

ITNL ENSO RAIL SYSTEMS
LIMITED

ANNUAL REPORT

2010-11

ITNL Enso Rail Systems Limited

DIRECTORS' REPORT

The Shareholders
ITNL ENSO Rail Systems Limited

Your Directors have pleasure in presenting the Third Annual Report along with the Audited Accounts for the period ended 31st March 2011

FINANCIAL RESULTS

The financial results of the Company are as under:

	As on March 31, 2010 (Rs.)	As on March 31, 2011 (Rs.)
Total Income	77,824,960	532,012,740
Total Expenses	83,351,827	539,392,048
Profit/(Loss) for the period	(5,526,867)	(7,379,308)
<u>Less: Provision for Tax</u>	(423,310)	(1,416,472)
Profit/(Loss) for the year after Tax	(5,103,557)	(5,962,836)

DIVIDEND

Your Directors regret their inability to recommend any dividend in view of losses incurred during the year.

OPERATIONS

Background

The primary object of the company is to develop metro rail projects in domestic and international market and in this regard the Company is making continuous efforts to get new projects as and when new projects are announced by the Government and other public Authorities.

About the Project

As the shareholders were informed in the last report, the Company as member of a consortium and a shareholder had formed an SPV namely Rapid Metrorail Gurgaon Ltd.(RMGL) for execution of the Gurgaon Metro project. The company's SPV RMGL had signed a 99 years Concession Contract (CC) with HUDA on 9th December 2009. Consequent to award of Concession Contract by HUDA, RMGL achieved the financial closure on June 5, 2010.

You will be glad to know that in May 2010 your company was awarded a contract of Rs 466 cr. from RMGL for completion of nine packages consisting of civil work of 5km of via duct, stations, depot, finishing, track, escalators, elevators etc. This is a great achievement keeping in view that company commenced its business just two years back. The Notice to Proceed was issued by RMGL on July 1, 2010 and entire contract is required to be executed by June 2013. Company has completed the process of selection of sub contractors and successfully awarded most of works required for completion of the project. Company has one of the best teams in the industry and is successfully executing the work awarded by RMGL.

ITNL Enso Rail Systems Limited

Out of the Rs 466 cr. contract awarded by RMGL, during the year under review, company had executed contract worth Rs 39.88 cr. which works out to 9% of the total contract price. Currently project is progressing well as per schedule except for minor delays in civil work which the company expects to catch up. Company expects to achieve cumulative completion of 80% by end of March 2012. As of March 31, 2011, RMGL has incurred total capital expenditure of Rs 183 cr. on the project. The Gurgaon Metro Rail project is likely to be completed in 30 months time and expected to commence operations in Jan 2013.

Your company is also emerging as leading company involved in consultancy, development and execution of metro projects in the country. Currently Company is also working on some proposals for development of metro projects in Greater Noida, two future extensions in Gurgaon one in Sector 55-56 in South and Udyog Vihar and Sector-21 Dwarka in North.

SHARE CAPITAL

The Issued and Subscribed Equity Share Capital of the Company as on March 31, 2011, was Rs. 78,00,00,000/-.

The current Authorised Share Capital of the Company is Rs 80, 00, 00,000 (Rupees Eighty Crores) divided into 8, 00, 00,000 (Eight Crores) Equity Shares of Rs 10/- each. In order to enable the Company to make further issue of Equity Shares to the existing shareholders, the Company is in a process of increasing its Authorised Share Capital from Rs. 80,00,00,000 (Rupees Eighty Crores) to Rs 190,00,00,000 (Rupees Hundred Ninety Crores).

DIRECTORS

In terms of the provisions of Section 256 of the Companies Act, 1956, (the Act) Mr. Mukund Sapre and Mr. George Cherian Directors of the Company retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment

Mr. Deepak Dasgupta was appointed Additional Director of the Company at the meeting of the Board of Directors held on April 14, 2011. In accordance with the provisions of the Section 260 of the Companies Act, 1956, the above directors who hold the office up to the date of this Annual General Meeting be and are hereby appointed as the directors of the Company.

None of the Directors of the Company are disqualified from being appointed as Directors as specified under Section 274 of the Companies Act, 1956.

Mr. Ramchand Karunakaran, Director of the Company had submitted his resignation on January 27, 2011.

MANAGING DIRECTOR

Mr. Sanjiv Rai, Director of the Company was appointed as Managing Director of the Company w.e.f. 1st April 2010 at the meeting of the Board of Directors held on May 11, 2010.

AUDITORS

Regd. Off.: 2nd Floor, Ambience Corporate Towers, Ambience Island, National Highway#8, Gurgaon, Haryana - 122002

ITNL Enso Rail Systems Limited

Messrs Deloitte Haskins & Sells, Chartered Accountants, Delhi retire at the ensuing Annual General Meeting of the Company 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

Five Board Meetings were held during the year under review. These meetings were held on April 13, 2010, May 11, 2010, August 12, 2010, October 25, 2010 and January 20, 2011. The number of meetings attended by the Directors is as under:

Director	No of Board Meetings attended
Mr. K Ramchand	5
Mr. Mukund Sapre	3
Mr. Sanjiv Rai	5
Mr. M D Khattar	2
Mr. R L Kabra	4
Mr. George Cherian	4
Mr. Ramesh D Shah	4

The following Committee has been constituted for good corporate governance and focused attention on the affairs of the Company:

Audit Committee

The Audit Committee comprises of namely, Mr. R L Kabra, Mr. George Cherian 2 Non-Executive Directors and Mr. Sanjiv Rai Executive director as members. The Audit Committee met four times during the year under review

Share Allotment & Transfer Committee

The Share Allotment & Transfer Committee comprises of 2 Directors, namely, Mr. Mukund Sapre and Mr. Sanjiv Rai as members. The said Committee met two times during the year under review.

Committee of Directors

The Committee of Directors comprises of 3 Directors, namely, Mr. Mukund Sapre, Mr. R L Kabra and Mr.Sanjiv Rai as members. The said Committee met three times during the year under review.

Remuneration Committee

The Remuneration Committee comprises of 3 Directors, namely, Mr. Mukund Sapre, Mr. Ramchand Karunakaran and Mr.R.L Kabra as members. The said Committee met two times during the year under review.

ITNL Enso Rail Systems Limited

EMPLOYEES

The Board of Directors wish to place on record their appreciation to all the employees of the Company for their sustained efforts, dedication and hard work during the year

PARTICULARS OF EMPLOYEES

In accordance with the provisions of Section 217(2A) of the Companies Act, 1956 and the rules framed there under, the names and other particulars of employees are set out in the Annexure to the Directors' Report

DIRECTORS' RESPONSIBILITY STATEMENT

Section 217(2AA) of the Companies Act, 1956 (the Act) requires the Board of Directors to provide a statement to the members of the Company in connection with the maintenance of books, records & preparation of Annual Accounts in conformity with the accepted Accounting Standards and past practices followed by the Company. Pursuant to the foregoing and on the basis of representations received from the Management, and after due enquiry, it is confirmed 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) The Directors 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 results of the Company for that period
- (3) The Directors 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) The Directors have prepared the Annual Accounts on a going concern basis

FOREIGN EXCHANGE EARNINGS AND OUTGO

There were no foreign exchange earnings. The expenditure in foreign currency of Rs 1,285,028 was incurred during the year.

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

ITNL Enso Rail Systems Limited

ACKNOWLEDGMENTS

Relationships with Shareholders, Central and State Governments and Banks remained excellent during the year under review. Your Directors particularly place on record their gratitude for the co-operation and support extended by officials of the Company

By the Order of the Board

Deepak Dasgupta
Chairman

Place : Gurgaon

Date :

AUDITORS' REPORT

TO THE MEMBERS OF ITNL ENSO RAIL SYSTEMS LIMITED

1. We have audited the attached Balance Sheet of **ITNL ENSO RAIL SYSTEMS LIMITED** ("the Company") as at 31 March, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by 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 enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by



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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:

- i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2011;
 - ii. in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date; and
 - iii. in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of written representations received from the Directors, as on 31 March, 2011 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

Gurgaon
14 April, 2011

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No. 015125N)



JITENDRA AGARWAL
Partner
(Membership No. 87104)

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, clauses (ii), (iii), (v), (vi), (viii), (xi), (xii), (xiii), (xiv), (xv), (xvi), (xviii), (xix) and (xx) of paragraph 4 of CARO are not applicable.
- (ii) In respect of its fixed assets :
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - b. The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - c. The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In our opinion, and according to the information and explanations given to us, 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. The Company's operations, during the year did not give rise to any purchase of inventory and sale of goods. During the course of our audit, we have not observed any major weaknesses in such internal control.
- (iv) 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.
- (v) According to the information and explanations given to us, in respect of statutory dues:
 - a. The Company has generally been regular in depositing its statutory dues relating to Provident Fund, Service Tax, Income Tax and Cess with the appropriate authorities during the year. There are no undisputed amounts payable in respect of these statutory dues which have remained outstanding as at 31 March, 2011 for a period of more than six months from the date they became payable. We are informed that the provisions of Employees' State Insurance Act, 1948 are not applicable to the Company and that the operations of the Company during the year did not give rise to any liability for Investor Education and Protection Fund, Sales Tax, Wealth Tax, Custom Duty and Excise Duty.
 - b. According to the information and explanation given to us, there are no statutory dues in respect of Sales Tax, Income Tax, Customs Duty, Wealth

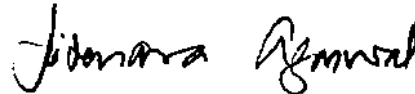


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Tax, Service Tax, Excise Duty and Cess which have not been deposited on account of any dispute.

- (vi) The Company is registered for less than five years. Accordingly provisions of clause 4(x) of the Companies (Auditor's Report) Order, 2003 regarding accumulated losses being not less than fifty percent of its net worth and cash losses are not applicable to the Company.
- (vii) In our opinion and according to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, we report that funds raised on short-term basis have not been used during the year for long term investment.
- (viii) 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
(Registration No. 015125N)



JITENDRA AGARWAL
Partner
(Membership No. 87104)

Gurgaon
14 April, 2011

**ITNL ENSO RAIL SYSTEMS LIMITED
BALANCE SHEET AS AT MARCH 31, 2011**

	Sch.	As at 31 March, 2011 Rupees	As at 31 March, 2010 Rupees
<u>SOURCES OF FUNDS</u>			
SHAREHOLDERS FUND			
Share Capital	A	<u>780,000,000</u>	<u>200,000,000</u>
<u>APPLICATION OF FUNDS</u>			
FIXED ASSETS			
Gross Block	B	8,814,302	5,379,049
Less: Accumulated Depreciation		<u>3,977,664</u>	<u>2,118,176</u>
Net Block		<u>4,836,638</u>	<u>3,260,873</u>
INVESTMENTS	C	533,500,000	500,000
DEFERRED TAX ASSETS (Refer Schedule "L" note no. 6)		1,839,782	423,310
CURRENT ASSETS, LOANS & ADVANCES			
Sundry Debtors	D	-	74,452,500
Cash and Bank Balances		9,055,391	3,819,399
Other Current Assets		127,658,337	784,282
Loans & Advances		<u>419,278,378</u>	<u>64,617,963</u>
		<u>555,992,106</u>	<u>143,674,144</u>
LESS: CURRENT LIABILITIES & PROVISION			
Current Liabilities	E	385,891,569	16,177,397
Provisions		<u>5,047,957</u>	<u>489,094</u>
		<u>390,939,526</u>	<u>16,666,491</u>
NET CURRENT ASSETS		165,052,580	127,007,653
PROFIT AND LOSS ACCOUNT (Accumulated losses)		74,771,000	68,808,164
		<u>780,000,000</u>	<u>200,000,000</u>

Significant accounting policies

Notes forming part of the Accounts

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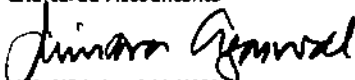
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Schedules referred to above form part of the balance sheet


In terms of our report attached

For **DELOITTE HASKINS & SELLS**

Chartered Accountants


JITENDRA AGARWAL
Partner

For and on behalf of the Board


Managing Director


Director


Chief Financial Officer

Company Secretary

Place: Gurgaon
Date: 14 April, 2011

Place: Gurgaon
Date: 14 April, 2011

ITNL ENSO RAIL SYSTEMS LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

	Sch.	Year ended 31 March, 2011 Rupees	Year ended 31 March, 2010 Rupees
INCOME			
Income from operations	F	523,813,674	75,000,000
Other Income	G	8,199,066	2,824,960
		<u>532,012,740</u>	<u>77,824,960</u>
EXPENSES			
Employee cost	H	107,052,923	20,249,427
Operating, administrative & general expenses	I	429,198,685	61,893,217
Interest charges	J	1,216,164	-
Depreciation	B	1,924,276	1,209,183
		<u>539,392,048</u>	<u>83,351,827</u>
PROFIT/(LOSS) FOR THE YEAR BEFORE TAX		(7,379,308)	(5,526,867)
Provision for tax			
Current tax		-	-
Deferred tax (Refer schedule "L" note no.6)		(1,416,472)	(423,310)
PROFIT/(LOSS) FOR THE YEAR AFTER TAX		(5,962,836)	(5,103,557)
Balance brought forward		(68,808,164)	(63,704,607)
Balance of loss carried forward to the Balance Sheet		<u>(74,771,000)</u>	<u>(68,808,164)</u>
Basic / Diluted Earnings per share (Refer Schedule "L" note no. 9)		(0.11)	(0.36)

Accounting policies

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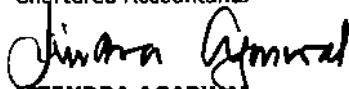
Notes forming part of the Financial Statements

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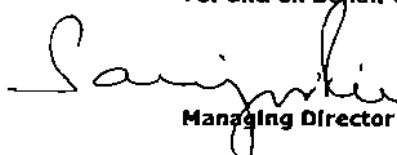
Schedules referred to above form part of the profit and loss account

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants


JITENDRA AGARWAL
Partner

For and on behalf of the Board


Managing Director


Director


Chief Financial Officer & **Company Secretary**

Place: Gurgaon
Date: 14 April, 2011

Place: Gurgaon
Date: 14 April, 2011

**ITNL ENSO RAIL SYSTEMS LIMITED
SCHEDULES FORMING PART OF THE BALANCE SHEET**

	As at 31 March, 2011 Rupees	As at 31 March, 2010 Rupees
SCHEDULE A : SHARE CAPITAL		
Authorised		
80,000,000 (Previous year 40,000,000) equity shares of Rs. 10/- each -	<u>800,000,000</u>	<u>400,000,000</u>
Issued, Subscribed and Paid up		
78,000,000 (Previous year 20,000,000) equity shares of Rs. 10/- each fully paid up	<u>780,000,000</u>	<u>200,000,000</u>
(Of the above 44,850,000 (Previous year 14,000,000) equity shares are held by IL&FS Transportation Networks Limited, the Holding Company. Infrastructure Leasing & Financial Services Limited is the ultimate Holding Company)		
SCHEDULE C : INVESTMENTS (Refer Schedule "K" note no. 6)		
Long Term - Unquoted		
Trade		
Rapid Metro Rail Gurgaon Limited (RMGL)		
50,000 (Previous year 50,000) Equity shares of Rs. 10/- each, fully paid-up	500,000	500,000
53,300,000 (previous year Nil) Compulsory Convertible Preference Shares (CCPS) of Rs.10/- each, fully paid-up	<u>533,000,000</u>	<u>-</u>
	<u>533,500,000</u>	<u>500,000</u>

Note: CCPS carrying 0% interest rates are convertible into 1 equity share of Rs. 10/- each for each CCPS of Rs. 10/- each with in 90 days of commencement of operation of Metro Rail Project of RMGL

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ITNL ENSO RAIL SYSTEMS LIMITED
CASH FLOW STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011

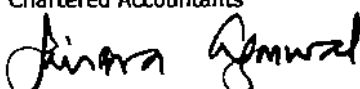
	Year ended 31 March, 2011 Rupees	Year ended 31 March, 2010 Rupees
Cash Flow from Operating Activities		
Net profit/(Loss) before Tax	(7,379,308)	(5,526,867)
Adjustments for :-		
Interest income	(8,112,048)	(2,284,320)
Interest charges	1,216,164	-
Provision for retirement benefits	4,558,863	-
Depreciation	1,924,276	1,209,183
Operating profit/(Loss) before working capital changes	(7,792,053)	(6,602,004)
Adjustments for changes in working capital:		
(Increase)/Decrease in unbilled revenue	(122,632,665)	-
(Increase)/Decrease in debtors	74,452,500	(74,452,500)
(Increase)/Decrease in loans and advances	(199,979,459)	(27,892,360)
Increase/(Decrease) in current liabilities & provisions	369,714,174	13,608,537
Net Cash from/(Used in) operating activities	113,762,497	(95,338,327)
Direct Taxes paid	(27,251,521)	(8,743,780)
Net Cash from/(used in) operating activities (A)	86,510,976	(104,082,107)
Cash flow from Investing Activities		
Purchase of fixed assets	(3,500,043)	(518,932)
(Increase)/Decrease in intercorporate deposits	(127,429,435)	(12,570,565)
Investments made	(533,000,000)	(500,000)
Interest received	3,870,658	2,069,900
Net Cash from/(used in) Investing activities (B)	(660,058,820)	(11,519,597)
Cash flow from Financing Activities		
Interest paid	(1,216,164)	
Proceeds from issue of equity share capital	580,000,000	117,500,000
Net Cash from/(used in) financing activities (C)	578,783,836	117,500,000
Net Increase/(decrease) In Cash & Cash equivalents during the year (A+B+C)	5,235,992	1,898,295
Cash and Cash Equivalent at the beginning of the year	3,819,399	1,921,104
Cash and Cash Equivalent at the end of the year	9,055,391	3,819,399
Net Increase/(Decrease) in Cash & Cash Equivalents	5,235,992	1,898,295

Note:

Cash Flow Statement has been prepared as per indirect method in accordance with Accounting Standard AS-3 on Cash Flow Statement

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants


JITENDRA AGARWAL
Partner

For and on behalf of the Board


Managing Director


Director


Chief Financial Officer


Company Secretary

Place: Gurgaon
Date: 14 April, 2011

Place: Gurgaon
Date: 14 April, 2011

ITNL ENSO RAIL SYSTEMS LIMITED
SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31 March, 2011 Rupees	As at 31 March, 2010 Rupees
SCHEDULE D : CURRENT ASSETS, LOANS & ADVANCES		
SUNDRY DEBTORS		
Outstanding for less than six months	-	74,452,500
CASH & BANK BALANCES		
Cash in hand	26,592	11,796
Balances with Scheduled Banks:		
-In current accounts	8,828,799	3,807,603
-in deposit accounts	200,000	-
	<u>9,055,391</u>	<u>3,819,399</u>
OTHER CURRENT ASSETS		
Unbilled revenue	122,632,665	-
Interest accrued	5,025,672	784,282
	<u>127,658,337</u>	<u>784,282</u>
LOANS & ADVANCES (Unsecured, Considered Good)		
Advances recoverable in cash or kind or for value to be received	232,984,462	4,086,126
Due from Subsidiary Company	-	28,918,877
Investment in short term Inter corporate deposit	150,000,000	22,570,565
Advance Tax	36,293,916	9,042,395
	<u>419,278,378</u>	<u>64,617,963</u>
SCHEDULE E : CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry creditors (Refer Schedule 'L' note no. 12)	96,637,369	15,116,553
Mobilisation advance received	279,223,478	-
Other liabilities	10,030,722	1,060,844
	<u>385,891,569</u>	<u>16,177,397</u>
PROVISIONS		
Provisions for leave encashment	5,047,957	489,094
	<u>5,047,957</u>	<u>489,094</u>

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ITNL ENSO RAIL SYSTEMS LIMITED
SCHEDULE FORMING PART OF THE PROFIT & LOSS ACCOUNT

	Year ended 31 March, 2011 Rupees	Year ended 31 March, 2010 Rupees
SCHEDULE F : INCOME FROM OPERATIONS		
Consultancy fee Income	125,000,000	75,000,000
Construction contract income	398,813,674	-
	<u>523,813,674</u>	<u>75,000,000</u>
SCHEDULE G : OTHER INCOME		
Interest on Inter-corporate deposits (Tax deducted at source Rs. 820,423 ; previous year Rs. 395,325)	8,112,048	2,284,320
Interest - others (Tax deducted at source Rs. 1,046 ; previous year Rs. 54,580)	35,556	540,640
Interest on Income tax refund	43,776	-
Other income	7,686	-
	<u>8,199,066</u>	<u>2,824,960</u>
SCHEDULE H : EMPLOYEE COST		
Salary, wages and bonus (Refer schedule "L" note no. 2 and 8)	92,784,177	16,910,437
Contribution to Provident and other funds	11,991,368	2,715,700
Staff welfare expenses	2,277,378	623,290
	<u>107,052,923</u>	<u>20,249,427</u>
SCHEDULE I : OPERATING, ADMINISTRATIVE & GENERAL EXPENSES		
Sub-contractor's charges for Civil construction and other related works	341,029,615	-
Administrative expense	-	24,000,000
Travelling and conveyance expenses	4,081,113	2,455,098
Rent	15,063,491	20,264,600
Office maintenance	3,542,043	3,445,781
Electricity expenses	575,122	496,527
Communication expenses	1,283,321	498,762
Directors' fees	360,000	342,000
Insurance	942,513	385,696
Legal and professional fees (Refer Schedule 'L' note no. 3)	45,094,143	5,297,470
Vehicle running and maintenance expenses	1,250,701	817,749
Rates, taxes and fees	2,784,779	764,840
Business promotion expenses	2,015,814	2,238,682
Works contract tax	5,670,000	-
Service Tax expenses (Refer Schedule 'L' note no. 13)	3,873,673	-
Other expenses	1,632,357	886,012
	<u>429,198,685</u>	<u>61,893,217</u>
SCHEDULE J : INTEREST CHARGES		
Interest on short-term loan	<u>1,216,164</u>	-

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SCHEDULE-B

**ITNL ENSO RAIL SYSTEMS LIMITED
SCHEDULES FORMING PART OF THE BALANCE SHEET**

Particulars	Amount in Rupees									
	Gross Block				Depreciation				Net Block	
	As at 01.04.2010	Additions	Deletion	As at 31.03.2011	Up to 01.04.2010	For the year	Deletion	Up to 31.03.2011	As at 31.03.2011	As at 31.03.2010
Office Equipment	603,622	457,588	64,790	996,420	375,602	474,727	64,788	785,541	210,879	228,020
Data Processing Equipment	935,027	1,295,147	-	2,230,174	277,218	411,973	-	689,191	1,540,983	657,809
Vehicles	3,755,796	1,454,863	-	5,210,659	1,442,264	975,637	-	2,417,901	2,792,758	2,313,532
Furniture & Fixture	19,084	274,009	-	293,093	1,543	42,849	-	44,392	248,701	17,541
Software	65,520	18,436	-	83,956	21,549	19,090	-	40,639	43,317	43,971
Total	5,379,049	3,500,043	64,790	8,814,302	2,118,176	1,924,276	64,788	3,977,664	4,836,638	3,260,873
Previous year	4,860,117	518,932	-	5,379,049	908,993	1,209,183	-	2,118,176	3,260,873	-

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ITNL ENSO RAIL SYSTEMS LIMITED

SCHEDULE K – SIGNIFICANT ACCOUNTING POLICIES

1) Basis for preparation of financial statements

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

2) Use of estimates

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

3) Revenue recognition

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

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

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

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

4) Borrowing cost

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

5) Fixed Assets and Depreciation/Amortisation:

(a) Tangible fixed assets and depreciation

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

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

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

Depreciation on tangible fixed assets is computed as under:

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

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

- (iii) Depreciation on fixed assets, other than on assets specified in 5(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 up to Rs. 5,000 each, mobile phones and items of soft furnishing are fully depreciated in the year of purchase.

(b) Intangible assets and amortisation

Intangible assets comprise computer software.

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

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

(c) Impairment of Assets:

The carrying values of assets of the Company's cash-generating units are reviewed for impairment annually or more often if there is an indication of decline in value. If any indication of such impairment exists, the recoverable amounts of those assets are estimated and impairment loss is recognised, if the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the estimated future cash flows to their present value based on appropriate discount factor

6) 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.

7) Foreign Currency Transactions:

- (a) Transactions in foreign currencies are translated to the reporting currency based on the exchange rate on the date of the transaction. Exchange difference arising on settlement thereof during the year is recognised as income or expenses in the Profit and Loss Account.
- (b) Cash and bank balances, receivables, (other than those that are in substance the Company's net investment in a non integral foreign operation), and liabilities (monetary items) denominated in foreign currency outstanding as at the year-end are valued at closing date rates, and unrealised translation differences are included in the Profit and Loss Account.

8) 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.



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.

9) 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.

10) 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.

11) Segment Reporting:

- (a) Segment revenues, expenses, assets and liabilities are identified to segments on the basis of their relationship to the operating activities of the Segment.
- (b) Revenue, expenses, assets and liabilities, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, are included under "Unallocated Revenue/Expenses/Assets/Liabilities".

12) Financial Income and Borrowing Costs:

- (a) Financial Income Includes Interest income on bank deposits.
- (b) Interest income is accrued evenly over the period of the instrument.

13) Earnings Per Share:

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

14) Leases:

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

15) Cash and Cash Equivalents:

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

16) Cash Flow Statement:

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

17) Preliminary Expenses:

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



ITNL ENSO RAIL SYSTEMS LIMITED

SCHEDULE L: NOTES FORMING PART OF THE ACCOUNTS

1. Background:

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

The Company was incorporated under the Companies Act, 1956 on February 19, 2008 and the Registrar of Companies has Issued a "Certificate of Commencement of Business" dated April 10, 2008.

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

2. Managerial Remuneration:

	Year ended 31.03.2011	Year ended 31.03.2010
	Rupees	Rupees
Salary & Allowances *	28,428,994	3,814,509
Contribution to the Provident and other funds	4,574,426	351,648
Perquisites	1,597,175	1,500,000
Total	34,600,595	5,666,157

*The managerial remuneration for the period does not include contribution to the gratuity fund and compensated absences as these amounts were actuarially determined for the Company as a whole and separate figure relating to the Managing Director/ Manager are not available.

3. Auditor's Remuneration*:

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
	Rupees	Rupees
Audit fee	800,000	500,000
Other Services	-	250,000
Reimbursement of expenses	60,598	55,654
Total	860,598	805,654

* Exclusive of Service Tax

4. Contingent Liabilities:

	As at 31.03.2011 (Rupees)	As at 31.03.2010 (Rupees)
Bank Guarantees	200,000	200,000



5. Segment Reporting:

The Company is engaged in infrastructure development and thus operates in a single business segment. The Company operates in a single geographic segment. In the absence of separate reportable business or geographic segments the disclosures required under the Accounting Standard (AS) 17 on "Segment Reporting" have not been made.

6. Deferred tax:

In compliance with the Accounting Standard relating to "Accounting for Taxes on Income" (AS-22), issued by the Institute of Chartered Accountants of India, the Company has recognised deferred tax Asset (Net) arising on account of timing differences. Major components of deferred tax assets (liabilities) arising on account of timing differences are:

Deferred Tax Assets	As at 31.03.2010 Rupees	Credited (charged) to Profit & Loss Account Rupees	As at 31.03.2011 Rupees
Deferred Tax Assets			
(i) Difference between book and tax depreciation	272,180	(70,208)	201,972
(ii) Provision for Retirement benefits	151,130	1,486,680	1,637,810
Total	423,310	1,416,472	1,839,782

In the absence of virtual certainty supported by convincing evidence, deferred tax assets on carry forward business losses and unabsorbed depreciation has not been created.

7. In accordance with the Accounting Standard 7 on 'Construction Contracts', the break-up of the contracts in progress at the reporting date is as under:

Particulars	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
1. Revenue recognised	398,813,674	-
2. Cost incurred	398,813,674	-
3. Advances received	279,223,478	-
4. Retentions	-	-
5. Amount due from customers	-	-

8. Employee benefits obligations:

Defined-Contribution Plans

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

Defined-Benefits Plans

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

	31.03.2011	31.03. 2010
	Rupees	Rupees
i. Change in benefit obligation		
Opening balance	663,141	543,207
Current Service Cost	2,932,712	389,440
Interest expenses	(2,331)	21,728
Actuarial (gain) / loss	1,398,136	266,247
Benefits paid	(1,439,315)	
Transfer Out		(557,481)
Closing balance	3,552,343	663,141
ii. Fair Value of Plan assets		
Opening balance	1,652,162	618,103
Expected return on plan assets	246,786	90,811
Contributions by the Company	3,297,740	937,720
Benefit Paid	(1,439,315)	-
Actuarial gain / (loss)	760,119	5,528
Closing balance	4,517,492	1,652,162
The plan assets are managed by the HDFC Standard Life Insurance, and the Company does not have details as to the investment pattern.		
iii. Return on Plan Assets		
Expected return on plan assets	246,786	90,811
Actuarial gain / (loss)	760,119	5,528
Actual return on plan assets	1,006,905	96,339
iv. Amount recognised in the Balance Sheet		
Present value of defined benefit obligations	3,552,343	663,141
Fair value of Plan Assets	(4,517,492)	(1,652,162)
Amount recognised In the balance sheet	(965,149)	(989,021)

	31.03.2011	31.03.2010
	Rupees	Rupees
v. Expenses recognised in profit & Loss Account		
Current service costs	2,932,712	389,440
Interest expense	(2,331)	21,728
Expected return on Investment	(246,786)	(90,811)
Net actuarial gain / (loss)	638,017	260,718
Past Service Cost	-	-
Expenditure charged to Profit and Loss account	3,321,612	581,076

vi. Balance Sheet reconciliation

Net liability at the beginning of the year	(989,021)	(74,896)
Expenses as above	3,321,612	581,076
Contribution paid	(3,297,740)	(937,720)
Transfer out	-	(557,481)
Amount recognised in the balance sheet	(965,149)	(989,021)

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

vii. Principal Actuarial assumptions

Rate for discounting liabilities	8.25% p.a.	7.75% p.a.
Expected salary increase rate	6.00% p.a.	4.50% p.a.
Expected return on scheme assets	8.00% p.a.	8.00% p.a.
Attrition Rate	2.00% p.a.	2.00% p.a.
Mortality table used	Indian Assured Lives Mortality (1994-96) (Modified) Ultimate	Indian Assured Lives Mortality (1994-96) (Modified) Ultimate

The entire amount is funded with the HDFC Standard Life Insurance

The estimates of future salary increases, considered in the actuarial valuation, take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The contributions expected to be made by the Company during the financial year 2011-2012 is Rs.65.76 lacs.

9. Earnings per Share:

Particulars	Unit	Year ended 31.03.2011	Year ended 31.03.2010
Net profit/(loss) after tax	Rs.	(5,962,836)	(5,103,557)
Weighted average number of equity shares outstanding during the year	No.	53,571,918	14,054,795
Nominal value of equity shares	Rs.	10.00	10.00
Basic / Diluted earnings per share	Rs.	(0.11)	(0.36)

10. Expenditure in foreign currency

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
Travel and conveyance	62,595	-
Business promotion expenses	1,222,433	-
Total	1,285,028	-

11. Related Party transactions:

Disclosures as required by the Accounting Standard (AS) 18 on "Related Party Disclosures" are made below:

A. Name of the related parties and nature of relationship:

Ultimate Holding Company:	Infrastructure Leasing & Financial Services Limited
Holding Company:	IL&FS Transportation Networks Limited
Subsidiary Company:	Rapid MetroRail Gurgaon Limited (upto 17 September, 2010)
Associate Company :	Rapid MetroRail Gurgaon Limited (From 18 September, 2010)
Fellow Subsidiaries:	IL&FS Property Management & Services Limited IL&FS Technologies Limited
Investors with ability to exercise significant influence:	ENSO Private Limited (upto 31 May, 2010) ENSO Infrastructure Private Limited SRKK Advisors Private Limited (upto 10 May, 2010) IL&FS Employees Welfare Trust (from 11 May, 2010) IL&FS Engineering and Construction Company Limited
Key Management Person: (KMP)	Mr. Sanjiv Rai (Managing Director and CEO) Mr. Jagdish Aggarwal (Manager) (upto 31 March 2010)



Amount in Rupees)

Particulars	Holding / Ultimate Holding Company	Subsidiary/ Associate Company	Companies under common control	Key Managerial Personnel
B. Transactions during the year				
Shares capital issued				
IL&FS Transportation Networks Limited	308,500,000 (111,250,000)	- (-)	- (-)	- (-)
ENSO Limited	- (-)	- (-)	- (31,250,000)	- (-)
ENSO Infrastructure Private Limited	- (-)	- (-)	242,500,000 (12,500,000)	- (-)
IL&FS Employees Welfare Trust	- (-)	- (-)	29,000,000 (-)	- (-)
SRKK Advisors Private Limited	- (-)	- (-)	- (7,500,000)	- (-)
Investment made				
Rapid Metro Rail Gurgaon Limited	- (-)	533,000,000 (500,000)	- (-)	- (-)
Consultancy Fee & Construction Income*				
Rapid Metro Rail Gurgaon Limited	- (-)	482,017,829 (75,000,000)	- (-)	- (-)
* Including unbilled revenue of Rs. 82,486,551				
Operating Expenses				
Infrastructure Leasing & Financial Services Limited	602,068 (20,173,600)	- (-)	- (-)	- (-)
IL&FS Transportation Networks Limited	1,284,164 (24,000,000)	- (-)	- (-)	- (-)
IL&FS Technologies Limited	- (-)	- (-)	1,54,452 (339,525)	- (-)
Rapid Metro Rail Gurgaon Limited	- (-)	2,0833,507 (-)	- (-)	- (-)
IL&FS Property Management & Services Limited	- (-)	- (-)	- (907,812)	- (-)

Particulars	Holding / Ultimate Holding Company	Subsidiary/ Associate Company	Companies under common control	Key Managerial Personnel
IL&FS Engineering and Construction Company Limited	- (-)	- (-)	223,075,720 (-)	- (-)
Managerial remuneration				
Mr. Sanjiv Rai	- (-)	- (-)	- (-)	34,600,595 (-)
Mr. Jagdish Agarwal	- (-)	- (-)	- (-)	(-) (5,666,157)
Inter Corporate Deposits placed				
Infrastructure Leasing & Financial Services Limited	401,822,542 (120,482,709)	- (-)	- (-)	- (-)
Inter Corporate Deposits received back				
Infrastructure Leasing & Financial Services Limited	274,393,107 (107,912,144)	- (-)	- (-)	- (-)
Interest earned				
Infrastructure Leasing & Financial Services Limited	8,112,048 (2,284,320)	- (-)	- (-)	- (-)
Corporate loans given				
Rapid MetroRail Gurgaon Limited	- (-)	72,700,000 (27,000,000)	- (-)	- (-)
Corporate loans received back				
Rapid MetroRail Gurgaon Limited	- (-)	99,700,000 (-)	- (-)	- (-)
Corporate loans taken				
IL&FS Transportation Networks Limited	50,000,000 (-)	- (-)	- (-)	- (-)
Corporate Loans paid back				
IL&FS Transportation Networks Limited	50,000,000 (-)	- (-)	- (-)	- (-)

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Particulars	Holding / Ultimate Holding Company	Subsidiary/ Associate Company	Companies under common control	Key Managerial Personnel
Notes:				
1.	Amount in brackets represent previous year figures.			
2.	Reimbursement of cost is not included in above.			
C. Balances at the year end				
Payables				
Infrastructure Leasing & Financial Services Limited	44,450 (1,482,651)	- (-)	- (-)	- (-)
IL&FS Transportation Networks Limited	- (9,880,225)	- (-)	- (-)	- (-)
IL&FS Property Management & Services Limited	- (-)	- (-)	- (907,812)	- (-)
Rapid Metro Rail Gurgaon Ltd.	- (-)	- (-)	- (-)	- (-)
IL&FS Technologies Limited	- (-)	- (-)	7954 (-)	- (-)
IL&FS Engineering and Construction Company Limited	- (-)	- (-)	730,957 (-)	- (-)
Mobilisation advance received				
Rapid Metro Rail Gurgaon Ltd.	- (-)	279,223,478 (-)	- (-)	- (-)
Debtors/Unbilled revenue				
Rapid MetroRail Gurgaon Limited	- (-)	82,486,551 (74,452,500)	- (-)	- (-)
Receivables/advances				
Rapid MetroRail Gurgaon Limited	- (-)	- (28,918,877)	- (-)	- (-)
IL&FS Transportation Networks Limited	4,999 (-)	- (-)	- (-)	- (-)
IL&FS Engineering and Construction Company Limited	- (-)	- (-)	175,178,600 (-)	- (-)
Inter Corporate Deposits				

Particulars	Holding / Ultimate Holding Company	Subsidiary/ Associate Company	Companies under common control	Key Managerial Personnel
Infrastructure Leasing & Financial Services Limited	150,000,000 (22,570,565)	- (-)	- (-)	- (-)
Interest Accrued				
Infrastructure Leasing & Financial Services Limited	5,016,267 (784,282)	- (-)	- (-)	- (-)

Amount in brackets represent balances as on March 31, 2010.

12. Dues to Micro and Small Enterprises:

According to the records available with the Company, there were no dues payable to entities that are classified as Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 during the period. Hence disclosures, if any, relating to amounts unpaid as at the period end together with the interest paid / payable as required under the said Act have not been given.

13. The Company is executing a construction contract for development of Metro Rail, awarded by Rapid Metro Rail Gurgaon Limited (RMGL). As per the legal opinion, construction of Metro Rail is an infrastructure project and hence is exempt from payment of Service Tax. The Company has unadjusted Input tax credit of Rs. 3,873,673 pertaining to the services availed for construction of Metro Rail Project. Since the services provided by the Company are not taxable services, the Company is not entitled for Service Tax Input credit. Accordingly unutilized Input Service Tax Credit has been charged to the profit and loss account.

14. Figures for the previous year have been regrouped and reclassified wherever necessary.

For and on behalf of the Board


Managing Director


Director


Chief Financial Officer & Company Secretary

Place: Gurgaon

Date: 14 April, 2011

