

Directors' Report

The Shareholders

IL&FS Transportation Networks Limited

Your Directors have pleasure in presenting the Tenth Annual Report along with the Audited Statements of Accounts for the year ended March 31, 2010

FINANCIAL RESULTS

The financial results of the Company are as under :

	Rupees in Million	
	Year ended March 31, 2010	Year ended March 31, 2009
Total Income	9,415.36	2,276.77
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)	6,439.53	1,323.49
Profit Before Tax	4,971.27	700.23
Profit After Tax	3,247.29	404.23
Balance Brought Forward	771.31	627.87
Profit available for appropriations	4,018.60	1,032.10
Appropriations		
Dividend Proposed/Paid	(582.80)	(214.27)
Tax on Dividend	(96.80)	(36.41)
General Reserve	(324.73)	(10.11)
Balance carried forward	3,014.27	771.31

DIVIDEND

Your Directors have recommended payment of dividend of Rs. 3.00 per share for the year under review. The proposed dividend, if approved at the Annual General Meeting, will absorb a sum of Rs. 679.60 Million including tax on dividend of Rs. 96.80 Million (Previous Year: Rs. 250.68 Million including dividend tax of Rs. 36.41 Million)

PUBLIC ISSUE

Your Company had initiated an Initial Public Offering ('IPO' or 'Issue') of its equity shares which was concluded in March 2010 and the shares were listed on the National Stock Exchange of India Ltd (NSE) and Bombay Stock Exchange Ltd (BSE) on March 30, 2010.

The total Issue size was Rs. 7,000 Million which included an offer for sale of 4.28 Million shares by one of the existing shareholders namely, Trinity Capital (Two) Limited, Mauritius. The Issue received a good response from all sections of investors and was over subscribed

The Issue was through a book building process and the price band for the Issue was Rs. 242 to Rs. 258 per share. The Issue was fully subscribed at the higher end of the band i.e. Rs. 258 per share. The total proceeds received by the Company amounted to Rs. 5,896 Million resulting in a fresh issue of 22,852,938 Equity Shares at a face value of Rs. 10 each at a premium of Rs. 248 per share, with the balance of Rs. 1,104 Million going to Trinity Capital (Two) Limited, the selling shareholder



The net proceeds received from the Issue have been utilised to date as follows:

Particulars	Rupees in Million	
	To be financed through the issue proceeds	Funds Deployed up to May 25, 2010
Pre-payment and Repayment of debt availed by our Company :		
Bank of India	1,000.00	1,000.00
Bank of Maharashtra	1,000.00	1,000.00
Canara Bank	1,000.00	1,000.00
United Bank of India	1,000.00	1,000.00
IL&FS Securities Services Ltd	1,000.00	1,000.00
General Corporate Purposes	605.58	-
Issue Related Expenses	290.48	290.48
	5,896.06	5290.48
Temporary Investment in Mutual Funds	-	605.58
Total	5,896.06	5,896.06

There are no variations in respect of utilisation of net proceeds as against those stated in the Prospectus dated March 18, 2010

The year witnessed a spurt in award of projects of National Highways Authority of India (NHAI). Your Company was able to win 4 projects from NHAI during the year under review

PERFORMANCE REVIEW

Your Company has established itself as the leading player in the Surface Transport Sector and continues to maintain its leading position with 22 projects in various stages aggregating to around 12,000 lane km. under its portfolio (including around 1,200 lane km. in respect of which your Company is the lowest/preferred bidder). As at March 31, 2010, 8 projects are commissioned totalling to approximately 4,100 lane km

The year witnessed a significant level of policy initiatives aimed at removing bottlenecks which were hitherto seen to have been the root causes for the slow off-take of projects under the various National Highway programmes. A Committee, under the Chairmanship of Mr. B. K. Chaturvedi announced a slew of changes in the Bidding documents, aimed at, speeding up project award, enhancing viability and profitability and making qualification criteria more sensitive to market conditions

Consequently, the year witnessed a spurt in award of projects from National Highways Authority of India (NHAI). Your Company was able to win 4 projects from the NHAI during the year under review. The increased importance to the sector and the targets set by NHAI will give sufficient opportunities to ITNL, which is eminently

positioned to capture and enhance its portfolio by exploiting the business opportunity

Additionally, NHAI has opted to increase the average size of road projects being tendered, placing big players in the sector at an advantageous position as compared to other smaller players. The current trend puts the Company at an advantageous position as compared to other smaller players

The other sectors of transport in the ambit of the Company, namely, Urban Buses, Railway and Metro systems continued to have a slow off-take of projects on a Public Private Partnerships (PPP) mode

The Company had acquired Elsamex S.A., a company incorporated under the Laws of Spain in FY 2008 for creating synergies in addressing the market requirements. The Company in close coordination with Elsamex undertook the restructuring of operations to enhance the profitability of Elsamex and has evolved a focused business strategy as follows:

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

In spite of the slowdown in the European economy and especially in Spain, the measures adopted helped Elsamex to end the financial year with a marginal profit



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SUBSIDIARIES

The Consolidated Financial Statements have been prepared in accordance with the Accounting Standards 21, 23 and 27 of the Institute of Chartered Accountants of India. As required under Section 212(8) of the Companies Act, 1956, the Statement of holdings in subsidiaries and Consolidated Accounts pursuant to Accounting Standard (AS-21) issued by the Institute of Chartered Accountants of India, form part of the Annual Report. The Company has received approval from Ministry of Corporate Affairs (MCA) for the financial year ended on March 31, 2010 exempting the Company from attaching the financial statements of the subsidiaries. The summary of financial information of all the subsidiary companies as required to be provided in terms of the exemption letter issued by the MCA is attached to this Report. However, the annual accounts of the subsidiaries will be made available on request to shareholders seeking such information and will also be available for inspection at the Registered Office of the Company

DIRECTORS

Mr. Gopi Arora, Former Chairman and Non Executive Director of the Company passed away on November 5, 2009. Late Mr. Arora was Member of the Board since January 6, 2001. The Directors place on record their sincere appreciation for the valuable advice and guidance provided by him during his tenure as a Director of the Company

During the year under review, Mr. Mahesh Gandhi, Mr. Shahzaad Dalal, Mr. Jason Brown and Mr. Bala Naidu, Non-Executive Directors resigned from the Board

The Directors place on record their sincere appreciation for the services rendered by them during their tenure as Directors of the Company

Mr. R. S. Chandra has been appointed as an Additional Director on the Board with effect from May 25, 2010.

Mr. Chandra, Managing Partner of Bessemer Venture Partners, a Global Investment Management firm with offices in India, Israel, Boston, New York and Silicon Valley, holds an MBA from Harvard Business School. He has been recognised by Forbes Magazine on its Midas List as a top dealmaker. In accordance with the provisions of the Companies Act, 1956, a resolution seeking approval of the members for his appointment has been incorporated in the Notice of the forthcoming Annual General Meeting (AGM) and the Explanatory Statement thereto

Mr. Arun K. Saha, Mr. Pradeep Puri and Mr. R. C. Sinha, Directors, are liable to retire by rotation at the forthcoming AGM of the Company and being eligible offer themselves for re-appointment. Your Directors recommend their re-appointment

AUDITORS

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

DEPOSITS

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

CORPORATE GOVERNANCE

The securities of the Company were listed on the National Stock Exchange of India Limited and Bombay Stock Exchange Limited on March 30, 2010. Though the Code of Corporate Governance became applicable from the aforesaid date, your Company had been adhering to good governance practices even prior to listing. The Company has fully complied with the requirements and disclosures that have to be made in this regard. As required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges, a Report on

the Corporate Governance is enclosed and forms part of this Annual Report. A certificate from the Statutory Auditors on compliance with the provisions of Corporate Governance is annexed to this Report

PARTICULARS OF EMPLOYEES

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (1) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures
- (2) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year

and of the Profit of the Company for that period

- (3) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities
- (4) they have prepared the annual accounts on a going concern basis

FOREIGN EXCHANGE EARNINGS AND EXPENDITURE

The foreign exchange earnings during the year was Rs. 349.75 Million. The foreign exchange expenditure during the year was Rs. 913.17 Million

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

ACKNOWLEDGMENTS

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

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

By the Order of the Board

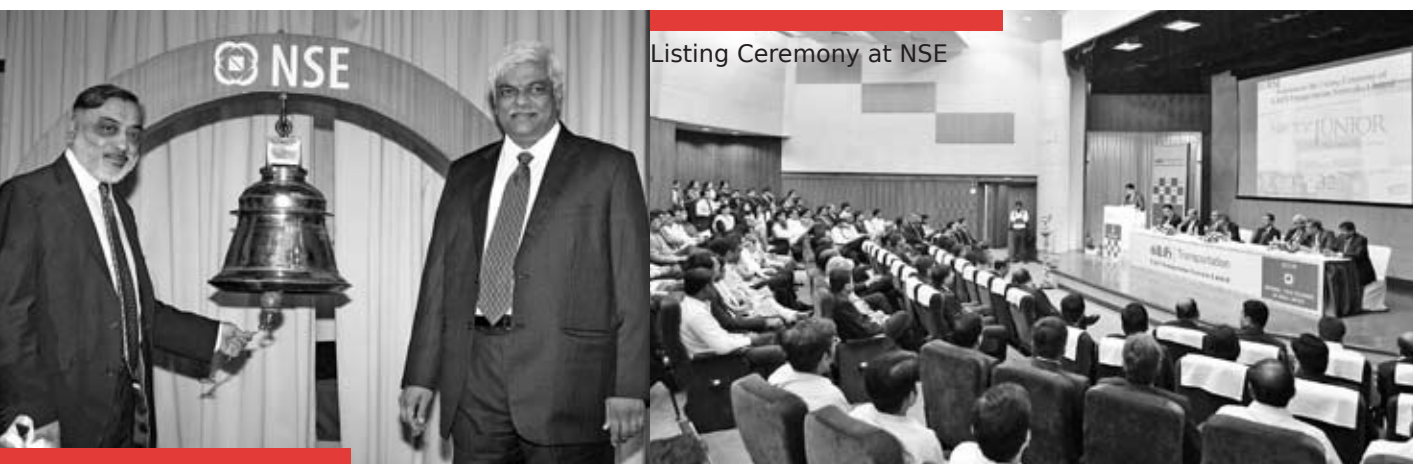
Deepak Dasgupta
Chairman

Mumbai, May 25, 2010

Belgaum Maharashtra Border Road



Report on Corporate Governance



Listing Ceremony at NSE

LISTING OF SHARES OF THE COMPANY ON THE STOCK EXCHANGES

The application for seeking in-principle approval for listing of equity shares of the Company was filed with the National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE) on September 29, 2009. The in-principle approval was received from NSE on October 21, 2009 and BSE on November 4, 2009. The Company's equity shares were listed on both the aforesaid stock exchanges on March 30, 2010. The information provided in the Corporate Governance Report 2009-10, which has been prepared pursuant to the provisions of Clause 49 of the Listing Agreement is for the period from September 29, 2009 to March 31, 2010

1. Company's Philosophy on Corporate Governance

Corporate Governance is essentially a system by which Companies are directed and controlled by the Management in the best interests of the shareholders, lenders, creditors and employees. Corporate Governance is a way of life, which inspires and strengthens investor's confidence and commitment to the Company

The Company's Corporate Governance has been strengthened with the adoption of the Code of Conduct and the Code of Conduct for Prevention of Insider Trading. The Company through its Board and Committees endeavors to deliver the highest governing standards for the benefit of its Stakeholders

2. Board of Directors

Composition

The Board was reconstituted on June 30, 2009 in line with the provisions of Clause 49 of the Listing Agreement. There is an optimum combination of Executive and Non-Executive Directors. The Board

presently comprises of 11 Directors, including 2 Executive and 9 Non-Executive Directors, of which 4 are Independent Directors. The Directors are professionals, have expertise in their respective functional areas and bring a wide range of skills and experience to the Board

None of the Directors on the Board is a member of more than ten committees or chairman of more than five committees across all the companies in which he is a director. As required under Clause 49 of the Listing Agreement, necessary disclosures regarding committee positions have been made by the Directors

The Board met 3 (Three) times during the period September 29, 2009 to March 31, 2010 on the following dates:

- (i) November 30, 2009,
- (ii) January 29, 2010 and
- (iii) February 27, 2010

Category and Attendance of Directors

The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the period September 29, 2009 to March 31, 2010 along with the number of directorships and committee memberships held by them in other companies as on March 31, 2010 are given below. The directorships in other companies exclude those held in private limited companies, associations, companies incorporated outside India and alternate directorships. The Chairmanship / Membership of the Committees include memberships of Audit and Shareholders' / Investors' Grievance Committees. The last AGM was held prior to the period under review and therefore the details of attendance of the Directors at the same are not provided

Name of the Director	Category of Directorship	Attendance at Board meeting		Number of Directorships in other public companies		Number of Committee positions held in other public companies	
		Held	Attended	Chairman	Member	Chairman	Member
Mr. Deepak Dasgupta (Chairman)	Non Executive, Independent	3	2	1	3	-	2
Mr. R. C. Sinha	Non-Executive, Independent	3	3	-	4	-	-
Mr. H. P. Jamdar	Non-Executive, Independent	3	3	-	1	-	-
Mr. Deepak Satwalekar	Non- Executive, Independent	3	1	-	7	2	4
Mr. Ravi Parthasarathy	Non-Executive, Non-Independent	3	3	7	5	-	-
Mr. Hari Sankaran	Non-Executive, Non-Independent	3	3	-	13	-	1
Mr. Arun K Saha	Non-Executive, Non-Independent	3	3	1	12	2	6
Mr. Vibhav Kapoor	Non-Executive, Non-Independent	3	3	-	7	1	2
Mr. Pradeep Puri	Non-Executive, Non-Independent	3	3	1	12	2	2
Mr. K Ramchand (Managing Director)	Executive, Non-Independent	3	3	-	13	1	3
Mr. Mukund Sapre (Executive Director)	Executive, Non-Independent	3	3	-	12	-	7
Mr. Gopi Arora (Ceased effective November 5, 2009)	Non- Executive, Non-Independent	3	-	-	-	-	-

Directors seeking appointment / re-appointment

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

3. AUDIT COMMITTEE

Composition

The Audit Committee of the Company was reconstituted on June 30, 2009 in line with the provisions of Clause 49 of the Listing Agreement. The Committee presently comprises of 4 Non - Executive Directors namely, Mr. R. C. Sinha as Chairman, Mr. Deepak Dasgupta, Mr. H. P. Jamdar and Mr. Arun K Saha, Members. Except for Mr. Saha, all other members are Independent Directors. Mr. Krishna Ghag, Company Secretary is the Secretary of the Audit Committee

The composition, role, terms of reference as well as powers of the Audit Committee are in accordance with the provisions of Clause 49 of the Listing

Agreement and Section 292A of the Companies Act, 1956

Terms of reference

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

Meetings held

Two Audit Committee meetings were held during the period September 29, 2009 to March 31, 2010 on the following dates:

- (i) November 30, 2009 and
- (ii) January 29, 2010

Attendance

The attendance at the meetings of the Audit Committees held, during the period September 29, 2009 to March 31, 2010 are given below:

Name of Director	Designation	Category of Directorship	No of Meetings during the period	
			Held	Attended
Mr. R. C. Sinha	Chairman	Non- Executive, Independent	2	2
Mr. Deepak Dasgupta	Member	Non- Executive, Independent	2	1
Mr. H. P. Jamdar	Member	Non- Executive, Independent	2	2
Mr. Arun K. Saha	Member	Non- Executive, Non-Independent	2	2

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

The last Annual General Meeting (AGM) of the Company was held on September 9, 2009 i.e. prior to seeking in-principle approval from the Stock Exchanges and therefore this Report does not cover the attendance of the Chairman of the Audit Committee at that AGM

4. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

Composition

The Shareholders' / Investors' Grievance Committee of the Company was reconstituted on June 30, 2009 in line with the provisions of Clause 49 of the Listing Agreement. The Committee comprises of 2 Directors, namely, Mr. Arun K Saha, Non-Executive Director as Chairman and Mr. K. Ramchand, Managing Director. Mr. Krishna Ghag, Company Secretary, is the Compliance Officer

Terms of Reference

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

Meetings held

One meeting of the Shareholders' / Investors' Grievance Committee was held on December 29, 2009 during the period September 29, 2009 to March 31, 2010

Attendance

Name of Director	Designation	Category of Directorship	No of Meetings during the period	
			Held	Attended
Mr. Arun K. Saha	Chairman	Non- Executive, Non-Independent	1	1
Mr. K. Ramchand <i>Managing Director</i>	Member	Executive, Non-Independent	1	1

Details of Investor complaints received and redressed

The Company had received 4 complaints during the period September 29, 2009 to March 31, 2010 and the same were resolved. There was no complaint lying unresolved as on March 31, 2010

5. IPO COMMITTEE

Composition

The Board of Directors of the Company had constituted an IPO Committee to initiate actions required in connection with the Initial Public Offering of the Company and to facilitate timely and speedy disposal of matters relating thereto. The Committee comprises of Mr. Hari Sankaran, Mr. Arun K Saha, Non Executive Directors and Mr. K. Ramchand, Managing Director

Meetings held

The IPO Committee met 3 (three) times during the period September 29, 2009 to March 31, 2010 on the following dates:

- (i) December 29, 2009,
- (ii) March 18, 2010 and
- (iii) March 25, 2010

6. COMMITTEE OF DIRECTORS

Composition

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

Meetings Held

The Committee of Directors met 8 times during the period under review on:

- | | |
|-------------------------|------------------------|
| (i) September 29, 2009 | (ii) October 5, 2009, |
| (iii) November 12, 2009 | (iv) December 3, 2009, |
| (v) January 14, 2010 | (vi) March 5, 2010, |
| (vii) March 11, 2010 | (viii) March 26, 2010 |

7. REMUNERATION COMMITTEE

Composition

The Remuneration Committee of the Company was reconstituted on November 30, 2009 in line with the provisions of Clause 49 of the Listing Agreement. The Committee comprises of 3 Non-Executive Directors, namely, Mr. Deepak Satwalekar as Chairman, Mr. Ravi Parthasarathy and Mr. Hari Sankaran

Terms of Reference

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

Meetings held

One meeting of the Remuneration Committee was held on October 14, 2009 during the period September 29, 2009 to March 31, 2010

Attendance

Name of Director	Designation	Category of Directorship	No of Meetings during the period	
			Held	Attended
Mr. Deepak Satwalekar (appointed on November 30, 2009)	Chairman	Non-Executive, Independent	1	-
Mr. Ravi Parthasarathy	Member	Non-Executive, Non- Independent	1	1
Mr. Hari Sankaran	Member	Non-Executive, Non- Independent	1	1
Mr. Gopi Arora (ceased effective November 5, 2009)	Member	Non-Executive, Non- Independent	1	1

Remuneration Policy

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

(a) Executive Directors

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

The details of remuneration and perquisites paid to Mr. K. Ramchand, Managing Director and Mr. Mukund Sapre, Executive Director for the financial year ended March 31, 2010 are as follows:

Terms of Agreement	Mr. K. Ramchand (Managing Director)	Mr. Mukund Sapre (Executive Director)
Period of appointment	5 years	5 years
Date of appointment	August 13, 2008	August 13, 2008
Salary and Other Allowances (Rs.)	16,739,887	8,207,304
Perquisites (Rs.)	3,631,089	745,716
Contribution to Provident Fund (Rs.)	1,296,000	648,000
Performance Linked Incentive (Rs.)	3,100,000	2,100,000
Notice Period	One month	
Severance Fees	There is no separate provision for payment of severance fees	
Stock Option	The Company does not have any Stock Option Plan for its employees	

(b) Non-executive Directors

The Company pays Sitting Fees @ Rs. 15,000 per meeting (net of tax) to its Non-Executive Directors for attending meetings of the Board and other Committees of the Board. The Company also reimburses out-of-pocket expenses incurred by the Directors for attending the meetings. The details of sitting fees paid during the period September 29, 2009 to March 31, 2010 are given below:

Name of Director	Sitting fees (Rs.)
Mr. Deepak Dasgupta	50,001
Mr. R. C. Sinha	83,335
Mr. H. P. Jamdar	83,335
Mr. Deepak Satwalekar	16,667
Mr. Ravi Parthasarathy	66,668
Mr. Hari Sankaran	233,338
Mr. Arun K Saha	233,338
Mr. Vibhav Kapoor	50,001
Mr. Pradeep Puri	100,002
Mr. Gopi Arora	16,667

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

8. GENERAL BODY MEETINGS

(a) No general meeting of the Shareholders of the Company was held during the period September 29, 2009 to March 31, 2010

(b) Annual General Meeting / Extra Ordinary General Meeting

During the last 3 financial years, the Annual General Meetings (AGM) and Extra-ordinary General Meetings (EGM) were held at the Registered office of the Company at The IL&FS Financial Centre, C-22, G-Block, Bandra – Kurla Complex, Bandra (East), Mumbai 400051

Financial Year	Date	Time	AGM / EGM	No. of Special Resolutions passed
2007-08	June 5, 2007	12.00 noon	AGM	-
	October 18, 2007	4.00 p.m.	EGM	1
	December 5, 2007	2.00 p.m.	EGM	1
2008-09	August 29, 2008	3.00 p.m.	AGM	2
2009-10	August 4, 2009	12.00 noon	EGM	2
	September 9, 2009	10.30 a.m.	AGM	-

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

9. DISCLOSURES

- a. There were no materially significant related party transactions i.e. transactions of a material nature, with its promoters, directors or the management, their subsidiaries or relatives etc. during the financial year under review that may have potential conflict with the interests of the Company at large except for those disclosed in the financial statements for the year ended March 31, 2010
- b. Pursuant to the disclosures made by the Senior Management personnel of the Company to the Board, there were no material, financial and commercial transactions undertaken by them, which could have potential conflict with the interest of the Company at large
- c. There were no instances of non-compliance by the Company, no penalties/strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority on any matters related to the capital markets during the period September 29, 2009 to March 31, 2010
- d. In terms of Clause 49 (V) of the Listing Agreement, the Managing Director and Chief Financial Officer have furnished the required certificates to the Board of Directors
- e. The Board of Directors of the Company has adopted a Code of Conduct, which lays down various principles of ethics and compliance. The Code has been circulated to all the Directors and employees of the Company and has also been posted on the Company's website

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

- f. The Company has complied with all the mandatory requirements under the provisions of Clause 49 of the Listing Agreement relating to Corporate Governance for the period September 29, 2009 to March 31, 2010
- g. Compliance with Non Mandatory requirements:
 - (i) The Code of Conduct adopted by the Company provides a mechanism for employees to report about unethical behaviour, actual or suspected fraud or violation of the Code
 - (ii) No audit qualifications have been reported on the Company's financial statements for the year ended March 31, 2010. The Company continues to adopt best practices to ensure the regime of unqualified financial statements
 - (iii) The Company has set up the Remuneration Committee as per the provisions of Clause 49

10. MEANS OF COMMUNICATION

- a. As required under the listing agreement with the stock exchanges, the Company will publish quarterly / annual financial results in leading English and regional language newspapers. The said results will also be made available on the Company's website - www.itnlindia.com. The Annual Report of the Company and the presentations to the Institutional Investors or Analysts will be made available on the Company's website
- b. Management Discussion and Analysis Report forms part of the Directors' Report

11. GENERAL SHAREHOLDERS' INFORMATION

- I Annual General Meeting (AGM)

Day/Date	: Wednesday, August 4, 2010
Time	: 3.30 p.m.
Venue	: Y. B. Chavan Auditorium Gen. J. Bhosale Marg, Mumbai 400 021
- II Financial year : April 1 to March 31
- III Date of Book Closure : Wednesday, July 28, 2010 to Wednesday, August 4, 2010 (both days inclusive)
- IV Dividend Payment Date : The dividend, if declared, shall be paid/credited before September 3, 2010
- V Listing on Stock Exchanges : (i) National Stock Exchange of India Limited (NSE)
(ii) Bombay Stock Exchange Limited (BSE)
Listing fees as applicable have been paid

VI Scrip Code : IL&FSTRANS – NSE
533177 – BSE

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

Month	NSE		BSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
March 2010	299.00	266.60	295.00	270.10

Since the Company was listed on March 30, 2010 i.e. only 2 days prior to the closing of the financial year ended March 31, 2010, the price data is provided only for the month of March 2010 and the performance chart in comparison to broad-based indices is therefore not provided

VIII Registrar and Share Transfer Agents

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

Telephone No : +91-22-25960320
Fax : +91-22-25960329
Email : rnt.helpdesk@linkintime.co.in

IX Share Transfer System

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

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

X Distribution of shareholding as on March 31, 2010

Number of Equity Shareholdings	Number of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of Shares
1-5000	90086	99.08	5,622,391	2.89
5001-10000	237	0.26	163,971	0.08
10001-20000	146	0.16	207,448	0.11
20001-30000	73	0.08	178,647	0.09
30001- 40000	45	0.05	153,186	0.09
40001- 50000	19	0.02	85,275	0.04
50001-100000	86	0.09	593,607	0.31
100001 and above	232	0.26	187,263,207	96.39
Total	90924	100.00	194,267,732	100.00

Shareholding Pattern as on March 31, 2010

Sr. No	Category	No. of Shares	Percentage
1	Promoter Holding	135,000,000	69.49
2	Promoter Group Holding	10,867,769	5.59
3	Mutual Funds/Insurance Companies / Venture Capital Funds / Trusts	4,538,608	2.34
4	Financial Institutions	499,188	0.26
5	Foreign Institutional Investors	5,810,187	2.99
6	Bodies Corporate	10,133,945	5.21
7	NRI/Foreign Bodies Corporate	21,307,199	10.97
8	Public	6,110,836	3.15
	Total	194,267,732	100.00

X Dematerialisation of Shares as on March 31, 2010

The shares of the Company are compulsorily traded in electronic mode and are available for trading with both the depositories in India namely, National Securities Depository Limited and Central Depository Services (India) Limited. As on March 31, 2010, 194,267,724 shares representing 99.99% of the Company's total paid-up share capital (including 75.08% held by the Promoter and Promoter Group) were held in dematerialised mode

XI The Company has not issued any GDR/ADR Warrants or any other convertible instruments**XII Plant Locations**

The Company does not have any manufacturing plant

XII Address for correspondence

IL&FS Transportation Networks Limited	Link Intime India Private Limited
<i>Registered office:</i>	<i>Registrar and Share Transfer Agents</i>
The IL&FS Financial Centre,	C-13, Pannalal Silk Mills Compound,
C-22, G-Block, Bandra – Kurla Complex,	L.B.S Marg, Bhandup (West), Mumbai 400 078
Bandra (East), Mumbai 400051	Telephone: +91-22-25960320
Telephone: + 91 22 26533333	Fax :+91-22-25960329
Fax : + 91 22 26523979	Email: rnt.helpdesk@linkintime.co.in
Email: itnlinvestor@iflsindia.com	

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

I K Ramchand, Managing Director of IL&FS Transportation Networks Limited, hereby declare that all the members of the Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company, applicable to them as laid down by the Board of Directors in terms of Clause 49 (1) (D) (ii) of the Listing Agreement entered into with the Stock Exchanges, for the year ended March 31, 2010

For IL&FS Transportation Networks Limited
K Ramchand
Managing Director

Mumbai, May 21, 2010

AUDITORS' CERTIFICATE

TO THE MEMBERS OF
IL&FS TRANSPORTATION NETWORKS LIMITED

We have examined the compliance of conditions of Corporate Governance by IL&FS TRANSPORTATION NETWORKS LIMITED (the "Company"), for the period from 29th September, 2009 to 31st March, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement for the period from 29th September, 2009 to 31st March, 2010.

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

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No. 117366W)
Sanjiv V. Pilgaonkar
Partner
(Membership No. 39826)

Mumbai, May 25, 2010