

Chairman's message

“The government has now realised the role of roads in enhancing business and commerce, creating rural employment and accelerating socio-economic development.”

Dear Shareholders,

At ITNL, we are all excited for a credible reason

We stand at an inflection point in the history of our organisation, when the sectoral opportunity is vast and the time to convert that opportunity into viable business growth is limited. Let me explain

India's road network (3.3 Million Kms) is the world's third largest. In terms of density and road quality, India still lags behind many developed and developing countries of the world. India's road density is 770 Kms per 1,000 square Kms, against the world average of 840 Kms, according to a study by FICCI and Ernst & Young. The government has now realised the role of roads in enhancing business and commerce, creating rural employment and accelerating socio-economic development. Besides, in a country with diverse topographies and the world's second largest population, roads are critical to alleviate poverty and backwardness. Preliminary estimates of the government's infrastructure spend in the Twelfth Five-Year Plan are approximately Rs. 369 Billion. But this is just the tip of the iceberg. The road ahead is very encouraging

Developmental vision

The Government's Bharat Nirman Programme aims to cover every village, having a population of over 1,000 or over 500 in hilly and tribal areas, with all-weather roads. Considering the huge investments required, the Government is increasingly encouraging private participation for mobilising the resources needed to bridge the infrastructure deficit. Recently, the World Bank agreed to provide assistance of



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

Rs. 138 Billion loan for developing national highways by converting 6,372 Kms of one-lane highways to two-lane, out of the total of 19,702 Kms of single lane highways in the country. In terms of the less viable projects, the government increased the viability gap funding (VGF) from 20% to 40%. Formerly, the grant used to be given in two phases i.e. during construction and during operations and maintenance, but is now provided during the construction stage. In this manner project implementation does not get delayed for paucity of funds

This is our opportunity and this is our focus. We will address it through accelerated momentum and progressive capacity building to emerge as a responsible, reliable and responsive corporate in the business of surface transport infrastructure

Developments at ITNL

ITNL has developed various road projects across the country for over a decade and has enhanced its engineering, designing, planning and project

“Recently, the World Bank agreed to provide an assistance of Rs. 138 Billion loan for developing national highways”

monitoring skills. We are now recognised for quality consciousness and deep commitment towards on-time project delivery within the budgeted cost. This track record ensured that we were awarded six new road projects during the year, of which five achieved financial closure. Post the closure of the financial year 2009-10, we have, also been awarded three projects in Andhra Pradesh, Meghalaya and Jammu and Kashmir. These projects shall generate a mix of toll-based and annuity based incomes for ITNL. I am pleased to inform you that of the total bids amounting to approximately Rs. 292,028.40 Million, awarded by National Highway Authority of India (NHAI) in 2009-10, we secured a 9.33% share. Today, ITNL has successfully built its road asset portfolio of approximately 12,000 lane Kms, spread across 22 projects

ITNL also has a footprint in Urban Transportation beyond roads. We entered the Metro Rail Segment through our subsidiary Rapid MetroRail Gurgaon Limited by signing a concession agreement with Haryana Urban Development Authority (HUDA) for a 4.9 Kms. elevated metro rail loop line, which would connect Sikanderpur station of Delhi Metro to the Central Business District of Gurgaon through DLF Cyber City at an estimated cost of Rs. 11,000 Million. We expanded our bus transportation business at Nagpur, through a supplementary concession agreement executed between the Company's subsidiary, Vansh Nimay Infraprojects Limited and the Nagpur Municipal Corporation for operating and maintaining 300 additional buses for 10 years

We also initiated our entry into another sub-sector of the transportation business i.e. Airports. We took over from Maytas Infrastructure Limited, the airport portfolio comprising of two airports at Gulbarga and Shimoga in Karnataka. These two airports would be built and commence operations in the next 24 months

In addition, we continue to auction the toll receipts for some of our toll road projects to third parties typically for 12-month period in exchange for a fixed fee, mitigating revenue volatility in toll revenues

International presence

ITNL has also witnessed positive developments on the international front. We were declared the preferred bidder, for the 300 Kms. (1,212 lane Kms.) road stretch between Almaty-Khorgos in Kazakhstan in Joint Venture with three Italian companies namely, Impregilo S.p.A., Todini S.p.A. and Salini Costruttori S.p.A. Our equity holding in the project is agreed to be 37%. We are in discussions with the Middle East Coal Pte Limited, Singapore, for financing, developing and implementing coal evacuation infrastructure facilities

“Of the total NHAI bids amounting to approximately Rs. 292,028.40 Million in 2009-10, we secured a 9.33% share”

in Muara Wahau, Indonesia. Apart from that, we continued to generate revenues from Elsames's (our 100% Spain based subsidiary) maintenance business and from, annuity receipts, toll collection, operation and maintenance activities and advisory and project management fees from BOT road projects

An eventful year

In 2009-10 our financial performance was satisfactory. Both our revenues and profits registered a significant growth, and our balance sheet emerged stronger. We successfully concluded our Initial Public Offer (IPO) and got listed on the NSE and BSE on March 30, 2010. I am grateful to the investors for their overwhelming response to our IPO which was oversubscribed many times. It is believed that the amount of subscription our IPO attracted is one of the highest among all issues in the recent past. I warmly welcome all our new shareholders to the ITNL family. We remain committed to enhancing our operations in a sustainable manner so as to deliver long-term value to all our stakeholders.

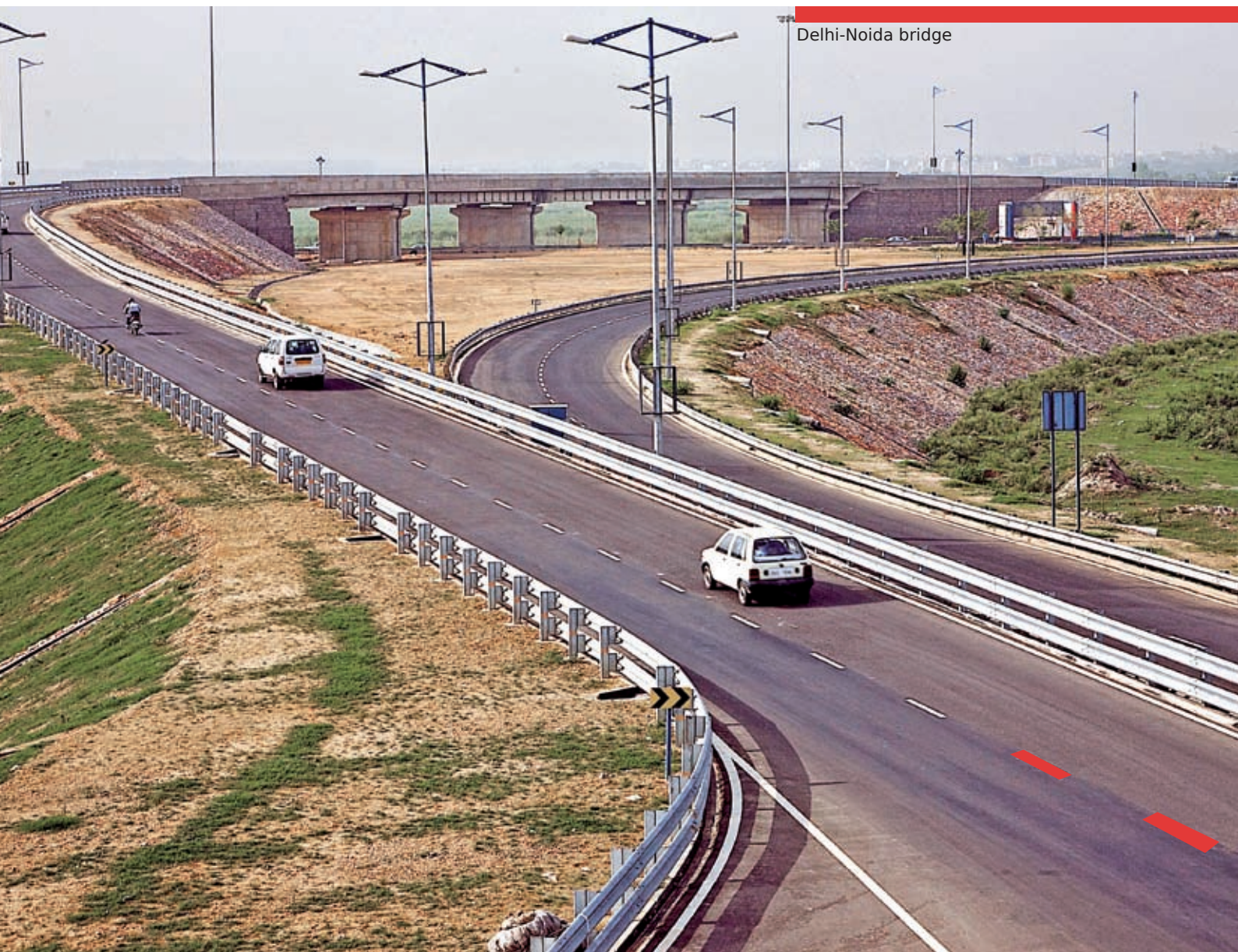
Note of gratitude

I express my sincere gratitude to the Shareholders, Lenders, Banks, Financial Institutions, Securities Exchange Board of India, NSE, BSE, Reserve Bank of India, National Highways Authority of India, Airports Authority of India, Central and State Governments and other regulatory authorities/agencies for providing continuous support. I wish to express my appreciation to my colleagues on the Board and to our employees for their dedication and commitment. I am grateful to you for your support and the trust bestowed upon us. Backed by a diverse project portfolio and robust pipeline, coupled with a strong, efficient and loyal workforce and continuing support from bankers, the management is confident that the Company will be able to achieve its internal targets in the coming years

**Best wishes,
Deepak Dasgupta**

The way we operate powers the vision we cherish

At ITNL, our vision is to transform India's surface transportation infrastructure. This vision is strengthened everyday by the way we prioritise our projects and the way we perform from project conceptualisation to commissioning to operations



At ITNL, **project implementation** entails drawing up a detailed design, liaising with the concessioning authority and respective government agencies, optimising costs while maintaining quality and resolving logistical issues. But our responsibility does not end there. It extends to road maintenance, upkeep and operation services, as well as user and emergency services. The result is that we now possess the largest road asset portfolio (in terms of lane Kms) across a majority of the states in India

~ 12,000

lane kms

ITNL's road assets
portfolio of 22 projects

////// The financial strength
we possess enhances
the credibility we enjoy ////

At ITNL, our stronger financial credibility has strengthened our bidding capability and expanded our operations into new sub-sectors in India's surface transportation infrastructure industry and outside India in the areas of toll roads, airports and urban transportation infrastructure



Delhi-Noida Road

At ITNL, our numbers make a bold statement: revenue growth at **94% CAGR** over the last 3 years; strong networth of **Rs. 15,758 Million** (as on March 31, 2010); **high operating margins of 68%**; attractive gearing of 0.97; strong reputation of promoters and alliances with international partners facilitated fund mobilization

16%

Average post tax
dividend IRR across
every project

////// The capabilities we possess
strengthen the reputation we built //////////////

Our technology, our experienced management and project diversity have enhanced our credibility as a dependable industry player

Vadodra-Halol Road



While our in-house **ISO 9001-2000** certified testing laboratory evaluates project materials and those of third parties, our interactive web-based Project Management Information System (PMIS) enables road inspection and maintenance, arboriculture, accident management, traffic updates and provides project information to our project teams. Moreover, Elsamex, our subsidiary, has a private laboratory in Spain for the development and certification of new asphalt technologies and quality control. Besides, our technical expertise in the areas of structures, designing operations and maintenance drive business expansion. We have de-risked our portfolio by reducing reliance on a single project and a single region

3 New Projects
awarded to ITNL
within the first quarter
of 2010-11

////// The human capital
we develop drives
the brand we are proud of ////

At ITNL, we believe a business cannot survive unless its people are enterprising, future-focused and well equipped to take on myriad project challenges

Belgaum Maharashtra Border Road



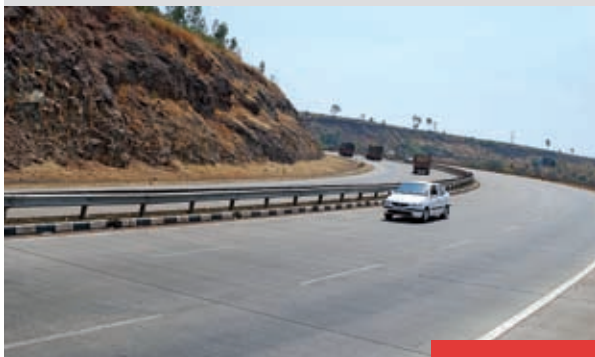
Our skilled team of over **120 engineers** and technical staff, drive execution excellence. ITNL's well structured and dedicated team ensures on-time project delivery and consistent quality. We encourage meritocracy and create the right opportunities for people to grow within the organisation, while our round-the-year training programs cover behavioural, functional, managerial and leadership areas. This enhances people retention and cross-hierarchy bonding, driving organisational objectives

93.71%

Employee retention
rate

Glimpse of ITNL's projects

North Karnataka Expressway Limited Belgaum Maharashtra Border Road



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

Concession The Concession was awarded by NHAI on a BOT (Annuity) basis for a period of 17.5 years (including a construction period of two and a half years). The Concession Agreement was signed in July 2002. The Project commenced operation in July 2004

Equity held 74.50% (Direct and Indirect)

Beneficial Interest 19%

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 8 B and construction of side roads, with an aggregate length of approximately 389 Lane Kms in the State of Gujarat

Concession The Concession was awarded by NHAI on a BOT (toll) basis for a period of 20 years (including a construction period of two and a half years). The Concession Agreement was signed in September 2005. The Project commenced operation in March 2008

Equity held 49%

Beneficial Interest 51%

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 was 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). The Concession Agreement was signed in December 1998. The Project commenced operation in February 2001

Equity held 25.35%

Gujarat Road and Infrastructure Company Limited

1) 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 was 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. The Concession Agreement was signed in October 1998. The Project commenced operation in October 2000

2) 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 was 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 till for a period of 30 years from the operations date. The Concession Agreement was signed in June 2000. The Project commenced operation in February 2003

Equity held 83.61%

Thiruvananthapuram Road Development Company Limited

Thiruvananthapuram City Roads (Phase I)



Scope Development of roads, with an aggregate length of approximately 158 Lane Kms in Thiruvananthapuram city in the State of Kerala in three phases

Concession The Concession 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). The Concession Agreement was signed in May 2004 and phase 1 has been completed and is operational since November 2006

Equity held 49.99%

Glimpse of ITNL's projects

Andhra Pradesh Expressway Limited
Kotakatta - Kurnool Road



Scope Development of 328 Lane Kms connecting Kotakatta bypass to Kurnool on National Highway-7 in the State of Andhra Pradesh

Concession The Concession was awarded by NHAI on a BOT (Annuity) basis for a period of 20 years (including a construction period of two and a half years). The Concession Agreement was signed in October 2006. The Project commenced operations in October 2009

Equity held 49%

Beneficial Interest 51%

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



Scope Development of two highway lanes with an 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 The Concession was 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). The concession Agreement was signed in January 2006. The Project commenced operation in March 2009

Beneficial Interest 50%

Projects under construction

East Hyderabad Expressway Limited

Pedda Amberpet to Bongalur section of Hyderabad Outer Ring Road



Scope Development of eight-lane wide expressway with an aggregate length of approximately 173 Lane Kms outer ring road in Hyderabad in the State of Andhra Pradesh

Concession The Concession was awarded by the Hyderabad Urban Development Authority and Hyderabad Growth Corridor Limited on a BOT (Annuity) basis for a period of 15 years (including a construction period of two and a half years). The Concession Agreement was signed in September 2007. The Project is expected to be completed shortly

Equity held 74%

Thiruvananthapuram Road Development Company Limited

Thiruvananthapuram City Roads (Phase II and Phase III)



Scope Development of roads with an aggregate length of approximately 158 Lane Kms in Thiruvananthapuram city in the State of Kerala in three phases

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). The Concession Agreement was signed in May 2004. The Phase II and III Project is expected to be completed by November 2011

Equity held 49.99%

Ramky Elsamex Hyderabad Ring Road Limited

Tukkuguda to Shamshabad section of Hyderabad Outer Ring Road



Scope Development of an eight-lane wide expressway with an aggregate length of approximately 152 Lane Kms of the Outer Ring Road in Hyderabad in the State of Andhra Pradesh

Concession The Concession was awarded by Hyderabad Urban Development Authority and Hyderabad Growth Corridor Limited on a BOT (Annuity) basis for a period of 15 years, including an initial construction period of two and a half years. The Concession Agreement was signed in November 2007. The Project was completed in November 2009

Equity held 26% (Indirect)

Projects under construction

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 The Concession was awarded by the Department of Road Transport and 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. The Concession Agreement was signed in April 2009. The Project is expected to be completed in December 2010

Equity held 100%

Hazaribagh Ranchi Expressway Limited
Hazaribagh - Ranchi Road

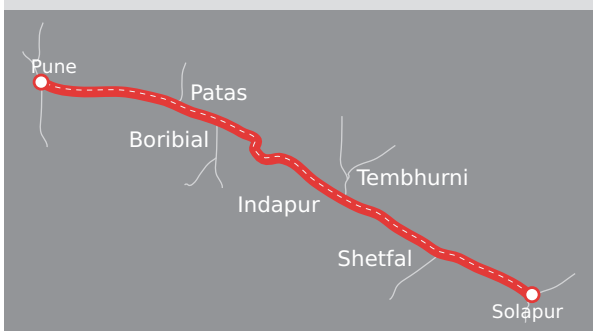


Scope Development of four lanes with an aggregate length of approximately 319 Lane Kms connecting Hazaribagh to Ranchi in the State of Jharkhand

Concession The Concession was 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. The Concession Agreement was signed in August 2009

Equity held 73.88%

Pune Sholapur Road Development Company Limited
Pune - Sholapur Road



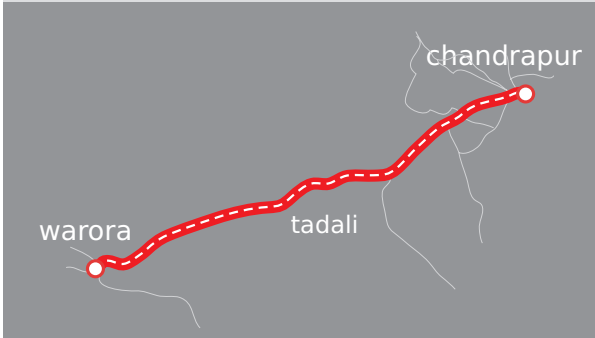
Scope Development of four lanes with an aggregate length of approximately 571 Lane Kms on Pune - Sholapur stretch of National Highway-9 in the State of Maharashtra

Concession The Concession was awarded by NHAI on a DBFOT (Toll) basis for a period of 20 years, including an initial construction period of two and a half years. The Concession Agreement was signed in September 2009

Equity held 100%

Projects under development

Warora Chandrapur Ballarpur Toll Road Company Limited Chandrapur –Warora - Bamni Road

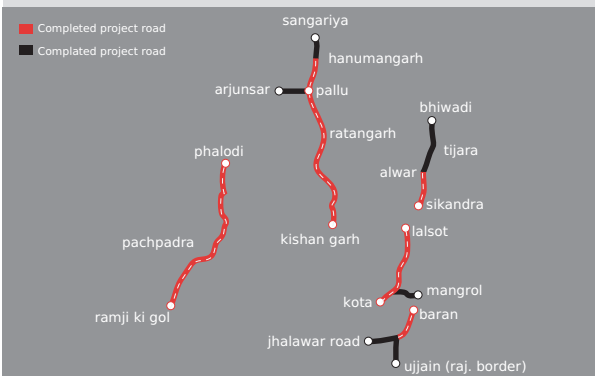


Scope Development of four lanes with an aggregate length of approximately 275 Lane Kms connecting Warora to Chandrapur to Bamni in the State of Maharashtra

Concession The Concession was awarded by the PWD, Government of Maharashtra on a DBFOT (Toll) basis for a period of 30 years, including an initial construction period of two and a half years. The Concession Agreement for the Project was signed in March 2010

Equity held 35%

Road Infrastructure Development Company of Rajasthan Limited Mega Highway Project, Rajasthan



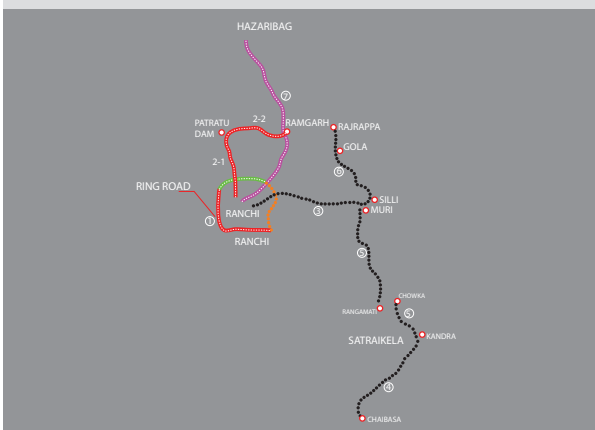
Scope Development of two highway lanes with an aggregate length of 476 Lane Kms and includes the improvement of three corridors, connecting Alwar to Bhiwadi, Jhalawar to Jhalawar Road, and Arjunsar to Pallu in the State of Rajasthan

Concession The Concession was awarded on PPP (Toll) basis for a period of 32 years, including a construction period of two years

Beneficial Interest 50%

Jharkhand Road Projects Implementation Company Limited

Jharkhand Accelerated Road Development Programme



Scope Development of two lanes with an aggregate length of approximately 1,002 Lane Kms connecting selected roads in the State of Jharkhand in three phases

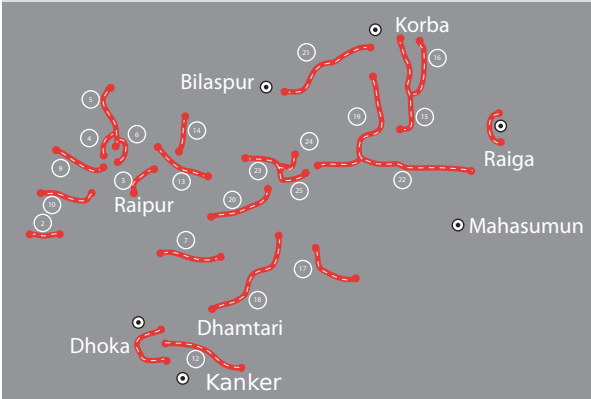
Concession The Program Development Agreement entered into with the Government of Jharkhand for development of Roads on a BOT (Annuity) basis for a period of 18 years (including three years of planning, designing, procurement of contractors and construction)

Equity held 99.96%

Projects under development

Chhattisgarh Highway Development Company Limited

Chhattisgarh Accelerated Road Development Programme



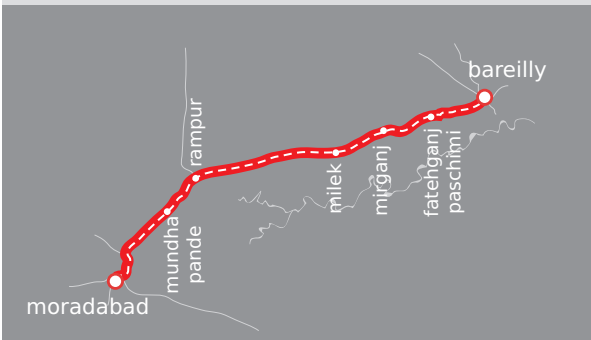
Scope Development of two lanes with an aggregate length of approximately 1,368 Lane Kms connecting selected roads in the State of Chhattisgarh

Concession The Program Development Agreement entered into with the Government of Chhattisgarh for the development of roads on a BOT (Annuity) basis for a period of 17.5 years

Beneficial Interest

The Company has an agreement for holding beneficial interest for 74% of equity shares

Moradabad Bareilly Expressway Limited
Moradabad Bareilly Road



Scope Four laning of Moradabad Bareilly section of NH-24 from Kms 148.00 to Kms 262.000 (approx. length 121 Kms) in the State of Uttar Pradesh

Concession The Concession was awarded by NHAI on a DBFOT (Toll) basis for a period of 20 years, including an initial construction period of two and a half years. The Concession Agreement for the Project was signed in February 2010

Equity held 100%

Chenani Nashri Tunnelway Limited
Chenani Nashri Tunnel



Scope Four Laning of Chenani to Nashri Section of NH-1 A from Kms 89.00 to 130.00 (new alignment) of NH-1 A including 9 Kms long tunnel (2 lane) with parallel escape tunnel in the State of Jammu and Kashmir

Concession The Concession was awarded by NHAI on a DBFOT (Annuity) basis for a period of 20 years, including an initial construction period of five years. The Concession Agreement for the Project was signed in June 2010

Equity held 100%

Projects where we are the Preferred Bidder

NAM Expressway Limited

Narketpalli Addanki
Medarametla Road

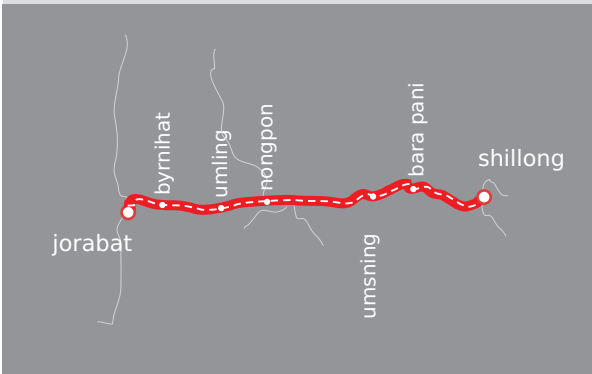


Scope Widening of an existing two-lane carriageway to a four-lane carriageway, including the strengthening of existing carriageway by providing bituminous overlays with an aggregate length of approximately 888 Lane Kms from Narketpalli to Medarametla near Addanki section of SH-2 in the State of Andhra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

Concession The concession for this project will be awarded to the successful bidder by Roads and Building Department, Government of Andhra Pradesh on BOT (toll) basis for a concession period of 24 years, including an initial construction period of two and a half years

Equity held 50%

Jorabat Shillong Expressway Limited Jorabat Shillong Road



Scope 4 laning of the Jorabat- Barapani (near Shillong) section of National Highway – 40 in the states of Assam and Meghalaya aggregating to 61.92 Kms, under Design, Build, Operate and Transfer (Annuity) basis under SARDP-NE

Concession The concession for this project will be awarded to the successful bidder by NHAI on BOT (Annuity) basis for a concession period of 20 years, including an initial construction period of three years

Equity held 49.94%

Other urban infrastructure projects

Nagpur City Bus Project

Vansh Nimay Infraprojects Limited

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

Concession The Concession was awarded by Nagpur Municipal Corporation to Vansh Nimay Infra Projects Limited for a period of 10 years (and renewable for another 5 years). The Concession Agreement for the Project was signed in February 2007

Equity held 90%

Gurgaon Metro Rail Link

Rapid MetroRail Gurgaon Limited

Scope Development of approximately 4.9 Kms long track for an elevated metro line on a concession basis, connecting the Delhi Metro Sikanderpur station on MG Road to NH-8 in Gurgaon in 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. The Concession Agreement for the Project was signed in December 2009

Equity held 70%

India's evolving infrastructure scenario

The significant investments by the Government of India on infrastructure development in the country have resulted in a positive 'spill-over effect' on the economy by triggering growth in manufacturing and service sector. This has helped to sustain India's growth rate, compared to the rest of the world. India's infrastructure investments have increased from 4.9% of the gross domestic product (GDP) in 2002-03 to 6% in 2009-10 and expected to reach 12% by 2011-12, the terminal year of the 11th Five-Year Plan. The Government has shown resolve by allocating 46% share of the total budget allocation for the next fiscal towards new and ongoing infrastructure development projects. The Government of India is planning more than Rs. 16,000 Billion investments in its infrastructure by 2012, with another Rs. 6,900 Billion expected to come from the private sector

Government's impetus on the road sector

Road development has been given prime importance by the Government in order to sustain the strong economic growth achieved in the past few years. The Government of India through NHAI launched the National Highway Development Project (NHDP) and Bharat Nirman Programme that involve investments of over Rs. 2,300 Billion till 2012, towards the development of the country's road infrastructure. Recognizing the need for FDI in the segment, the Government has allowed 100% FDI under the automatic route for all road development projects, in addition to offering 100% income tax exemption for 10 years. The Government is also seeking to encourage private sector participation through various BOT road projects for which it laid out the following initiatives:

- Government will carry out all preparatory work including land acquisition and utility shifting and provide the Right of way (ROW) to concessionaires free from all encumbrances
- NHAI and the Government will provide capital grant up to 40% of project cost to enhance viability on a case-to-case basis
- 100% tax exemption for a continuous 10-year period, which may be availed of within the concession period or 20 years whichever is earlier
- Concession period allowed up to 30 years
- Arbitration and Conciliation Act 1996, based on the United Nations Commission on International Trade Law (UNCITRAL) provisions
- Entrepreneur to be allowed to collect and retain tolls for the BOT projects
- Duty free import of specified modern high capacity equipment for highway construction

Consequently, fiscal 2009-10 saw a big jump in PPP road projects, with over 30 projects being awarded under this route



Infrastructure Sector (FY10-12)	Proposed Investment (Rupees in Billion)
Power	4,830
Roads	2,075
Railways	1,866
Telecom	1,889
Irrigation	1,899
Water Supply & sanitation	1,017
Ports	608
Aviation	202
Total	14,386

Source: Planning Commission

Some key points

- 1 NHAI awarded 32 road projects in the last 11 months of 2009-10, as against eight in 2008- 09. It further aims at awarding around 50 projects by the end of 2011
- 2 Union Road Transport Ministry is looking at an ambitious target of awarding at least **15,000 Kms** of national highways projects by 2011 end
- 3 The ongoing focus on the highway infrastructure development is targeted to yield an annual growth of **12-15%** for passenger traffic and **15-18%** for cargo traffic

RECENT BIDDING REFORMS BY NHAI

- NHAI, in its bid to improve operational efficiencies in road development, has tweaked the bidding norms of the segment. It has barred highway contractors and developers from bidding for new projects, if financial closure is not achieved for three projects for which bidder has been granted letter of award
- Currently, the bidder/consortium is required to have a net worth equivalent to at least **25%** of the project cost. Going ahead, while the same arrangement will continue for projects **up to Rupees 20 Billion**, a higher net worth will be required for projects above that figure

NHAI'S POLICY CHANGES

1) Under RFQ (Request for Qualification)

Conflict of interest: A bidding applicant can be considered to have a conflict of interest, that can affect the bidding process, when such bidder (or any constituent thereof) and any other bidder have common controlling shareholders or other ownership interest. The application will be considered void if the common control is more than 25% of its paid up and subscribed capital

Associate relationship: An associate's relation to the consortium member and his controlling powers has now to be qualified by an external auditor that audits the book of accounts of Applicant or Consortium

Threshold technical capability:

- a) The quoted amount to be equivalent to the Estimated Total Project Cost (ETPC)
- b) The capital cost of the eligible project shall not be less than 20% of ETPC and in case of projects with an ETPC of Rs. 1000 Crores or more the amount shall not be less than 10%
- c) The experience score can be calculated by dividing the amount in the experience column by one crore and then multiplying the result thereof with a factor as mentioned in the bidding document. The sum total of revenues received and payments made in respect of each eligible project shall be restricted to a ceiling equivalent to or twice the ETPC

2) Under RFP (Request for Proposal):

Forfeiture of bid security: Authority has the right to forfeit and appropriate 5% of the value of the bid security as mutually agreed genuine pre-estimated compensation and damages payable to the authority for, inter alia, the time, cost and effort of the authority. In the event of encashment of bid security occurring due to non-responsive bid, the damage so claimed by the authority shall be restricted to 5% of the value of the bid security

Premium: Premium to be paid out from the gross revenues of the project share of the authority, as the earlier mode of premium quotes in percentage gave indefinite amounts. The premium should be payable from the COD date (for six-laning from the 'appointed date') and increase the same by 5% annually for the



Jetpur Rajkot Gondal Road

balance period of concession period

Modification in concession period: If the average daily traffic of PCUs in any accounting year shall exceed the designed capacity of the project highway, the authority at its option will prepare a detailed project report (DPR) that will assess the cost as may have to be incurred for augmenting the capacity of the project highway and extension of concession period, if any, that may be required to yield the concessionaire a post-tax return on equity (Equity IRR) of 16% per annum at an assumed debt : equity ratio of 70:30. Such extension of concession period shall be, however, limited to five years. It further stated that there shall be no reduction in the concession period as originally accepted. The authority may thereafter, at their sole option, issue a notice to the concessionaire, (to be responded within a period of three months from the date of such notice), to undertake their determined augmentation within six months of such notice. On refusal or non-acceptance by the Concessionaire to undertake such augmentation, either absolutely or on such extension of concession period as assessed under the DPR, or on the failure of the Concessionaire to undertake such augmentation on the due date so intimated by the authority, an indirect political event shall be deemed to have occurred and the authority may in its discretion terminate this agreement by issuing a termination notice and making a termination payment under and in accordance with the provisions of concession agreement; without the authority being liable to issue any further notice under

this provision

Damages for breach of maintenance obligations: If the actual traffic exceeds the design capacity, during any year or part thereof and the Concessionaire fails to repair or rectify any defect or deficiency set forth in the maintenance requirements within the period specified therein, it shall be considered as a breach of the Agreement. The Authority shall be entitled, from such date, to recover damages, to be calculated and paid for each day of delay until the breach is cured, at the higher of

- 5% of Average Daily Fee, and
- 1% of the cost of such repair or rectification as estimated by the Independent Engineer, for the balance period of the concession

Change in ownership: Change in ownership means a transfer of the direct and/or indirect legal or beneficial ownership of any shares, or securities convertible into shares, that causes the aggregate holding of the (selected bidder/ consortium members) along with (its/their) Associates, in the total equity to decline below 51% thereof during construction period and two years thereafter; provided that any material variation (as compared to the representations made by the Concessionaire during the bidding process for the purposes of meeting the minimum conditions of eligibility or for evaluation of its application or bid, as the case may be,) in the proportion of the equity holding of (the selected bidder/ any

consortium member) to the total Equity, if it occurs prior to completion of a period two years after COD, shall constitute change in Ownership Provided further that any such request may be required to be accompanied by suitable no objection certificate from lenders

Representation and warranties: Selected bidder/ Consortium Members, together with its Associates, hold not less than 51% of its issued and paid up equity as on the date of this Agreement and that each Consortium Member whose technical and financial capacity was evaluated for the purposes of prequalification and short-listing in response to the Request for Qualification shall hold at least 26% of equity and a minimum of 5% of Total Project Cost during the construction period and two years thereafter along with its Associates. Additionally, such request may be required to be accompanied by suitable no objection certificate from lenders

Assignment and charges: Mortgages/ pledges/hypothecation of goods/assets other than project assets and their related documents of title, a charge on the Escrow account, arising or created in the ordinary course of business of the project highway

shall act as a security only for indebtedness to the senior lenders under the financing. Agreements and/or for working capital arrangements for the project highway

Grant: Grant amount shall be disbursed by way of equity support only. The clause related to O&M support would be deleted

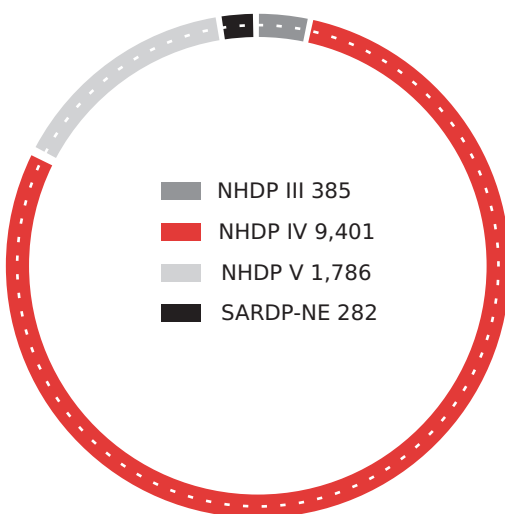
3) Others

Eligibility to submit price proposals: A bidder shall not be eligible for bidding if on the bid due date, the bidder, its Member or Associate was, either by itself or as member of a consortium has been declared by the Authority as the selected bidder for undertaking 3 or more projects and the bidder is yet to achieve financial close. A bidder shall be considered as declared selected bidder for the projects of NHAI, where the LOA has been issued

EPC contractor undertaking: Applicant/ Consortium would provide an undertaking to NHAI that the EPC assignments of the project would be executed only by such EPC contractors who have completed at least a single package of more than 20% of the TPC

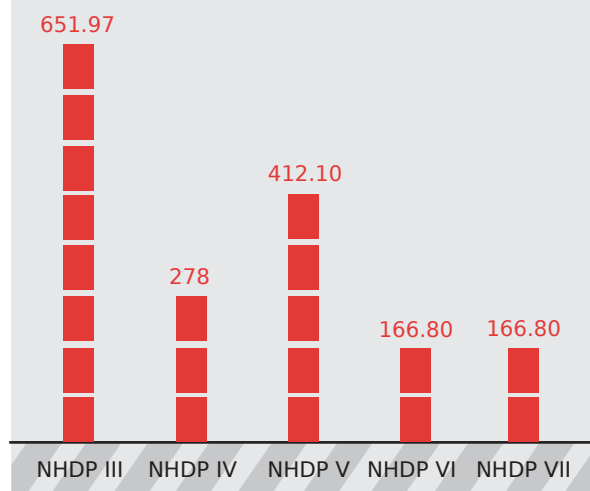
Road ahead for NHAI

NHAI Construction Targets for 2010-11



Total 11,854 Kms

Estimated capital expenditure under NHDP Phases (Rupees in Billion)



Source: Report of the Core Group on Financing of the National Highway Development Programme

Profile of the Board of Directors

Deepak Dasgupta – Chairman and Independent Director

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

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

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

R C Sinha – Independent Director

Mr. Sinha, a retired Indian Administrative Services officer, and currently the Vice-Chairman and Managing Director of Maharashtra Airport Development Company Limited has worked in various capacities in the Government of Maharashtra and India. He has headed various departments/ worked in various ministries of the Government of Maharashtra, including as Collector, District Magistrate, Secretary and Additional Chief Secretary. He has also served as the Joint Secretary, Ministry of Information and Broadcasting, Government of India

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

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

Deepak Satwalekar – Independent Director

Mr. Satwalekar was the Managing Director and Chief Executive Officer of HDFC Standard Life Insurance Company Limited. Before that he was the Managing Director of HDFC since 1993. He has been a consultant to the World Bank, the Asian Development Bank, the United States Agency for International Development and the United Nations Centre for Human Settlements (HABITAT). He is a recipient of the 'Distinguished

Alumnus Award' from the Indian Institute of Technology, Mumbai and is now on the Advisory Council of the said institution. He is also an Independent Director on the Boards of several other companies

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

H P Jamdar – Independent Director

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

Mr. Jamdar holds a Bachelor's degree in Civil Engineering from the Gujarat University. He has also successfully qualified the Gujarat Service of Engineers through the Gujarat Public Service Commission

Ravi Parthasarathy – Non-Executive Director

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

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

Hari Sankaran – Non-Executive Director

Mr. Hari Sankaran has been associated with ITNL since November 29, 2000 and with the IL&FS Group since 1990. As Managing Director and Chief Executive Officer of IL&FS, he has been instrumental in developing significant infrastructure project development business portfolio for IL&FS. Prior to joining IL&FS, he has worked as a project finance specialist for Industrial Credit and Investment Corporation of India. With over 15 years of experience, he has headed various project development and financing departments of government bodies, and has been on several committees of Government of India for policy and legal reforms, including the Chairman of the FICCI Infrastructure Committee

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

Arun K Saha – Non-Executive Director

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

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

Vibhav Kapoor – Non-Executive Director

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

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

Pradeep Puri – Non-Executive Director

Mr. Puri is a retired Indian Administrative Services officer. He has served for eight years in international trade and investments with the Ministry of Commerce and the Department of Economic Affairs, Ministry of Finance, Government of India. He has also held position as Director in the ministries of Commerce and Finance in the Government of Karnataka and Delhi. At present, he is the President and Chief Executive Officer of Noida Toll Bridge Company Limited

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

R S Chandra – Non-Executive Director

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

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

K Ramchand – Managing Director

Mr. Ramchand was appointed as Managing Director of the Company on August 13, 2008 and has been associated with IL&FS Group since 1994. He has over 30 years of experience in urban and transport infrastructure development sector and has been involved in a large number of private infrastructure initiatives including the successful commissioning of various toll road projects in Gujarat and for the National Highways Authority of India. Involved with the IL&FS group for the preceding 14 years, Mr. K. Ramchand is on the board of various companies within the IL&FS group. Prior to joining the Company, he was associated with the Operations Research Group, Dalal Consultants, Mumbai Metropolitan Region Development Authority and City and Industrial Development Corporation of Maharashtra Limited

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

Mukund Sapre – Executive Director

Mr. Sapre was appointed as an Executive Director of ITNL on August 13, 2008 and has been associated with the IL&FS group since 1992. He possesses over 27 years of industry experience. Prior to joining the Company, he was involved with international projects in the Philippines, Indonesia, Mexico and Spain and has played a vital role in implementing the 'High Speed Rail Project' and evaluating the 'Cargo Airport Project' in Mexico. He was also associated with Engineers India Limited and Gammon India Limited

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

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

(from May 25, 2010)

Gopi K Arora

(upto November 4, 2009)

Jason Brown

(upto September 22, 2009)

Mahesh Gandhi

(upto September 15, 2009)

Shahzaad Dalal

(upto September 16, 2009)

Bala Naidu (Alternate to Jason Brown)

(upto September 22, 2009)

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.)
Director Technical

George Cherian
Chief Financial Officer

M K Mohan
Senior Vice President

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

Interior view of The IL&FS Financial Centre, Mumbai

