltaica, S.L.U.	Euro	Spain	68.34	2.92	9.85	200.93	188.16	-	2.99	(1.32)	(0.38)	(0.94)	-
43	Area De Servicio Punta Umbria, S.L.U.	Euro	Spain	68.34	5.66	19.43	109.71	84.62	-	-	0.30	0.09	0.21	-

Notice

Notice is hereby given that the Twelfth 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 Thursday, August 9, 2012 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, 2012 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. Deepak Dasgupta, who retires by rotation and, being eligible offers himself for re-appointment

(4) To appoint a Director in place of Mr. Deepak Satwalekar, who retires by rotation and, being eligible offers himself for re-appointment

(5) To appoint a Director in place of Mr. Vibhav Kapoor, who retires by rotation and, being eligible offers himself for re-appointment

(6) To appoint a Director in place of Mr. Pradeep Puri, 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 5, 2011, 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 for the purpose of the business of the Company from the existing limit of ₹ 3,500 Crores to ₹ 5,000 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"

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

"RESOLVED THAT pursuant to the provisions of Section 293(1)(a) 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 create, from time to time, such mortgages, charges and hypothecations, in addition to the mortgages/

charges/ hypothecation created/ to be created by the Company, on such terms and conditions as the Board may deem fit on the whole or substantially the whole of the company's undertakings and other properties, both present and/or future, whether movable or immovable comprised in any of the undertakings of the Company as the case may be, in favour of banks and/or financial institutions, both national and international, and/or other bodies corporate or agencies as may be agreed to by the Board for the purpose of securing any issue of any debentures or loans or other financial assistance, by way of cash credit, overdraft, letter of credit and guarantee facilities and the like, whether in Rupees or in foreign currency or currencies subject to a maximum limit of ₹ 5,000 Crores (Rupees Five Thousand Crores Only) together with simple and/or compound interest thereon, commitment charges, management fees, service charges, premium on redemption of debentures including any increase as a result of devaluation/evaluation/fluctuation in the rate of exchange of foreign currencies and all other costs, charges and expenses payable from time to time as per terms and conditions prescribed in any loan agreements or other deeds and documents entered into between the Company and the said banks and / or financial institutions, both national and international, or bodies corporate and agencies"

"RESOLVED FURTHER THAT the Board of Directors of the Company including any Committee thereof be and are hereby authorized to finalize and execute all agreements, deed, documents and other writings, as required, for creating mortgages, charges, and/or hypothecations and to do all such acts, 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"

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

Krishna Ghag
Associate Vice President
& Company Secretary

Bengaluru, May 4, 2012

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 Wednesday, August 1, 2012 to Thursday, August 9, 2012 (both days inclusive)

6. The Final Dividend as recommended by the Board of Directors, if approved by the Shareholders at their 12th Annual General Meeting, shall be paid to those Members whose names appear on the Register of Members of the Company on Thursday, August 9, 2012. 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 Tuesday, July 31, 2012 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 Registrar & 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 & 9

The Shareholders of the Company, at the Annual General Meeting held on August 5, 2011 authorised the Board of Directors for borrowing by way of loans, credit etc. upto a limit of ₹ 3,500 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 investments in projects and for working capital support. The budgeted Cash Flow for 2012-13 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 ₹ 1,500 Crores from the present limit of ₹ 3,500 Crores to ₹ 5,000 Crores

As per the provisions of Section 293(1)(a) and (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 or create any charge by way of mortgage / hypothecation on any of the Company's properties and 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 Resolutions set out at Item no. 8 & 9 of the accompanying notice 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

Bengaluru, May 4, 2012

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

Details of Directors seeking re-appointment at the Annual General Meeting

Particulars	Deepak Dasgupta	Deepak Satwalekar	Vibhav Kapoor	Pradeep Puri
Date of Birth	16/12/1942	14/11/1948	16/07/1955	28/09/1956
Date of Appointment	30/06/2009	30/06/2009	30/06/2009	6/1/2001
Qualifications	Master's degree in Science	(i) Bachelor's degree in Technology from IIM, Mumbai (ii) Master's degree in Business Administration from the American University, Washington DC	Master of Business Administration	Master's degree in History
Expertise in specific functional areas	Has worked in various Central Govt departments related to infrastructure development & policy formulation	Has considerable experience in the fields of finance, infrastructure and corporate governance	Has considerable experience in the fields of corporate finance and management of investments / treasury	Wide Experience in handling Infrastructure projects
Directorships in other Public Limited Companies*	• IJM (India) Infrastructure Limited • C&C Construction Limited • Road Infrastructure Development Company of Rajasthan Limited • IL&FS Rail Limited • Rapid MetroRail Gurgaon Limited	• Asian Paints Limited • National Stock Exchange of India Limited • Infosys Limited • Piramal Healthcare Limited • The Tata Power Company Limited	• IL&FS Financial Services Ltd • IL&FS Investment Managers Ltd • IL&FS Securities Services Ltd • IL&FS Portfolio Management Services Ltd	• North Karnataka Expressway Ltd • Andhra Pradesh Expressway Limited • West Gujarat Expressway Ltd • PDCOR Ltd • Urban Mass Transit Co Ltd • IL&FS Infrastructure Development Corporation Ltd • IL&FS Urban Infrastructure Managers Ltd • Pipavav Railway Corporation Ltd • ITNL Toll Management Services Ltd
Membership of Committees in other Public Limited Companies (includes only Audit & Shareholders' / Investors' Grievance Committee	• C&C Construction Limited - Investor Grievance Committee • Road Infrastructure Development Company of Rajasthan Limited - Audit Committee	• Infosys Limited - Audit Committee - Investor Grievance Committee • The Tata Power Company Limited - Audit Committe • Piramal Healthcare Limited - Investor Grievance Committee		• North Karnataka Expressway Ltd - Audit Committee • Andhra Pradesh Expressway Limited - Audit Committee • West Gujarat Expressway Ltd - Audit Committee • Pipavav Railway Corporation Ltd - Audit Committee
No. of Shares held in the Company	79	-	3,14,800	31,652

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

IL&FS | Transportation

Regd.Office: The IL&FS Financial Centre,

C-22, G-Block, Bandra – Kurla Complex, Bandra (East), Mumbai 400051

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 Thursday, August 9, 2012 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**

IL&FS | Transportation

Regd.Office: The IL&FS Financial Centre,

C-22, G-Block, Bandra – Kurla Complex, Bandra (East), Mumbai 400051

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 Thursday, August 9, 2012 at 3.30 p.m. at Y. B. Chavan Auditorium, Gen. J. Bhosale Marg, Mumbai 400 021 and at any adjournment thereof

Signed this ....day of 2012

Signature ....

Affix revenue stamp

....

*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

The IL&FS Financial Centre, Mumbai

Transportation

IL&FS Transportation Networks Limited

The IL&FS Financial Centre
Plot C22, G Block, Bandra Kurla Complex
Bandra East, Mumbai 400 051
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