

AUDITORS' REPORT on the Consolidated Financial Statements

TO THE BOARD OF DIRECTORS OF IL&FS TRANSPORTATION NETWORKS LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS

1. We have audited the attached Consolidated Balance Sheet of **IL&FS TRANSPORTATION NETWORKS LIMITED** (the "Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities together constitute the "Group") as at March 31, 2010, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. The Consolidated Financial Statements include investments in associates accounted on the equity method in accordance with Accounting Standard (AS) 23 (Accounting for Investments in Associates in Consolidated Financial Statements) and the jointly controlled entities are accounted in accordance with AS 27 (Financial Reporting of Interests in Joint Ventures) as notified under Companies (Accounting Standards) Rules, 2006. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of separate financial statements and other information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion

3. We did not audit the financial statements of:

(a) ten subsidiaries whose financial statements reflect total assets (net of current liabilities and provisions) of Rs. 22,724.04 Million as at March 31, 2010 and total revenues of Rs. 21,411.27 Million and net cash inflows of Rs. 4,546.24 Million (including in respect of their subsidiaries, jointly controlled operations and associates) for the year ended on that date as considered in the Consolidated Financial Statements;

(b) one jointly controlled entity (including its subsidiary), whose financial statements include the Company's share in the total assets (net of current liabilities and provisions) amounting to Rs. 1,558.07 Million as at March 31, 2010 and the Company's share in the total revenues amounting to Rs. 217.27 Million and net cash inflows of Rs. 15.33 Million for the year ended on that date as considered in the Consolidated Financial Statements; and

(c) six associates, in respect of which the Group has recognised Rs. 95.47 Million as its share in the net profit of the associates from the date of acquisition up to March 31, 2010 after adjusting net profit of Rs. 87.28 Million for the year ended March 31, 2010 as considered in the Consolidated Financial Statements

These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion, insofar as it relates to the amounts included in respect of the said subsidiaries, jointly controlled entity and associates, are based solely on the report of the other auditors

4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of AS 21 (Consolidated Financial Statements), AS 23 (Accounting for Investment in Associates in Consolidated Financial Statements) and AS 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006

5. Without qualifying our opinion, we draw attention to Note no. 21 and Note no. 22 in Schedule P to the Consolidated Financial Statements, wherein the elements of the Consolidated Financial Statements determined on the basis of management estimates (which in turn are based on technical evaluations by independent experts) have been identified. These include:

(a) Intangible Assets covered under service concession arrangements carried at Rs. 14,797.20 Million (28.13% of the total assets (net of current liabilities and provisions)), the useful lives and the annual amortisation thereof;

(b) Provision for Overlay carried at Rs. 432.77 Million in respect of intangible assets covered under service concession arrangements; and

(c) Financial Assets covered under service concession arrangements, included as a part of Receivables against Service Concession

Arrangements, carried at Rs 12,048.81 Million (22.91% of the total assets (net of current liabilities and provisions)) and revenue recognised thereon based on the effective interest method which in turn is based on evaluations of the future operating and maintenance costs and the overlay / renewal costs and the timing thereof

6. Based on our audit, and on consideration of the separate audit reports on the individual financial statements of the Company and the aforesaid subsidiaries, jointly controlled entity and associates, and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements, read together with our comments in paragraphs 3 and 5 above, give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2010;
- ii. in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
- iii. in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date

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

Sanjiv V. Pilgaonkar
Partner
(Membership No. 39826)

Mumbai, May 25, 2010

CONSOLIDATED BALANCE SHEET

As at March 31, 2010

Rupees in Million

Schedule	As at March 31, 2010		As at March 31, 2009	
SOURCES OF FUNDS				
Shareholders' funds				
Capital	A	1,942.68	1,714.15	
Reserves and surplus	B	14,743.68	7,147.99	8,862.14
Minority interest		1,118.31		773.70
Preference shares issued by subsidiary to Minority (Refer schedule "P" note no. 4)		350.00		350.00
Advance towards capital of subsidiary (Refer schedule "P" note no. 6)		450.00		453.75
Loan funds	C			
Secured		17,530.98	10,433.68	
Unsecured		15,684.25	8,108.25	18,541.93
Deferred tax liability (Refer schedule "P" note no. 8)		778.66		647.06
		52,598.56		29,628.58
APPLICATION OF FUNDS				
Fixed assets	D			
Gross block		19,134.36	11,163.79	
Less: Depreciation		2,954.58	2,630.53	
Net fixed assets		16,179.78	8,533.26	
Capital work in progress		56.83	81.21	8,614.47
Goodwill on consolidation		2,710.08		2,854.76
Investments	E	4,543.70		2,010.16
Receivable under Service Concession Agreements (Refer schedule "P" note no. 16)		12,048.81		7,317.62
Toll receivable account (Refer schedule "P" note no. 10)		1,898.70		1,898.70
Current assets, loans and advances	F			
Inventories		291.55	245.43	
Sundry debtors		6,478.06	7,873.05	
Cash and bank balances		5,502.14	1,601.43	
Other current assets		1,047.79	1,027.23	
Loans and advances		9,708.89	3,435.80	
		23,028.43	14,182.94	
Less : Current liabilities and provisions	G			
Current liabilities		6,518.08	6,565.12	
Provisions		1,349.69	684.95	
		7,867.77	7,250.07	
Net current assets		15,160.66		6,932.87
		52,598.56		29,628.58
Significant accounting policies	O			
Notes forming part of the financial statements	P			

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

In terms of our report of even date attached.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

For and on behalf of the Board

Sanjiv V. Pilgaonkar
Partner

K. Ramchand
Managing Director

Arun K. Saha
Director

Mumbai, May 25, 2010

George Cherian
Chief Financial Officer

Krishna Ghag
Company Secretary

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended March 31, 2010

Rupees in Million

	Schedule	Year ended March 31, 2010	Year ended March 31, 2009
INCOME			
Income from operations	H	24,028.79	12,253.70
Other income	I	843.72	794.24
Foreign exchange fluctuation (net)		-	272.17
		24,872.51	13,320.11
EXPENSES			
Operating Expenses	J	10,145.80	5,459.09
Employees Cost	K	3,565.07	2,994.77
Administrative and general expenses	L	2,375.84	1,866.52
Interest and finance charges	M	2,940.93	1,742.98
Preliminary expenses written off		0.87	-
		19,028.51	12,063.36
PROFIT BEFORE DEPRECIATION, DIMINUTION AND TAX		5,844.00	1,256.75
Depreciation		603.05	352.99
PROFIT BEFORE DIMINUTION AND TAX		5,240.95	903.76
Provision for Diminution in value of investments		-	(100.00)
PROFIT BEFORE TAX		5,240.95	803.76
Provision for tax	N	(1,857.89)	(482.57)
PROFIT AFTER TAX (BEFORE ADJUSTMENT OF MINORITY INTEREST)		3,383.06	321.19
Less: Share of profit transferred to minority interest		(26.44)	(31.86)
Add: Own share in Associate included as Minority interest of a Jointly Controlled Entity		-	0.07
PROFIT AFTER TAX (AFTER ADJUSTMENT OF MINORITY INTEREST)		3,356.62	289.40
Add / Less : Share of Profit / (Loss) of associates		87.28	(26.77)
PROFIT AFTER TAX		3,443.90	262.63
Balance of profit brought forward		1,165.31	1,188.35
Profit available for appropriation		4,609.21	1,450.98
Appropriations:			
Transfer to general reserve		(324.73)	(10.11)
Transfer to debenture redemption reserve		(6.25)	(6.00)
Proposed dividend on equity shares		(582.80)	(214.27)
Tax on dividend on equity shares		(96.80)	(36.41)
Premium on preference shares of subsidiary		(16.14)	(16.14)
Tax on premium on preference shares of subsidiary		(2.28)	(2.74)
BALANCE CARRIED FORWARD		3,580.21	1,165.31
Basic / Diluted earnings per share (Face value per share Rs. 10) (Refer schedule "P" note no. 20)		19.97	1.42
Significant Accounting policies	O		
Notes forming part of the financial statements	P		

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

In terms of our report of even date attached.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

For and on behalf of the Board

Sanjiv V. Pilgaonkar
Partner**K. Ramchand**
Managing Director**Arun K. Saha**
Director

Mumbai, May 25, 2010

George Cherian
Chief Financial Officer**Krishna Ghag**
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT

For the year ended March 31, 2010

Rupees in Million

	Year Ended March 31, 2010	Year ended March 31, 2009
CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Taxes, Minority Interest & Share of Profits of Associates	5,240.95	803.76
Adjustments for :-		
Interest on loans granted	(293.75)	(162.48)
Interest on short term deposit	(39.94)	(21.41)
Interest on debentures	(39.32)	(39.32)
Interest on call money	(23.16)	(22.75)
(Profit)/Loss on sale of investments	(149.28)	(387.76)
Interest on Advance Against Property	(38.20)	-
Interest and finance expense	2,940.93	1,742.98
(Profit)/Loss on sale of fixed assets	4.72	(53.79)
Provision for Compensated Absences	8.58	4.37
Depreciation	603.05	352.99
Provision for Doubtful Debts	164.98	62.69
Provision for Overlay	82.29	38.67
Provision for diminution in value of investments	-	100.00
Exchange rate Fluctuation reserve	(324.54)	(76.87)
Foreign Exchange difference	13.02	(272.18)
Excess provision written back	(50.44)	(0.50)
Operating profit before Working Capital Changes	8,099.89	2,068.40
Adjustments changes in working capital:		
(Increase) / decrease in receivables	1,231.18	241.36
(Increase) / decrease in inventories	(46.12)	(45.26)
(Increase) / decrease in loans and advances	(3,664.19)	(373.07)
Increase / (decrease) in current liabilities & provisions	(528.74)	(1,143.86)
Cash Generated from Operating Activities	5,092.02	747.57
Direct Taxes (paid) / receivable (Net)	(1,902.81)	(572.27)
Net Cash Flow from Operations (A)	3,189.21	175.30
Cash flow from Investing Activities		
Purchase of fixed assets	(5,423.09)	(214.30)
Proceeds from sale of fixed assets	51.07	552.29
Purchase of / advance towards investments (net)	(269.57)	(730.86)
Sale proceeds of investments	177.38	1,111.30
Investment in Mutual Funds	(2,500.71)	-
Loans given (net of received)	(1,543.85)	158.71
Fixed deposits for periods exceeding 3 months encashed /(placed)	115.72	(85.87)
Investment in call money	197.43	(197.42)
(Increase) in Receivable under Service Concession Arrangement	(4,731.18)	(848.36)
Interest received	231.45	140.39
Acquisition of a Subsidiary (net of cash and cash equivalents)	(75.86)	(69.74)
Advance against property	(814.80)	-
Net Cash from Investing Activities (B)	(14,586.01)	(183.86)

CONSOLIDATED CASH FLOW STATEMENT

For the year ended March 31, 2010 Contd.

Rupees in Million

	Year Ended March 31, 2010	Year ended March 31, 2009
Cash flow from Financing Activities		
Issue of Shares	5,896.06	-
Share Issue expenses	(138.00)	-
Increase /(decrease) in Advance towards capital	(3.75)	(45.25)
Proceeds from borrowings	29,137.90	10,779.08
Repayments of borrowings	(16,521.59)	(8,875.59)
Interest paid	(2,940.95)	(1,750.88)
Dividend paid	(250.68)	(380.61)
Contribution by minority	46.69	(26.29)
Net Cash from Financing Activities (C)	15,225.68	(299.54)
Net Increase in Cash & Cash Equivalents (A+B+C)	3,828.88	(308.10)
Cash and Cash Equivalent at the beginning of the year	1,156.10	1,464.20
Cash and Cash Equivalent at the end of the year	4,984.98	1,156.10
Net Increase / (Decrease) in Cash & Cash Equivalents	3,828.88	(308.10)
Notes:		
Components of Cash & Cash Equivalent		
Cash on Hand	47.83	46.21
Balance with Scheduled Banks - Current Accounts	4,413.37	830.32
Balance with Scheduled Banks in term deposits (maturity less than 3 months)	523.78	279.57
(Cash and Cash Equivalent excludes deposits with Scheduled Banks with maturity more than 3 months Rs. 445,332,188)	4,984.98	1,156.10
Fixed deposits placed for periods exceeding 3 months	517.16	445.33
Cash & Bank Balances (Refer Schedule No. "F")	5,502.14	1,601.43
Significant accounting policies	O	
Notes forming part of the financial statements	P	
Schedules "A" to "P" annexed hereto form part of the financial statements		

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

Sanjiv V. Pilgaonkar
Partner

Mumbai, May 25, 2010

For and on behalf of the Board

K. Ramchand
Managing Director

George Cherian
Chief Financial Officer

Arun K. Saha
Director

Krishna Ghag
Company Secretary

SCHEDULES

forming part of the Consolidated Financial Statements

Rupees in Million

	As at March 31, 2010	As at March 31, 2009
Schedule A : CAPITAL		
Authorised		
250,000,000 equity shares of Rs. 10 each	2,500.00	2,500.00
	2,500.00	2,500.00
Issued, Subscribed and Paid-Up		
194,267,732 (Previous year 171,414,794) equity shares of Rs. 10/- each fully paid up (Refer footnote)	1,942.68	1,714.15
Total Capital	1,942.68	1,714.15

Footnote:

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

Rupees in Million

	As at March 31, 2010		As at March 31, 2009
Schedule B : RESERVES AND SURPLUS			
Securities premium account			
Balance as per last Balance Sheet	4,943.52		4,943.52
Addition during the year	5,667.53		-
Less Share Issue expenses	(290.48)		-
(Refer schedule "P" note no. 1)		10,320.57	4,943.52
Capital reserve		-	88.18
Capital reserve on consolidation		1,076.06	1,076.06
Other statutory reserves (created through transfer of profits)			
Transfer during the year		29.13	-
Debenture redemption reserve			
Opening balance	12.22		6.22
Addition during the year (post acquisition)	8.25		6.00
		20.47	12.22
General reserve			
Opening balance	102.74		92.64
Add : Transfer during the year	324.73		10.10
		427.47	102.74
Foreign Exchange Fluctuation Reserve (Net of deferred tax asset of Rs. 29.20 million (previous year Rs. 71.00 Million))		(438.70)	(63.12)
Cash Flow Hedge Reserve (Refer schedule "P" note no. 12(f))		(271.53)	(176.92)
Balance in Profit and Loss Account		3,580.21	1,165.31
Total reserves and surplus		14,743.68	7,147.99

SCHEDULES

forming part of the Consolidated Financial Statements

Rupees in Million

	As at March 31, 2010	As at March 31, 2009
Schedule C : LOAN FUNDS		
Secured		
From banks	14,629.56	7,532.95
From financial institutions	341.67	330.61
From others	951.95	750.46
Non convertible debentures	200.00	200.00
Deep discount bonds (Refer Schedule "P" note no. 7 (a) and 7 (c))	956.79	851.08
Zero Coupon Bonds (Refer Schedule "P" note no. 7 (b))	54.91	105.59
Lease Finance	396.10	662.27
Interest accrued and due	-	0.72
Total secured loans	17,530.98	10,433.68
Unsecured		
From Banks (Refer Schedule "P" note no. 7 (d))		
Short term loans	7,359.04	2,954.84
Other than short term loans	7,905.30	4,000.00
From Others		
Short term loans	-	1,153.30
Other than short term loans	59.91	-
Non-Covertible Debentures	360.00	-
Interest accrued and due	-	0.11
Total unsecured loans	15,684.25	8,108.25
Total loan funds	33,215.23	18,541.93

SCHEDULES

forming part of the Consolidated Financial Statements

Schedule D : FIXED ASSETS

Particulars	Gross Block				Depreciation				Rupees in Million			
	Opening as at April 1, 2009	Opening adjustments	Additions	Deletions	Closing as at March 31, 2010	Upto March 31, 2009	Opening adjustments	for the year	Deletions	Upto March 31, 2010	As at March 31, 2010	As at March 31, 2009
Tangible assets												
Land	26.22	(2.69)	-	-	23.53	-	-	-	-	-	23.53	26.22
Building & Structures	77.98	(6.51)	3.62	19.42	55.67	11.77	(1.20)	1.57	8.61	3.53	52.14	66.21
Vehicles	604.69	14.98	221.60	27.36	813.91	389.80	(57.64)	168.95	20.59	480.52	333.39	214.89
Data processing equipments	64.44	(2.60)	11.51	1.85	71.50	51.80	(3.12)	7.67	1.29	55.06	16.44	12.64
Office premises	8.58	2.95	-	-	11.53	1.37	0.18	0.18	-	1.73	9.80	7.21
Office equipments	31.16	0.82	5.69	1.82	35.85	19.13	(0.14)	5.50	1.26	23.23	12.62	12.03
Leasehold improvements	16.37	-	8.76	16.37	8.76	11.26	-	5.37	16.37	0.26	8.50	5.11
Furniture & fixtures	129.55	(9.87)	3.34	6.44	116.58	105.56	(9.33)	6.36	4.00	98.59	17.99	23.99
Electrical installations	13.61	(1.34)	7.79	7.32	12.74	12.77	(2.08)	8.15	6.67	12.17	0.57	0.84
Plant & Machinery	1,191.96	(136.73)	69.96	-	1,125.19	1,157.52	(97.87)	13.81	-	1,073.46	51.73	34.44
Advertisement Structure	12.41	-	-	0.74	11.67	6.38	-	2.36	0.66	8.08	3.59	6.03
Sub total	2,176.97	(140.99)	332.27	81.32	2,286.93	1,767.36	(171.20)	219.92	59.45	1,756.63	530.30	409.61
Leased Assets												
Plant & Machinery	1,301.26	(189.81)	15.37	99.29	1,027.53	363.05	(43.69)	228.07	73.92	473.51	554.02	938.21
Vehicles	16.79	(1.45)	17.02	7.23	25.13	13.60	(2.12)	9.05	0.12	20.41	4.72	3.19
Furniture & fixtures	11.20	(1.15)	-	-	10.05	2.66	(0.36)	1.33	-	3.63	6.42	8.54
Building & Structures	167.96	(16.02)	-	-	151.94	4.26	(0.63)	2.83	-	6.46	145.48	163.70
Land	28.53	(2.93)	-	-	25.60	-	-	-	-	-	25.60	28.53
Sub total	1,525.74	(211.36)	32.39	106.52	1,240.25	383.57	(46.80)	241.28	74.04	504.01	736.24	1,142.17
Intangible assets												
Software / Licences	151.39	(13.82)	14.55	1.47	150.65	134.82	(13.53)	7.64	-	128.93	21.72	16.57
Commercial rights acquired (Refer schedule "P" note no. 9)	60.00	-	-	-	60.00	7.01	-	2.65	-	9.66	50.34	52.99
Rights Under Service Concession Arrangements	7,144.29	2,923.98	5,197.08	-	15,265.35	244.71	95.49	127.95	-	468.15	14,797.20	6,899.58
Trademarks & Licences	1.90	0.70	-	-	2.60	1.88	(0.19)	-	-	1.69	0.91	0.02
Others	103.49	(11.51)	36.60	-	128.58	91.19	(9.56)	3.88	-	85.51	43.07	12.30
Sub total	7,461.07	2,899.35	5,248.23	1.47	15,607.18	479.61	72.21	142.12	-	693.94	14,913.24	6,981.46
Total fixed assets	11,163.78	2,547.00	5,612.89	189.31	19,134.36	2,630.54	(145.79)	603.32	133.49	2,954.58	16,179.78	8,533.24
Previous year	10,393.55	331.85	1,070.38	632.00	11,163.79	2,220.99	190.06	352.99	133.50	2,630.53	8,533.26	-

Depreciation on assets used during the construction period Rs. 0.27 Million (previous year Rs. nil) has been included in "Capital Work in Progress". Therefore, the charge to the profit and loss account is lower by this amount.

SCHEDULES**forming part of the Consolidated Financial Statements**

Rupees in Million

	As at March 31, 2010	As at March 31, 2009
Schedule E : INVESTMENTS		
Investments in associates (Refer schedule "M" note no. 2 & 6)	1,430.25	1,539.54
Add: Unrealised gain on transactions between the Company and its associates	(2.31)	-
Add: Post-acquisition share of profit/ (loss) of associates	95.47	83.32
Add: Post-acquisition share of movement in the capital reserves of an associate	8.72	88.19
Less: Cash flow Hedge Reserve	(170.37)	(176.92)
	1,361.76	1,534.13
Long term investments		
Unquoted equity shares (fully paid up)	179.00	200.47
Other investments (Refer Schedule "P" note no. 11)	717.68	500.44
Sub total	896.68	700.91
Current investments		
In units of mutual funds (Market value as March 31, 2010 Rs. 2,585.26 Million (Previous year Rs. 75.12 Million))	2,585.26	75.12
Sub total	2,585.26	75.12
	4,843.70	2,310.16
Less: Provision for diminution	300.00	300.00
Total investments	4,543.70	2,010.16
Schedule F : CURRENT ASSETS, LOANS AND ADVANCES		
CURRENT ASSETS		
INVENTORIES (At Lower of Cost and Market Value)		
Raw Material	157.52	26.51
Finished Goods	132.36	218.92
Stores and Spares	1.67	-
	291.55	245.43
SUNDRY DEBTORS (Unsecured, Considered Good Unless Otherwise stated)		
Considered good	6,478.06	7,873.05
Considered doubtful	290.26	476.87
	6,768.32	8,349.92
Less: Provision for doubtful debts	(290.26)	(476.87)
	6,478.06	7,873.05
CASH AND BANK BALANCES		
Cash in hand	47.83	46.21
Balance with scheduled banks	-	-
In current accounts *	3,520.57	157.71
In fixed deposits	986.62	494.19
Balance with non-scheduled banks	-	-
In current accounts	892.80	672.61
In fixed deposits	54.32	230.71
* Includes Rs.883.47 Million being proceeds from initial public offering pending utilisation (Refer Schedule "P" note no. 1)		
	5,502.14	1,601.43

SCHEDULES

forming part of the Consolidated Financial Statements

Rupees in Million

	As at March 31, 2010	As at March 31, 2009
OTHER CURRENT ASSETS		
Interest accrued	374.02	164.75
Option premium assets (Refer schedule "P" note no. 12 (b))	292.14	480.85
Receivable against sale of investments	381.63	381.63
	1,047.79	1,027.23
LOANS AND ADVANCES		
Advances recoverable in cash or in kind or for value to be received	4,625.75	1,109.56
Deposits	433.24	229.63
Advance payment of taxes (net of provision)	748.17	588.71
Advance Fringe benefit tax (net of provision)	1.81	1.67
Long term loans	784.60	651.87
Short term loans	2,137.85	594.06
Advance towards Capital / Share Application Money	110.10	40.30
Investment in Call Money	22.57	220.00
Grant receivable from National Highway Authorities of India	30.00	-
Advance towards property	814.80	-
	9,708.89	3,435.80
	23,028.43	14,182.94

Schedule G : CURRENT LIABILITIES AND PROVISIONS

CURRENT LIABILITIES		
Sundry creditors (Refer schedule "P" note no. 13)	4,954.55	4,706.54
Advance received	886.11	851.65
Interest accrued but not due	0.16	0.19
Other liabilities	559.48	889.78
Income received in advance	117.78	116.96
	6,518.08	6,565.12
PROVISIONS		
Provision for fringe benefit tax (net of advance)	0.19	0.32
Provision for tax (net of advance)	57.00	-
Provision for employee benefits	25.92	17.35
Proposed dividend on equity shares	582.80	214.27
Provision for tax on proposed dividend on equity shares	96.80	36.41
Provision for dividend on preference shares of subsidiary	5.15	5.15
Provision for premium on preference shares of subsidiary	120.65	104.51
Provision for tax on preference dividend of subsidiary	0.88	0.88
Provision for tax on preference share premium of subsidiary	20.04	17.76
Provision for overlay (Refer schedule "P" note no. 21)	432.77	280.81
Provision for contingency (Refer schedule "P" note no. 23)	7.49	7.49
	1,349.69	684.95
Total current liabilities and provisions	7,867.77	7,250.07

SCHEDULES

forming part of the Consolidated Financial Statements

Rupees in Million

	Year ended March 31, 2010	Year ended March 31, 2009
Schedule H : INCOME FROM OPERATIONS		
Income from services		
Advisory and project management fees	876.30	776.98
Lenders' engineer and supervision fees	38.24	148.80
Operation and maintenance income	8,983.05	7,918.66
Toll revenue	1,468.46	860.24
Periodic Maintenance Income	153.92	-
Finance Income	773.77	656.40
Licence Fee	32.91	31.29
(a)	12,326.65	10,392.37
Traded products		
Sales (net of sales tax)	60.15	194.86
(b)	60.15	194.86
Construction Income	(c)	1,666.47
(a+b+c)	11,641.99	1,666.47
Total income from operations	24,028.79	12,253.70
Schedule I : OTHER INCOME		
Interest on loans granted	293.75	162.48
Interest on debentures	39.32	39.32
Interest on call money	23.16	22.75
Interest on bank deposits	39.94	21.15
Interest on Short Term Deposit	-	0.26
Interest on Advance towards Property	38.20	-
Profit on sale of investment (net)	149.28	387.76
Profit on sale of fixed assets (net)	-	53.79
Advertisement income	-	4.00
Income from Material Testing	0.09	2.01
Excess provisions written back	50.44	0.50
Operation and Maintenance Grant from National Highways Authority of India	50.60	-
Miscellaneous income	158.94	100.22
Total other income	843.72	794.24
Schedule J : OPERATING EXPENSES		
Material Consumption	730.35	1,036.69
Cost of traded products	31.51	220.65
Construction Contract Costs	5,277.59	1,495.20
Fees for technical services / design and drawings	210.39	-
Diesel and Fuel Expenses	133.65	7.88
Operation and maintenance expenses	3,535.45	2,644.63
Provision for overlay expenses (Refer schedule "P" note no. 21)	87.37	54.04
Periodic maintenance expenses	139.49	-
Total operating expenses	10,145.80	5,459.09

SCHEDULES

forming part of the Consolidated Financial Statements

Rupees in Million

	Year ended March 31, 2010	Year ended March 31, 2009
Schedule K : EMPLOYEE COST		
Salaries and allowances (Refer schedule "P" note no. 14)	2,872.99	2,399.29
Contribution to provident and other funds	22.29	23.15
Staff welfare expenses	669.79	572.33
Total employee cost	3,565.07	2,994.77
Schedule L : ADMINISTRATIVE AND GENERAL EXPENSES		
Legal and consultation fees	358.62	434.37
ECR Operating and Administrative Expenses	-	8.32
Agency fees	0.83	0.80
Travelling and conveyance	340.66	378.30
Rent	526.52	327.84
Rates and taxes	109.88	45.35
Repairs and maintenance	135.24	78.68
Bank commission	153.30	72.72
Registration expenses	2.05	5.33
Communication expenses	59.57	68.57
Insurance	101.44	97.13
Exchange rate fluctuation	21.32	-
Printing and stationery	55.40	53.36
Electricity charges	10.08	8.81
Cost of shared services	0.16	29.61
Directors' fees	3.29	2.27
Bad debts and provision for doubtful debts	164.98	32.27
Project management fees	4.72	3.83
Loss on sale of fixed assets (net)	4.72	-
Royalty	8.28	0.16
Miscellaneous expenses	314.78	218.80
Total administrative and general expenses	2,375.84	1,866.52
Schedule M : INTEREST AND FINANCE CHARGES		
Interest on loans for fixed period	2,804.44	1,641.36
Interest on debentures	25.14	20.65
Guarantee commission	18.87	19.81
Finance charges	75.77	47.88
Upfront fees on performance guarantee	13.89	10.44
Interest on Deep Discount bonds	2.82	2.60
Other interest	-	0.24
Total interest and finance charges	2,940.93	1,742.98
Schedule N : PROVISION FOR TAXATION		
Current tax	1,810.80	407.75
Tax related to earlier years	(0.69)	16.50
Fringe benefit tax	-	8.81
Deferred tax charge (net)	47.78	49.51
Total provision for taxation	1,857.89	482.57

SCHEDULES

forming part of the Consolidated Financial Statements

Schedule O : PRINCIPLES OF CONSOLIDATION, SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Consolidation:

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

2. Principles of Consolidation

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

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

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

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

- (b) The accounting policies of subsidiaries have been adjusted, as necessary and to the extent practicable, so as to ensure consistent accounting within the Group
- (c) The excess of cost of the Group's investments in each subsidiary, jointly controlled entity and associates over the Group's share in equity of such entities, at the date on which such investment is made, is recognised as Goodwill and included as an asset in the Consolidated Balance Sheet. The excess of the Group's share in equity of each subsidiary, jointly controlled entity and associates at the date on which the investment is made, over the cost of the investment is recognised as Capital Reserve and included as Reserves and Surplus under Shareholders' Equity in the Consolidated Balance Sheet
- (d) Minority interest in the net assets of subsidiaries consists of amounts of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiaries and further movements in their share in the equity, subsequent to the dates of investments
- (e) The financial statements of the subsidiaries, associates and joint ventures used in the consolidation are drawn up to the same reporting date as that of the Company i.e. 31st March, 2010 except for one overseas subsidiary viz. Elsamex S.A. whose audited financial statements (incorporating the financial statements of its subsidiaries, jointly controlled operations and its associates) have been drawn for a period of twelve months up to 31st December, 2009 and adjusted for effects of significant transactions and other events that have occurred between 1st January, 2010 and 31st March, 2010

SCHEDULES

forming part of the Consolidated Financial Statements

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

Name of the Subsidiary / Scheme	Country of Incorporation	Proportion of Group's Interest		Date of Acquisition of Control
		2009-10	2008-09	
1. Held directly:				
Gujarat Road and Infrastructure Company Limited (GRICL)	India	83.61	83.61	January 11, 2007
East Hyderabad Expressway Limited (EHCL)	India	73.99	73.99	September 5, 2007
ITNL Road Infrastructure Development Company Limited (IRIDCL) (Formerly known as ITNL Chhattisgarh Road Infrastructure Company Limited (ICRICL))	India	100.00	100.00	January 17, 2008
ILFS Maritime Offshore Pte. Limited, (IMOPL) (up to 29th September 2008)	Singapore	-	80.00	November 29, 2007
ITNL International Pte. Limited (IIPL)	Singapore	100.00	100.00	September 19, 2008
ITNL Enso Rail Systems Limited (ENSO)	India	70.00	57.50	February 4, 2008
Vansh Nimay Infraprojects Limited (VNIPL) (Formerly known as Vansh Nimay Infraprojects Private Limited)	India	80.00	80.00	March 25, 2009
Scheme of ITNL Road Investment Trust (IRIT)	India	100.00	100.00	March 13, 2007
Elsamex SA (includes 22.61 % shares held through IIPL, previous year 24.43%)	Spain	100.00	100.00	March 18, 2008
West Gujarat Expressway Limited (WGEL) [through control over the composition of Board of Directors]	India	49.00	-	June 10, 2009
Hazaribagh Ranchi Expressway Limited (HREL)	India	73.88	-	August 1, 2009
Pune Sholapur Road Development Company Limited (PSRDCL)	India	99.88	-	September 25, 2009
Mordabad Bareilly Expressway Limited (MBEL)	India	99.88	-	February 4, 2010
Jharkhand Road Projects Implementation Company Limited (JRPICL)	India	99.88	-	February 27, 2010
2. Held through subsidiaries:				
North Karnataka Expressway Limited (NKL)	India	74.50@	74.50@	March 21, 2007
Rapid Metro Gurgaon Limited	India	100.00	-	July 30, 2009
Inversiones Tyndrum S. A.	Spain	100.00	100.00	March 18, 2008
Proyectos y Promociones Inmobiliarias Sanchez Marcos S L	Spain	100.00	100.00	March 18, 2008
Atenea Seguridad y Medio Ambiente S.A.	Spain	95.02	95.02	March 18, 2008
Progescan SA	Spain	100.00	100.00	March 18, 2008
Intevia SA	Spain	100.00	100.00	March 18, 2008
Sanchez Marcos SI SA	Spain	100.00	100.00	March 18, 2008
Senalizacion Viales e Imagen S.A.U. (SEVIMAGEN) S.A.U.	Spain	100.00	68.59	March 18, 2008
Elsamex Internacional SRL	Spain	100.00	100.00	March 18, 2008
Grusamar Ingenieria y Consulting SRL	Spain	100.00	100.00	March 18, 2008
Elsamex Portugal Engenharia e SG SA	Portugal	70.01	70.01	March 18, 2008
Intevial Gestao Integral Rodoviaria, S.A.	Portugal	100.00	88.73	March 18, 2008
Elsamex India Private Limited	India	70.00	70.00	March 18, 2008
Yala Construction Co Private Limited	India	70.00	70.00	March 18, 2008

SCHEDULES

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Name of the Subsidiary / Scheme	Country of Incorporation	Proportion of Group's Interest		Date of Acquisition of Control
		2009-10	2008-09	
Mantenimiento and Conservacion Vialidades SA (MANCOVI) Mexico Construccion	Mexico	64.00	56.00	March 18, 2008
Especialidades en Construcciones y Mantento Integral SA de CV	Mexico	-	52.00	March 18, 2008
ESM Mantenimiento Integral de SA de CV	Mexico	100.00	99.00	March 18, 2008
Centro De Investigación Elpidio Sánchez Marcos, S.A.	Spain	100.00	100.00	March 18, 2008
Control 7, S.A	Spain	100.00	99.90	March 18, 2008
Geotecnia 7	Spain	100.00	51.00	March 18, 2008
Ecoasphalt Construction Company Private Limited	India	70.00	70.00	March 18, 2008
Grusamar Albania SHPK	Albania	51.00	51.00	March 18, 2008

@ Out of the above 25.50% is held directly by the Company and balance 49.00% through the scheme of IRIT

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

Rupees in Million

	WGEL	PSDRCL	HREL	MBEL	JRIPCL
Sources of Funds as at	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010
Shareholders' Funds	664.26	1,601.70	654.45	2,216.35	1,261.64
Loan Funds	1,973.84	-	291.58	-	1,818.82
Deferred Tax Liabilities (net)	29.16	-	-	-	-
	2,667.26	1,601.70	946.03	2,216.35	3,080.46
Application of Funds as at	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010
Fixed Assets (net block)	2,777.46	2,413.89	0.45	1,160.25	0.12
Investments	-	-	-	-	-
Net Current Assets	(110.20)	(812.19)	(397.53)	1,056.10	833.16
Receivable against Service Concession Arrangements	-	-	1,343.11	-	2,247.17
	2,667.26	1,601.70	946.03	2,216.35	3,080.45
Income for the year ended	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010
Income from Operations	262.87	-	-	-	-
Construction Contract Revenue	-	2,400.88	1,343.11	1,160.25	2,247.17
Other Income	63.62	3.70	-	0.09	-
	326.49	2,404.58	1,343.11	1,160.34	2,247.17

SCHEDULES

forming part of the Consolidated Financial Statements

Rupees in Million

	WGEL	PSDRCL	HREL	MBEL	JRIPCL
Expenses for the year ended	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010
Construction Contract Costs	-	2,400.89	1,343.11	1,160.25	2,247.17
Operation & Other expenses	124.36	0.45	0.50	0.34	0.50
Interest and finance charges	218.44	-	-	-	-
Depreciation	88.28	0.51	0.04	-	0.01
Total Expenses	431.08	2,401.85	1,343.65	1,160.59	2,247.68
Profit/(Loss) for the year before tax	(104.59)	2.75	(0.54)	(0.25)	(0.51)
Taxes	35.55	1.05	-	-	-
Profit/(Loss) for the year after tax	(69.04)	1.70	(0.54)	(0.25)	(0.51)

March 31, 2009

The financial position and results (before eliminations) of I IPL and VNIPL, which became subsidiaries during the previous year, are given below

Rupees in Million

	I IPL	VNIPL
Sources of Funds as at	March 31, 2009	
Shareholders' Funds	232.29	100.00
Loan Funds	2,369.17	201.08
	2,601.46	301.08
Application of Funds as at	March 31, 2009	
Fixed Assets (net block)	-	242.85
Investments	964.90	0.44
Net Current Assets / (Liabilities)	1,339.24	(13.38)
Foreign Currency Translation Reserve	233.93	-
Profit & Loss Account	63.40	71.17
	2,601.47	301.08
Income for the year ended	March 31, 2009	
Income from Operations	40.22	4.94
Other Income	-	0.67
	40.22	5.01
Expenses for the year ended	March 31, 2009	
Operation & Other expenses	1.54	4.42
Interest and finance charges	94.56	1.21
Depreciation	-	1.80
	96.10	7.43
Profit/(Loss) for the year before tax	(55.88)	(2.42)
Taxes	7.51	(0.01)
Profit/(Loss) for the year after tax	(63.39)	(2.41)

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Income and Expenditure of Elsamex S. A. (on a consolidated basis) considered in the preparation of the CFS for the year ended 31st March 2009 is as below:

Rupees in Million	
Income for the period April 1, 2008 to December 31, 2008	
Income from Operations	8,116.81
Other Income	332.99
	8,449.80
Expenses for the period April 1, 2008 to December 31, 2008	
Operation & Other expenses	8,259.91
Depreciation	278.17
	8,538.08
Profit/(Loss) for the year	(88.28)

4. Interest in Jointly Controlled Entities :

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

Name of the Company	Country of Incorporation	Date of Acquisition of Joint Control	Proportion of Group's Interest	
			2009-10	2008-09
Noida Toll Bridge Company Limited (NTBCL)	India	Various dates	25.35	25.35
Tamil Nadu Road Development Company Limited (TNRDCL) (* up to September 30, 2008)	India	June 14, 2006	-	49.00*

Footnote:

- The TNRDCL group includes IT Expressway Limited, which is 100% subsidiary
- The NTBCL Group includes ITNL Toll Management Services Limited subsidiary of NTBCL, which is also an associate of the Company

5. Interest in Jointly Controlled Operations:

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

SCHEDULES

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

Name of the Jointly Controlled Operations	Proportion of Group's Interest	
	2009-10	2008-09
Ute Elsamex Arias	75%	75%
Elsamex-Arias Ute Conservación Coruña li	60%	60%
Elsamex-Infraestructuras Terrestres	80%	80%
Elsamex- Modecar Ute Chenlo	80%	80%
Ute Elsamex Arias Oca Conservación Orense	50%	50%
Ute Elsamex Grusamar	50%	50%
Ute Elsamex-Alpidesa	50%	50%
Elsamex-Iberseñal Ute Señalización Madrid	60%	60%
Elsamex-Opsa Ute Peri Serrano Uribe	80%	80%
Elsamex-Fitonovo Ute Casa Del Queso	50%	50%
Elsamex-Const.Cesfer Ute San Jerónimo	50%	-
Elsamex-Torrescamara Ute Presas	50%	50%
Elsamex-Opsa Ute Campo Futbol Blanca	50%	50%
Grusamar-Elsamex-Atenea Ute Seguridad Vial Murcia	30%	-
Elsamex-Cauchil Ute Elsamex- Cauchil Jaen	80%	80%
Cauchil – Elsamex Ute Guadahortuna	50%	50%
Elsamex-Cauchil Ute Sierra Nevada	50%	50%
Elsamex-Cauchil Ute Estepona	50%	50%
Elsamex- Prointec Ute R4	50%	50%
Api Conservacion-Elsamex Ute Teruel li	50%	50%
Elsan Pacsa-Elsamex Ute Navalvillar De Pela li	50%	50%
Elsamex-Sando Ute li Conservación A-395	50%	-
Elsamex-Sando Ute Refuerzo Del Firme A-395	50%	50%
Elsamex-Asfaltos Uribe Este Señal Ute Durango li	45%	45%
Elsamex-Lopesan Ute Conservación Zona Sur	50%	50%
Elsamex-Tecnoseñal	50%	-
Serop-Elsamex Ute Mantenimiento Serop-Elsamex	50%	50%
Elsamex-Const.Hispánica Ute Peaje La Jonquera	50%	50%
Ute Elsamex Mag 3	40%	40%
Ute Mag 3 Elsamex	60%	60%
Elsamex-Asfaltos Urretxu Ute Itziar	50%	50%
Elsamex-Tractores Y Obras	50%	50%
Ute Elsamex-Tyosa Obras Públicas	50%	50%
Ute Garcilen - Elsamex	50%	50%
Ute Elsamex - Garcilen	50%	50%
Elsamex-Velasco Ute Polideportivos Latina	50%	50%
Elsamex-Velasco Ute Polideportivos Hortaleza	50%	50%
Elsamex-Velasco Ute Polideportivos Tetuán	50%	50%
Corsan Corviam-Elsamex Ute Corelsa	50%	50%
Elsamex-Oca Ute Coruña lii	70%	70%
Asfaltos Uribe-Norte Industrial-Construcciones Eder-Elsamex Ute Vizcaya lii	28%	28%
Elsamex-Rubau Ute Argentona	50%	-
Elsamex- Martín Casillas Ute Conservación Cádiz	50%	-
Sice-Elsamex Ute Sice Fuente El Fresno li	50%	-

SCHEDULES**forming part of the Consolidated Financial Statements**

Name of the Jointly Controlled Operations	Proportion of Group's Interest	
	2009-10	2008-09
Elsamex-Vimac Ute Vimac 01	50%	-
Elsamex-Oca Ute Conservación Orense Iii	50%	-
Ute Abedul Orihuela	25%	25%
Ute Area Zamora	25%	25%
Ute Abedul Zamora	25%	25%
Ute Area Leon	25%	25%
Ute Abedul Villavidel	25%	25%
Ute Abedul Cáceres	25%	25%
Ute Abedul Ponferrada	25%	25%
Atenea – Grusamar Ute Andalucía	20%	20%
Atenea – Grusamar Ute Asturias	20%	20%
Ute Elsamex – Grusamar	50%	50%
Grusamar – Intevía Ute Jaen	50%	50%
Grusamar- Consulting Proyectos Y Sistemas Ute Variante Sueca	60%	60%
Grusamar – Kv Consultores Ute Puerto De Mahon	80%	80%
Grusamar – Progescan Ute Areas De Servicio	70%	70%
Atenea – Grusamar Ute Medio Ambiente-Comunidad Valenciana	50%	50%
Ute Kv-Grusamar Zaragoza	50%	50%
Grusamar- Ineco- Inastecan Ute Arucas	40%	40%
Betancourt-Grusamar Ute Osuna	50%	50%
Betancourt –Grusamar Ute Rio Alhama	50%	-
Gusamar – Ineco Ute Inversiones 2008	50%	50%
Ute Grusamar – OHS Ingeniería Y Urbanismo Ute Travesía De Hermigua	50%	50%
Ute Grusamar – Inastecan	60%	60%
Grusamar – Inastecán Ute Expropiación	50%	50%
Betancourt – Grusamar Ute Linares	50%	50%
Sener- Grusamar Ute	50%	50%
Grusamar – Betancourt Ute Abastecimiento Huelva	50%	50%
Grusamar – Prover Ute Zeneta San Javier	50%	50%
Grusamar- Elsamex – Atenea Ute Seguridad Vial Murcia	50%	-
Grusamar – Inserco Ute Santas Martas Palanquinos	50%	-
Intevia-Grusamar-Dair Ute Seguridad Vial Bizkaia	10%	10%
Intevia-Grusamar Ute Seguridad Vial Norte	30%	30%
Atenea – Grusamar Ute Andalucía	80%	80%
Atenea – Grusamar Ute Asturias	80%	80%
Atenea – Consulnima Ute Consultea	50%	50%
Atenea – Iz Ingenieros Ute Atda Embalse De Flix	50%	50%
Atenea – Laboratorio Del Noroeste Ute Corredor, Bion-Noia	80%	80%
Atenea – Basoinsa Ute Atda Bergara Zizurkil	50%	50%
Pycsa – Atenea	50%	50%
Atenea – Grusamar Ute Medio Ambiente-Comunidad Valenciana	50%	50%
Atenea – Inastecan Ute Supervision Baleares 2008	80%	80%
Grusamar Elsamex Atenea Ute Seguridad Vial Murcia	20%	-
Intevia-Grusamar-Dair Ute Seguridad Vial Bizkaia	60%	-

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Name of the Jointly Controlled Operations	Proportion of Group's Interest	
	2009-10	2008-09
Intevia-Grusamar Ute Seguridad Vial Norte	70%	-
Dair -Intevia	50%	-
Grusamar - Intevía Ute Jaen	50%	-
Ute Ciesm- Labiker	80%	80%
Geotecnia Y Cimientos- Ciesm Ute Geotecnia-Ciesm	35%	35%
Compañía General De Sondeos-Geoteyco-Emcosa-Ciesm-Sondeos Del Sur Ute 6/2004	23%	23%
Cgs-Geoteyco-Ciesm-Enmacosa Ute 2/2006	25%	25%
Geoteyco-Cgs-Ciesm-Enmacosa 2/2008	24%	-
Ute Boca Chica Sucursal Dominicana	100%	100%
Ute Conservacion Grupo Sur	100%	100%
Ute Corredores Viales De Colombia	50%	50%
Ute Romana Sucursal Dominicana	100%	100%
Ute Cgs Geoteyco-Ciesm	-	30%
Ute Cgs Geoteyco-Ciesm	-	30%
Ute Ciesm Enmacosa-Geot	-	24%
Ute Elsamex Arias Coruna	-	60%
Ute Petisa Elsamex-Ciesm	-	20%
Ute Prointec-Grusamar Ingenieria	-	50%
Ute Torreperogil	-	50%

6. Investments in Associates:

- (a) An associate is an entity over which the Group is in a position to exercise significant influence, but not control or joint control, through participation in the financial and / or operating policy decisions of such enterprises. In accordance with AS 23 the investments are carried in the Consolidated Balance Sheet at cost as adjusted by post acquisition changes in the Group's share in the Reserves and Surplus of Associates
- (b) The accounting policies of associates have been adjusted as necessary and to the extent practicable, so as to ensure consistent accounting with the policies stipulated by the Company

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(c) Details of associates and ownership interest are as follows:

Name of the Company	Country of Incorporation	Proportion of Group's Interest	
		2009-10	2008-09
1. Held directly			
West Gujarat Expressway Limited (WGEL) (up to June 9, 2009)	India	-	48.99
Andhra Pradesh Expressway Limited (APEL)	India	48.99	48.99
Thiruvananthapuram Road Development Company Limited (TRDCL)	India	49.99	49.99
Kohinoor CTNL Infrastructure Company Limited (KCICL) (up to September 29, 2008)	India	-	46.39
ITNL Toll Management Services Limited (ITMSL) (see footnote below)	India	48.99	48.99
Narketpally Adanki Expressway Limited (w.e.f. 29.12.2009)	India	49.94	-
Warora Chandrapur Ballarpur Toll Roads Limited (w.e.f. 11.01.2010)	India	34.98	-
2. Held through Subsidiaries			
Centro de Investigaciones de Curretros Andalucía S.A.	Spain	49.00	49.00
Labetec Ensayos Técnicos Canarios, S.A.	Spain	50.00	50.00
CGI 8 S.A.	Spain	49.00	48.00
Zheisiang Elsamex Road Tech. Co. #	China	40.29	40.29
Sociedad Concesionaria Autovía A-4 Madrid S.A	Spain	48.75	48.75
Abedul AIE	Spain	25.00	25.00
VCS-Enterprises Limited *	India	30.00	30.00
Yala Construction Company Limited	Thailand	33.33	33.33
Ramky Elsamex Ring Road Limited, Hyderabad #	India	26.00	26.00
MIRNA 2006 AIE	Spain	-	25.00

Foot notes:

* Consolidated using unaudited financial statements for the year ended December 31, 2009

Consolidated using unaudited financial statements for the year ended December 31, 2008

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

7. Goodwill on consolidation

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

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8. Accounting for Rights under Service Concession Arrangements

i. Recognition and measurement

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

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

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

Consideration for various services (i.e. construction or upgrade services, operation and maintenance services, overlay services) under the SCA is allocated on the basis of costs actually incurred or the estimates of cost of services to be delivered

ii. Contractual obligation to restore the infrastructure to a specified level of serviceability

The Group has contractual obligations to maintain the infrastructure to a specified level of serviceability or restore the infrastructure to a specified condition before it is handed over to the grantor of the SCA. Such obligations are measured at the best estimate of the expenditure that would be required to settle the obligation at the balance sheet date. In case of intangible assets, the timing and amount of such cost are estimated and recognised on an undiscounted basis by charging costs to revenue on the units of usage method i.e. on the number of vehicles expected to use the project facility, over the period at the end of which the overlay is estimated to be carried out based on technical evaluation by independent experts. In case of financial assets, such costs are recognised in the year in which such costs are actually incurred

iii. Revenue recognition

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

Revenue from financial asset is recognised in the Profit and Loss Account as interest, calculated using the effective interest method from the year in which construction activities are started

Revenue from operating and maintenance services and from overlay services is recognised in the period in which such services are rendered

Revenue from intangible assets is recognised in the period of collection which generally coincides with the usage of the public service or where from such rights have been auctioned, in the period to which auctioned amount relates

iv. Borrowing cost

In respect of a financial asset, borrowing costs attributable to construction of the road are charged to Profit & Loss Account in the period in which such costs are incurred

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

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v. Amortisation of Intangible Asset

The intangible rights which are recognised in the form of right to charge users of the infrastructure asset are amortised on the units of usage method i.e. on the number of vehicles expected to use the project facility over the concession period as estimated by the management

A review of the estimated useful life/the concession period of the rights and number of vehicles expected to use the project facility over the balance period is undertaken by the Management based on technical evaluation by independent experts at periodic intervals to assess the additional charge for amortisation, if any

vi. Gains / Losses on intra-group transactions

As the financial assets and intangible assets recognized as aforesaid are acquired in exchange for infrastructure construction / upgrading services, gains / losses on intra group transactions are treated as realized and not eliminated on consolidation

9. Fixed Assets and Depreciation/Amortisation

(a) Tangible fixed assets and depreciation

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

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

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

Depreciation on tangible fixed assets is computed as under:

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

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

- (iii) Depreciation on fixed assets, other than on assets specified in 9(a) (i) and (ii) above, is provided for on the Written Down Value Method at the rates provided under Schedule XIV of the Companies Act, 1956. Depreciation is computed pro-rata from the date of acquisition of and up to the date of disposal
- (iv) Leasehold improvement costs are capitalised and amortised on a straight-line basis over the period of lease agreement unless the corresponding rates under Schedule XIV are higher, in which case, such higher rates are used
- (v) All categories of assets costing less than 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, other than those covered by SCAs, comprise of software and amounts paid for acquisition of commercial rights under an "Operation and Maintenance" agreement for a toll road project

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

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Acquired intangible assets are reported separately from goodwill if they fulfill the criteria for qualifying as an asset, implying they can be separated or they are based on contractual or other legal rights and that their market value can be established in a reliable manner

An impairment test of such intangible assets is conducted annually or more often if there is an indication of a decrease in value. The impairment loss, if any, is reported in the Profit and Loss Account

Intangible assets, other than those covered by SCAs, are amortised on a “straight line” basis over their estimated useful lives. The estimated useful life of software is four years. The amount paid for acquisition of the rights under the “Operations and Maintenance” agreement is amortised over the minimum balance period (as at the time of acquisition) of the concession agreement relating to the corresponding toll road project (Refer Note no. 10 of Schedule P to the financial statements)

10. Impairment of Assets

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

11. Government Grants

- (a) Government grants are recognised only when it is reasonably certain that the related entity will comply with the attached conditions and the ultimate collection is not in doubt
- (b) Grants received as compensation for expenses or losses are taken to the Profit and Loss Account is accounted in the period to which it relates. Grants in the nature of promoter’s contribution are treated as Capital Reserve
- (c) Grants related to specific fixed assets are treated as deferred income, which is recognised in the Profit and Loss Account in proportion to the depreciation charge over the useful life of the asset

12. 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

13. Inventories

- (a) Inventories are valued at the lower of cost and net realisable value. Net realisable value is estimated at the expected selling price less estimated selling costs
- (b) Costs for trading goods are determined using the annual weighted average principle and includes purchase price and non-refundable taxes
- (c) Cost of raw material includes purchase price and non-refundable taxes
- (d) Cost of manufactured goods include direct and indirect cost
- (e) Stock in trade of units in Mutual Funds are valued at the lower of cost and net asset value. Costs are determined on first-in-first-out basis. Net realisable value is determined on the basis of the net asset value of the scheme as at the year end
- (f) Inventories of electronic cards (prepaid cards) and on-board units are valued at the lower of cost and net realisable value. Cost is determined on first-in-first-out basis

14. Recognition of Revenue other than from Service Concession Arrangements

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

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- (b) Revenue in respect of arrangements made for rendering services over a specific contractual term is recognised on a straight-line basis over the contractual term of the arrangement. In respect of arrangements which provide for an upfront payment followed by additional payments as certain conditions are met (milestone payments), the amount of revenue recognised is based on the services delivered in the period as stated in the contract. In respect of arrangements where fees for services rendered are success based (contingent fees), revenue is recognised only when the factor(s) on which the contingent fees is based actually occur. In respect of the Group's trading activities, revenue is recognised on dispatch of goods, which coincides with the significant transfer of risks and rewards
- (c) Revenue realised from grant of advertisement rights is recognised as follows:
 - (i) Development fees are recognised as income during the year in which the advertisement rights are granted
 - (ii) License fees are recognised as income on a "Straight-Line" basis over the duration of the license
- (d) Revenue from development projects under fixed - price contracts, where there is no uncertainty as to measurement or collectability of consideration is recognised based on the milestones reached under the contracts. Pending completion of any milestone, revenue recognition is restricted to the relevant cost which is carried forward as part of Unbilled Revenue

15. Foreign Currency Transactions

- (a) Transactions in foreign currencies are translated to the reporting currency based on the exchange rate on the date of the transaction. Exchange difference arising on settlement thereof during the year is recognised as income or expenses in the Profit and Loss Account
- (b) Cash and bank balances, receivables, (other than those that are in substance the Group's net investment in a non integral foreign operation), and liabilities (monetary items) denominated in foreign currency outstanding as at the year-end are valued at closing date rates, and unrealised translation differences are included in the Profit and Loss Account
- (c) Non monetary items (such as equity investments) denominated in foreign currencies are reported using exchange rate as at the date of the transaction. Where such items are carried at fair value, these are reported using exchange rates that existed on dates when the fair values were determined
- (d) Inter-company receivables or payables for which settlement is neither planned nor likely to occur in the foreseeable future and are in substance an extension to or a deduction from the Group's net investments in a foreign entity are translated at closing rates but the exchange differences arising are accumulated in a foreign currency translation reserve until disposal of the net investment, at which time they are recognised as income or expense in the Profit and Loss Account. Any repayment of receivables or payables forming part of net investment in foreign operations is not considered as partial disposal of investments in foreign operations and amounts previously recognised in the foreign currency translation reserve are not adjusted until the disposal of the ownership interest occurs
- (e) The Group's forward exchange contracts are not held for trading or speculation. The premium or discount arising on entering into such contracts is amortised over the life of the contracts and exchange difference arising on such contracts is recognised in the Profit and Loss Account

16. 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

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(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

17. 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

18. 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

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19. Segment Reporting

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

20. Financial Income and Borrowing Costs:

- (a) Financial income and borrowing cost include interest income on bank deposits and interest expense on loans
- (b) Interest income is accrued evenly over the period of the instrument
- (c) Borrowing costs are recognised in the period to which they relate, regardless of how the funds have been utilised, except where it relates to the financing of construction of development of assets requiring a substantial period of time to prepare for their intended future use. Interest is capitalised up to the date when the asset is ready for its intended use. The amount of interest capitalised (gross of tax) for the period is determined by applying the interest rate applicable to appropriate borrowings outstanding during the period to the average amount of accumulated expenditure for the assets during the period

21. Earnings Per Share:

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

22. Derivative Transactions

- (a) Premium paid on acquisition of option contracts is treated as a current asset until maturity. If the premium paid exceeds the premium prevailing as at the date of the balance sheet, the difference is charged to the Profit and Loss Account. If the prevailing premium as at the balance sheet date exceeds the premium paid for acquiring option contracts, the difference is not recognised
- (b) Premium received on option contracts written is treated as a current liability until maturity. If the premium prevailing on the balance sheet date exceeds the premium received on such options, the difference is charged to the Profit and Loss Account. If the prevailing premium as at the balance sheet date falls short of the premium received for writing option contracts, the difference is not recognised
- (c) Hedging instruments are initially measured at fair value, and are remeasured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised directly in shareholder's funds and the ineffective portion is recognised immediately in profit and loss account.

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

Hedge accounting is discontinued when the hedging instrument is expired or sold, terminated or exercised or no longer qualifies for hedge accounting. At the time for forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in shareholder's funds is retained there until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in shareholder's funds is transferred to profit and loss account for the period

23. Leases

- (a) Finance leases, which effectively transfer to the Group substantial risks and benefits incidental to ownership of the leased item, are capitalised and disclosed as leased assets. Lease payments are apportioned between finance charges and reduction of lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income

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

24 Share Based Payment Transactions

- (a) A jointly controlled entity operates equity-settled, share option plan for eligible employees, including directors of that entity, whether full time or not and such other persons eligible to participate therein under applicable laws
- (b) The options are valued at the difference between the trading price of the security in the Stock Exchange at the date of the grant and exercise price and are expensed over the vesting period, based on the entities estimate of shares that will eventually vest
- (c) The total amount to be expensed over the vesting period is determined by reference to the value of the options granted, excluding the impact of any non-market vesting conditions
- (d) At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable

25. 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

26. 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"

27. Preliminary Expenses

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

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Schedule P : NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2010

1. Public issue of equity shares

During the year, the Company issued 22,852,938 equity shares having a face value of Rs.10 per share at a price of Rs. 258 per share (including share premium of Rs. 248 per share) through an initial public offering ("IPO")

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

Out of the share issue expenses, a sum of Rs. 201.14 Million payable to vendors as at March 31, 2010, towards share issue expenses has been offset against the total share issue expenses (as there was no outflow of cash or cash equivalents during the year) and the net sum of Rs. 138.00 Million, classified under the head "Cash Flows from Financing Activities" in the Cash Flow Statement for the year ended March 31, 2010

The utilisation / temporary deployment (pending utilisation) of the issue proceeds is tabulated below:

Particulars	Rupees in Million	
	Amount utilised upto March 31, 2010	Temporary deployment pending utilisation as at March 31, 2010
Payments towards share issue expenses	12.59	
Repayment of debt	2,500.00	
Investment in units of mutual funds		2,500.00
In current accounts with scheduled banks		883.47
Total	2,512.59	3,383.47

The amount lying in current accounts as at the year end Rs. 883.47 Million has been included as a part of the Cash and Cash Equivalents in the Cash Flow Statement for the year ended March 31, 2010. The utilisation of this amount is restricted to the objects of the IPO

2. Capital Commitments

Particulars	Rupees in Million	
	As at March 31, 2010	As at March 31, 2009
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for including advances paid aggregate Rs. 3,968.83 Million (previous year Rs. 1,522.62 Million)	15,186.50	6,594.18
(b) Exercise price payable in respect of call option contracts	15.11	25.31
(c) The Group has entered into arrangements to make the following investments, which are subject to fulfilment of certain precedent conditions:		
i) Sociedad Operadora del Tren Rapido Interrubano de Guanajuato "SOTRIG" – Rs. Nil Million (Previous Year USD 60.00 Million)		
ii) North Tollways Corporation Ltd. – Nil (Previous Year 67.10% of the equity stake, amount not quantified)		

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- (d) In respect of investment in special purpose entities
- i. Narketpalli Addanki Expressway Limited – Contribution to Equity Share Capital of Rs. 1,199.75 Million (Previous year Rs. Nil) against which advances paid aggregate Rs. Nil (Previous year Rs. Nil)
 - ii. Subscription to Covered Warrants to be issued by Infrastructure Leasing & Financial Services Limited equivalent to its investment at 7,400,000 equity shares each held in Chhattisgarh Highways Development Company Limited and Jharkhand Accelerated Road Development Company Limited

3. Contingent Liabilities

Particulars	Rupees in Million	
	As at March 31, 2010	As at March 31, 2009
(a) In respect of performance guarantees issued on behalf of the Group by banks	5,836.47	3,129.43
(b) Income tax demands contested by Group	34.81	9.94
(c) Claims against the Group not acknowledged as debt (share in associates Rs. Nil, previous year Rs. 150.00 Million)	448.64	169.53
(d) In respect of guarantees issued to Foreign Banks	805.79	204.89
(e) Corporate Guarantees issued to Foreign Banks	605.60	398.13
(f) Counter guarantee issued to Infrastructure Leasing & Financial Services Limited (IL&FS) against guarantees furnished by IL&FS	457.08	1,102.62
(g) In terms of the approved restructuring package, the lenders of a subsidiary have a right of recompense, in respect of the sacrifices undertaken by them on account of reduction in interest rates and waiver of compound interest and liquidated damages, in the event of the projects' cash flows (after adjusting the operating costs) are in excess of the revised debt servicing requirements.	Not Ascertainable	Not Ascertainable
(h) The stamp duty on transfer of immovable properties, consequent to merger of the erstwhile Vadodara Halol Toll Road Company Ltd. (VHTRL) and the erstwhile Ahmedabad Mehsana Toll Road Company Ltd. (AMTRL) with the subsidiary Company, Gujarat Road and Infrastructure Company Limited (GRICL), is under adjudication. GRICL is a custodian of the toll roads under the concession arrangements and the toll roads are to be handed over to the Government of Gujarat at the end of the concession period. Therefore, GRICL paid stamp duty computed at 0.75 percent of the face value of equity shares issued under the scheme of amalgamation to the shareholders of VHTRL and AMTRL. Pending completion of the adjudication process, GRICL has sought legal advice from its solicitors to assess the amount of additional liability that could devolve on it. Based on the legal advice received, the Group has assessed that the possibility of any additional liability devolving on it on this account to be remote		
(i) A letter of financial support has been issued to Chhattisgarh Highway Development Company Limited, a fellow subsidiary, to enable it to continue operations and meet its financial obligations as and when they fall due, during the period October 1, 2009 to March 31, 2011		

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

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

Particulars	As at March 31, 2010	As at March 31, 2009
Name of the joint venture	% holding	% holding
NTBCL	25.35	25.35
TNRDCL#	-	49.00

As the Group has ceased to have joint control over TNRDCL with effect from October 29, 2008, and the investments in that entity were held for disposal, the Group was unable to obtain the necessary information to make the necessary adjustments so as to ensure consistent accounting with the policies stipulated by the Group. The investment in TNRDCL was disposed off on November 12, 2009

The proportionate share in assets, liabilities, income and expenditures in NTBCL is included in these CFS is given below:

Particulars	Rupees in Million	
	As at March 31, 2010	As at March 31, 2009
Assets		
Net Block (including capital work progress)	1,199.61	1,211.51
Investments	56.82	48.29
Toll Equalisation Reserve	333.23	333.23
Current Assets	25.38	5.29
Loans and advances	52.02	13.26
	1,667.06	1,611.58
Liabilities		
Reserves and surplus	478.89	395.31
Secured Loans	428.35	502.14
Current liabilities	40.90	39.09
Provisions	68.09	24.68
	1,016.23	961.22

Particulars	Rupees in Million	
	For the year ended March 31, 2010	For the year ended March 31, 2009
Income		
Income from Operations	212.67	236.25
Other Income	4.60	3.18
	217.27	239.43
Expenses		
Operating and Administrative Expenses	60.66	89.98
Depreciation	11.65	15.77
Interest	43.55	52.76
Taxes - Current Tax	17.44	11.49
- Deferred tax	-	(0.14)
- Fringe Benefit Tax	-	0.46
	133.30	170.32

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Particulars	Rupees in Million	
	As at March 31, 2010	As at March 31, 2009
- Contingent Liabilities	8.75	6.31
- Capital Commitment	-	1,27

5. Preference Shares

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

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

The accumulated premium accrued on Redeemable Convertible Preference Shares as at March 31, 2010, aggregates Rs. 120.65 Million (previous year Rs. 104.51 Million) and the tax on distribution thereof aggregates Rs. 20.14 Million (previous year Rs. 17.76 Million)

6. Advance Towards Capital

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

7. Secured Loans

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

- (i) 2,000 Deep Discount Bonds (DDBs) issued by one subsidiary company viz., GRICL at Rs. 50,000 each are redeemable at Rs. 274,721 each at the end of the 15th year from the deemed date of allotment (i.e. July 1, 2003)
- (ii) 60,000 Deep Discount Bonds (DDBs) issued by GRICL at Rs. 5,000 each would be redeemed at Rs. 33,498 each at the end of 16th year, with a "take-out" option at the end of 8th year at Rs. 11,937 each from the dates of allotment (47,000 DDBs allotted on April 17, 2000, 3,000 DDBs allotted on April 18, 2000, and Rs. 11,886 each in respect of 10,000 DDBs allotted on November 30, 2000)
- (iii) In April 2008, IL&FS and Infrastructure Development Finance Company Limited (IDFC) agreed to provide "take-out" finance assistance to GRICL in respect of the 60,000 DDBs of Rs. 5,000 each aggregating Rs. 300.00 Million (Rs. 100.00 Million by IL&FS and Rs. 200.00 Million by IDFC) referred to in 7(a) (ii) above in the event the 'take-out' option is exercised by the bondholders

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

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

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GRICL is awaiting clearance from IDFC for cancellation of DDBs. In the meantime the DDBs to the extent, the holders have been paid out, have been reduced from the liabilities and the loan of Rs. 139.71 Million (previous year Rs. 175.38 Million) received from IDFC has been classified as a part of "Secured Loans" from Financial Institutions in Schedule C

- iv. The balance outstanding against Deep Discount Bonds (DDBs) includes accrued interest aggregating Rs. 602.96 Million (previous year Rs 500.07 Million) which is payable at the time of redemption of the DDBs
- v. 4,000 Non-Convertible Debentures issued by the above subsidiary on July 1, 2003, at Rs. 50,000 each are redeemable / repayable in five equal annual instalments of Rs. 40.00 Million each commencing at the end of 11th year from the date of allotment (i.e. July 1, 2003)
- (b) Zero Coupon Bonds (Series B) of the face value of Rs. 100 each (ZCBs) issued by a jointly controlled entity to banks, financial institutions and others towards the Net Present Value of the sacrifice made by the lenders by way of reduction in interest rates from the contracted terms. The ZCBs are repayable not later than March 31, 2014
- (c) 10,815 Deep Discount Bonds (DDBs) of Rs. 5,000 each issued by a jointly controlled entity are redeemable at a maturity value of Rs. 20,715 per DDB at the end of the 16th year from the date of allotment (November 3, 1999). The Group's share in the liability as at March 31, 2010, Rs. 36.01 Million (previous year Rs. 33.19 Million) has been included in the schedule C to the CFS
- (d) Borrowings from banks includes term loan availed by Elsamex SA which are secured by pledge of 171,959 equity shares held by the Group in Elsamex SA

8. Deferred Tax

The Group entities have net deferred tax liabilities aggregating Rs. 778.66 Million (previous year Rs. 647.06 Million) as at March 31, 2010

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

Particulars	Rupees in Million	
	As at March 31, 2010	As at March 31, 2009
Liabilities:		
Timing differences in respect of income	1,807.58	1,817.17
Timing differences in respect of depreciation	-	-
Assets:		
Timing differences in respect of depreciation	(138.28)	(374.14)
Timing differences in respect of employee benefits	(6.59)	(5.44)
Timing differences in respect of unabsorbed depreciation	(765.83)	(714.20)
Timing differences in respect of provision for doubtful debts	(2.64)	(1.43)
Timing differences in respect of provision for overlay	(115.58)	(74.90)
Net deferred tax liability / (asset)	778.66	647.06

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

9. Intangible assets and amortisation

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

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

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

- 11.** The Group's investment in "Covered Warrants" aggregating Rs. 500.00 Million (Previous Year Rs. 500.00 Million), issued by IL&FS are variable interest debt instruments under which the holder is entitled to a proportionate share of the dividend, if any, declared by Road Infrastructure Development Company of Rajasthan ('RIDCOR') on 50.00 Million (Previous year 50.00 Million) equity shares of Rs. 10 each held by IL&FS and on any further rights, entitlements and bonus declarations in respect thereof. However, the Group is not entitled to rights and privileges which IL&FS enjoys as a shareholder. The instrument is unsecured and the principal amount is redeemable at par not later than a period of 35 years from the date of issue (i.e. by March 15, 2042). The Group's investment in the said "Covered Warrants" is included under "Investments"

12. Derivatives and foreign currency exposures

- (a) The Company as a part of its strategic initiatives to consolidate/restructure its investments in surface transport sector, has made direct investments in certain special purpose entities ("SPEs") engaged in that sector and also invested in units in a scheme of ITNL Road Investment Trust ("the Scheme") which in turn has made investments in such SPEs. Amounts invested include derivative instruments in the form of call options
- (b) The amounts outstanding as at March 31, 2010, in respect of derivative transactions are summarised below:

Category	No of instruments	Rupees in Million	
		Call option premium	Exercise price payable
Call option of Equity Shares in a subsidiary bought from IL&FS	1	1.25	1.25
		(1.25)	(1.25)
Call option of Redeemable Optionally Convertible Cumulative Preference Shares to be issued by an associate (bought from IL&FS)		-	-
		(188.70)	(10.20)
Call option of Equity Shares of a subsidiary held by minority	1	55.68	1.48
		(55.68)	(1.48)
Call option of Equity Shares of a subsidiary (bought from IL&FS) held by minority	2	71.94	3.79
		(71.94)	(3.79)
Call option of Equity Shares of an associate (bought from IL&FS)	3	163.28	8.59
		(163.28)	(8.59)

Note: Figure in brackets relate to previous year

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

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

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

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

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Previous year

		Rupees in Million	Foreign Currency in Million
Receivable			
As at March 31, 2009	a.	596.95	DOP 405.45
	b.	13.66	ARS 0.97
	c.	261.82	COP 12,455.62
	d.	119.21	MXN 35.86
	e.	440.41	HNL 156.12
	f.	19.80	ECS 9,487.73
	g.	246.12	RUPIAH 54,476.40
	h.	21.87	ALL 40.88
	i.	9.14	THB 6,17
	j.	50.07	USD 0.98
Payable			
As at March 31, 2009	a.	769.41	DOP 522.58
	b.	1.03	ARS 0.01
	c.	108.90	COP 5,180,63
	d.	318.78	MXN 95,89
	e.	31.15	HNL 11.04
	f.	68.30	ECS 32,725.48
	g.	132.12	RUPIAH 29,242.84
	h.	45.47	ALL 85.01
	i.	3.13	THB 2,11
	j.	26.90	USD 0.53
	k.	0.30	LKR 0.67

Note: USD = US Dollar; DOP = Dominican Pesos, ARS = Argentine Pesos, COP = Colombian Pesos, MXN = Mexican Pesos, HNL = Honduran Lempira, ECS = Ecuador Sucro, RUPIAH = Indonesian Rupia, ALL = Albanian Lek, THB = Thai Baht, EUR = Euro, LKR = Lankan Rupees, NOK = Norwegian Kroner and GBP = Great Britain Pound, SGD = Singapore Dollar, IDR = Indonesian Rupiah

- (f) The movement in hedging reserve held by a subsidiary during the year ended March 31, 2010 for derivatives designated as Cash Flow Hedges is as follow:

	Year ended March 31, 2010	Rupees in Million Year ended March 31, 2009
Balance at the beginning of the year	(176.92)	-
Changes in the fair value of effective portion of outstanding cash flow derivatives	(94.61)	(176.92)
Balance at the end of the year	(271.53)	(176.92)

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

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14. Employee Benefit Obligations:

Defined-Contribution Plans

- (i) The Group offers its employees defined contribution benefits in the form of provident fund, family pension fund and superannuation fund. Provident fund, family pension fund and superannuation fund cover substantially all regular employees. Contributions are paid during the year into separate funds under certain statutory / fiduciary-type arrangements. While both the employees and the Group pay predetermined contributions into the provident fund and pension fund, contributions to superannuation fund are made only by the Group. The contributions are normally based on a certain proportion of the employee's salary
- (ii) A sum of Rs. 19.22 Million (previous year Rs. 13.12 Million) has been charged to the consolidated Profit and Loss Account in this respect

Defined-Benefit Plans

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

Gains and losses due to changes in actuarial assumptions are charged to the Profit and Loss Account

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

	Rupees in Million	
	As at March 31, 2010	As at March, 31, 2009
Present value of commitment	28.80	21.50
Fair value of plans	(35.27)	26.41
Prepaid amount taken to the balance sheet	(6.47)	(4.91)

Defined Benefit Commitments

	Rupees in Million	
Gratuity	As at March 31, 2010	As at March, 31, 2009
Opening balance	21.50	21.64
Adjustment on account of new acquisition	-	0.26
Interest cost	1.59	1.20
Current service cost	7.41	6.44
Benefits paid	(1.37)	(11.88)
Actuarial (gain) / loss	(0.33)	4.31
Adjustment on account of disposal of a joint venture		(0.47)
Closing balance	28.80	21.50

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Plan Assets

Gratuity	Rupees in Million	
	As at March 31, 2010	As at March, 31, 2009
Opening balance	26.41	23.07
Expected return on plan assets	2.34	1.74
Contributions by the Company / Group	4.63	15.00
Benefits paid	(1.37)	(11.88)
Adjustment on account of disposal of a joint venture	-	(0.43)
Actuarial gain /(loss)	3.26	(1.10)
Fair value of plan assets	35.27	26.41

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

Return on Plan Assets

Gratuity	Rupees in Million	
	For the year ended March 31, 2010	For the year ended March 31, 2009
Expected return on plan assets	2.34	1.74
Actuarial gain /(loss)	3.26	(1.10)
Actual Return on Plan Assets	5.60	0.64

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

	Rupees in Million	
	For the year ended March 31, 2010	For the year ended March 31, 2009
Current service cost	7.41	6.44
Interest expenses	1.59	1.21
Expected return on investments	(2.34)	(1.74)
Net actuarial (gain) / loss	(3.59)	5.41
Reimbursement Received	-	(1.29)
Expenses charged to Profit and Loss account	3.07	10.03

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

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

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Rupees in Million

	For the year ended March 31, 2010	
	Group entities including a jointly controlled entity	One of the jointly controlled entities
Rate for discounting liabilities	7.50%	7.50%
Expected salary increase rate	4.00%	4.00%
Expected return on scheme assets	8.00%	5.00%
Attrition rate	2.00%	2.00%
Mortality table used	LIC (1994-96) Ultimate	Not disclosed

- (ii) The estimates of future salary increases considered in the actuarial valuation take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market
- (iii) The amounts of the present value of the obligation, fair value of the plan assets, surplus or deficit in the plan, experience adjustments arising on plan liabilities and plan assets for the current period and previous three annual periods is given below:

Rupees in Million

Gratuity (Funded Plan)	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
Defined benefit commitments	28,80	21,50	21.64	4.99
Plan Assets	35.26	(26,41)	(23.07)	(9.33)

Rupees in Million

Gratuity (Funded Plan)	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
Unfunded liability transferred from group companies	-	-	0.07	-
(Surplus) / Deficit	(6.46)	(4.91)	(1.36)	(4.34)

Rupees in Million

Gratuity (Funded Plan)	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
Experience adjustments on plan commitments	(0.87)	6.22	8.99	1.36
Experience adjustments on plan assets	0.15	(1.34)	(0.93)	0.10

- (iv) The contribution expected to be made by some of the constituents of the Group during the financial year 2010-11 has not been ascertained

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15. Leases

(A) Operating Lease

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

(a) For entities other than jointly controlled entities

Future Lease rentals	Rupees in Million	
	For the year ended March 31, 2010	For the year ended March 31, 2009
Within one year	459.00	8.82
Over one year but less than 5 years	164.79	35.15
More than 5 years	8.24	-
Amount charged to the Profit and Loss Account for rent	29.90	35.65

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

(B) Finance Leases

(a) Subsidiaries

	Rupees in Million		
	Minimum Lease Payment	Present value of minimum lease payments	Lease Charges
Amount payable not later than one year	185.25	172.75	12.49
	(275.18)	(267.11)	(8.07)
Amount payable later than one year but not later than five years	185.04	172.44	12.60
	(392.00)	(329.32)	(62.68)
Amount payable later than five years	55.81	50.91	4.90
	(75.65)	(64.61)	(11.04)
Total	426.10	396.10	29.99
	(742.83)	(661.04)	(81.79)

Note: Figures in brackets denote amounts pertaining to previous year

(b) Jointly controlled entities

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

	Rupees in Million		
	Minimum Lease Payment	Present value of minimum lease payments	Lease Charges
Amount payable not later than one year	0.57	0.52	0.05
	(0.69)	(0.57)	(0.12)
Amount payable later than one year but not later than five years	0.14	0.13	0.01
	(0.67)	(0.65)	(0.02)
Total	0.71	0.65	0.04
	(1.36)	(1.22)	(0.14)

Note: Figures in brackets denote amounts pertaining to previous year

16. During the year ended March 31, 2010, a subsidiary received a grant of Rs. 289.56 Million (previous year Rs. 271.78 Million) which has been adjusted against the "Receivable under service concession arrangements"

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

I. Current year

a. Name of the related parties and description of relationship

Nature of Relationship	Name of Entity	Acronym used
Holding Company :	Infrastructure Leasing & Financial Services Limited	IL&FS
Fellow Subsidiaries	IL&FS Financial Services Limited (Erst while IL&FS Finvest Ltd.)	IFIN
	IL&FS Infrastructure Development Corporation Limited	IIDCL
	IL&FS Maritime Infrastructure Company Limited	IMICL
	IL&FS Water Limited	IWL
	IL&FS Property Management & Services Limited	IPMSL
	IL&FS Securities Services Limited	ISSL
	IL&FS Waste Management & Urban Service Limited	IWMUSL
	IL&FS Trust Company Limited	ITCL
	Chhattisgarh Highways Development Company Limited	CHDCL
	Tamil Nadu Water Investment Company Limited	TWICL
	IL&FS Urban Infrastructure Services Limited	IUISL
	IL&FS Renewable Energy Limited	IREL
	IL&FS Education & Technology Services Limited	IETS
	Jharkhand Accelerated Road Development Company Limited	JARDCL
	IL&FS Infrastructure Equity Fund	IIEF
	IL&FS Urban Infrastructure Managers Limited	IUIML
	IL&FS Cluster Development Initiatives Company Limited	ICDICL
	Associates	Andhra Pradesh Expressway Limited
ITNL Toll Management Services Limited		ITMSL
Narketpally Addanki Expressway Limited		NAEL
Thiruvananthapuram Road Development Company Limited		TRDCL
Warora Chandrapur Ballarpur Tollroad Limited		WCBTL
West Gujarat Expressway Limited (up to 9 th June 2009)		WGEL
Labtec Ensayos Tecnicos Canarios S.A.		LABTEC
Centro De Investigacion De Carreteras De Andalucia S.A.		CICAN
CGI-8, S.A.		CGI-8
Intevial Gestao Integral Rodoviaria, S.A.		IGIRSA
Ramky Elsamex Hyderabad Ring Road		REHRR
Sociedad Concesionaria Autovia A-4 Madrid S.A.		A4 CONCESSION
Zheisiang Elsamex Road Tech Company		Zheisiang Elsamex
Yala Construction Company Limited		Thailand
VCS Enterprises Limited		VCSEL
Co - Venture	Noida Toll Bridge Company Limited	NTBCL
	New Okhla Industrial Development Authority	NOIDA

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Nature of Relationship	Name of Entity	Acronym used
Key Management personnel	Mr K Ramchand-Managing Director	
	Mr Mukund Sapre-Executive Director	
	Mr. Sanjiv Rai - Director of a Subsidiary	
	Mr. Jagdish Aggarwal - Manager of a Subsidiary	
	Mr. Mukund Sapre - Chief Executive Officer of a Subsidiary	
	Mr. Ankit Sheth - Manager & Company Secretary of a Subsidiary	
	Mr Narayanan Doraiswamy- Manager of a Subsidiary	
	Mr Sanjay Minglani - Manager of a Subsidiary	
	Mr. Cherian George - Managing Director of a Subsidiary	
	Mr. Pradeep Puri - President & Chief Executive Officer of a Jointly Controlled Entity	
	Ms. Monisha Madeco - Manager of a Jointly Controlled Entity	
	Mr M K Mohan – Managing Director of a Subsidiary	
	Mr Mihir Panchmatiya – Manager of a Subsidiary	

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

Rupees in Million

Nature of Transaction	Holding Company	Fellow Subsidiaries	Associates	Co - Venture	Key Management Personnel	Grand Total
Balances						
Advance towards capital						
IIEF	-	150.00	-	-	-	150.00
	-	150.00	-	-	-	150.00
Advance Towards Investments						
Advance Towards Investments made						-
TRDCL	-	-	40.30	-	-	40.30
	-	-	40.30	-	-	40.30
Asset Management Fees						
IUIML	-	0.02	-	-	-	0.02
	-	0.02	-	-	-	0.02
Commitment Charges payable						
ILFS	28.73	-	-	-	-	28.73
	28.73	-	-	-	-	28.73
Corporate Deposit Placed						
ILFS	22.57	-	-	-	-	22.57
	22.57	-	-	-	-	22.57
Creditors						
IPMSL	-	1.21	-	-	-	1.21
	-	1.21	-	-	-	1.21
Debt Syndication Fees						
IFIN	-	209.37	-	-	-	209.37
	-	209.37	-	-	-	209.37
Debtors						
APEL	-	-	109.19	-	-	109.19
TRDCL	-	-	53.79	-	-	53.79
Others	-	11.17	-	-	-	11.17
	-	11.17	162.98	-	-	174.15
Guarantee given to the lender of the Company						
ILFS	729.00	-	-	-	-	729.00
	729.00	-	-	-	-	729.00
Interest Accrued but not due						
APEL	-	-	168.51	-	-	168.51
Others	0.78	-	-	-	-	0.78
	0.78	-	168.51	-	-	169.29
Investment						
ILFS	500.50	-	-	-	-	500.50
APEL	-	-	951.53	-	-	951.53
Others	-	-	130.92	-	-	130.92
	500.50	-	1,082.45	1,397.19	-	1,582.95

SCHEDULES

forming part of the Consolidated Financial Statements

Rupees in Million

Nature of Transaction	Holding Company	Fellow Subsidiaries	Associates	Co - Venture	Key Management Personnel	Grand Total
Loan Given						
APEL	-	-	1,304.60	-	-	1,304.60
	-	-	1,304.60	-	-	1,304.60
Loan Taken						
Non Convertible Debentures						
ILFS	2,961.25	-	-	-	-	2,961.25
	2,961.25	-	-	-	-	2,961.25
Payable on Current Account						
ILFS	26.54	-	-	-	-	26.54
IETS	-	42.93	-	-	-	42.93
IFIN	-	47.19	-	-	-	47.19
JARDCL	-	18.67	-	-	-	18.67
Others	-	1.12	-	0.13	-	1.25
	26.54	109.91	-	0.13	-	136.59
Receivable on Current Account						
APEL	-	-	21.99	-	-	21.99
Others	0.00	4.06	-	-	-	4.06
	0.00	4.06	21.99	-	-	26.06
Security Trusteeship Fees						
Security Trusteeship Fees						
ITCL	-	7.02	-	-	-	7.02
	-	7.02	-	-	-	7.02
Equity option premium						
ILFS	1.25	-	-	-	-	1.25
	1.25	-	-	-	-	1.25
Zero Coupon Bonds Series B						
ILFS	16.90	-	-	-	-	16.90
	16.90	-	-	-	-	16.90
Call Option Premium						
ILFS	235.21	-	-	-	-	235.21
	235.21	-	-	-	-	235.21
Investment Equity Instrument						
REHRR	-	-	117.27	-	-	117.27
A4 Concession	-	-	184.39	-	-	184.39
Others	-	-	25.20	-	-	25.20
	-	-	326.86	-	-	326.86
Credits With Associated						
A4 Concession	-	-	213.18	-	-	213.18
Zhejiang Elsamex	-	-	108.41	-	-	108.41
Others	-	-	19.41	-	-	19.41
	-	-	340.99	-	-	340.99
Short Term Liability						
VCSEL	-	-	0.13	-	-	0.13
	-	-	0.13	-	-	0.13
Short Term Liability - Creditors						
Cican	-	-	9.76	-	-	9.76
Others	-	-	0.69	-	-	0.69
	-	-	10.44	-	-	10.44

SCHEDULES

forming part of the Consolidated Financial Statements

Rupees in Million

Nature of Transaction	Holding Company	Fellow Subsidiaries	Associates	Co - Venture	Key Management Personnel	Grand Total
Current Assets - Client						
Labetec	-	-	10.60	-	-	10.60
Cican	-	-	19.16	-	-	19.16
A4 Concession	-	-	9.70	-	-	9.70
Zhejiang Elsamex	-	-	14.57	-	-	14.57
VCSEL	-	-	13.45	-	-	13.45
Others	-	-	2.68	-	-	2.68
	-	-	70.16	-	-	70.16
Transactions						
Advance Towards Investments made						
NAEL	-	-	0.25	-	-	0.25
WCBTL	-	-	0.17	-	-	0.17
	-	-	0.42	-	-	0.42
Asset Management Fees						
IUIML	-	2.04	-	-	-	2.04
	-	2.04	-	-	-	2.04
Corporate Deposit Placed						
ILFS	120.48	-	-	-	-	120.48
	120.48	-	-	-	-	120.48
Corporate Deposit Recived Back						
ILFS	107.91	-	-	-	-	107.91
	107.91	-	-	-	-	107.91
DDB Trusteeship fees						
ITCL	-	0.11	-	-	-	0.11
	-	0.11	-	-	-	0.11
Debt Syndication Fees						
IFIN	-	311.11	-	-	-	311.11
	-	311.11	-	-	-	311.11
Deputation Cost Incurred						
ILFS	24.16	-	-	-	-	24.16
	24.16	-	-	-	-	24.16
Deputation Cost Recovered						
JARDCL	-	5.12	-	-	-	5.12
APEL	-	-	14.55	-	-	14.55
Others	-	1.31	-	-	-	1.31
	-	6.44	14.55	-	-	20.99
Dividend payment						
ILFS	168.75	-	-	-	-	168.75
	168.75	-	-	-	-	168.75
Guarantee Commission						
ILFS	18.87	-	-	-	-	18.87
	18.87	-	-	-	-	18.87
Interest Expense - STL						
ILFS	374.05	-	-	-	-	374.05
ISSL	-	218.67	-	-	-	218.67
Others	-	27.16	-	-	-	27.16
	374.05	245.83	-	-	-	619.88

SCHEDULES

forming part of the Consolidated Financial Statements

Rupees in Million

Nature of Transaction	Holding Company	Fellow Subsidiaries	Associates	Co - Venture	Key Management Personnel	Grand Total
Interest Income						
ILFS	23.16	-	-	-	-	23.16
APEL	-	-	131.89	-	-	131.89
Others	-	-	3.59	-	-	3.59
	23.16	-	135.48	-	-	158.64
Investment in Call Money - Matured						
ILFS	10,860.00	-	-	-	-	10,860.00
	10,860.00	-	-	-	-	10,860.00
Investment in Call Money made						
ILFS	10,650.00	-	-	-	-	10,650.00
	10,650.00	-	-	-	-	10,650.00
Investment made						
ILFS	0.50	-	-	-	-	0.50
NAEL	-	-	0.25	-	-	0.25
WCBTL	-	-	0.17	-	-	0.17
	0.50	-	0.42	-	-	0.92
Loan Given						
APEL	-	-	1,104.60	-	-	1,104.60
Others	-	-	-	-	10.02	10.02
	-	-	1,104.60	-	10.02	1,114.62
Loan Received Back						
TRDCL	-	-	35.00	-	-	35.00
	-	-	35.00	-	-	35.00
Loan Repaid						
ILFS	4,251.72	-	-	-	-	4,251.72
ISSL	-	4,700.00	-	-	-	4,700.00
Others	-	860.00	-	-	-	860.00
	4,251.72	5,560.00	-	-	-	9,811.72
Loan Taken						
ILFS	3,027.20	-	-	-	-	3,027.20
IFIN	-	860.00	-	-	-	860.00
ISSL	-	4,700.00	-	-	-	4,700.00
	3,027.20	5,560.00	-	-	-	8,587.20
Payable on Current Account						
APEL	-	-	0.01	-	-	0.01
	-	-	0.01	-	-	0.01
Purchase of Assets						
IETS	-	4.98	-	-	-	4.98
	-	4.98	-	-	-	4.98
Receivable on Current Account						
APEL	-	-	6.04	-	-	6.04
	-	-	6.04	-	-	6.04
Remuneration						
Mr K Ramchand	-	-	-	-	23.47	23.47
Mr Mukund Sapre	-	-	-	-	11.71	11.71
Mr Jagdish Aggarwal	-	-	-	-	5.69	5.69
Others	-	-	-	-	3.82	3.82
	-	-	-	-	44.69	44.69

SCHEDULES

forming part of the Consolidated Financial Statements

Rupees in Million

Nature of Transaction	Holding Company	Fellow Subsidiaries	Associates	Co - Venture	Key Management Personnel	Grand Total
Security Trusteeship Fees						-
ITCL	-	13.86	-	-	-	13.86
Others	1.10	-	-	-	-	1.10
	1.10	13.86	-	-	-	14.97
Services Received						-
ILFS	124.90	-	-	-	-	124.90
Others	-	11.66	-	-	-	11.66
	124.90	11.66	-	-	-	136.56
Take out Assitance Fee						-
ILFS	1.83	-	-	-	-	1.83
	1.83	-	-	-	-	1.83
Training Material purchased						-
IETS	-	30.62	-	-	-	30.62
	-	30.62	-	-	-	30.62
Investment made in Redeemable optionally Convertible Cumulative Preference Shares						-
ILFS	198.90	-	-	-	-	198.90
	198.90	-	-	-	-	198.90
Services Rendered						-
APEL	-	-	53.99	-	-	53.99
TRDCL	-	-	75.05	-	-	75.05
A4 Concession	-	-	42.34	-	-	42.34
Others	0.34	0.33	24.82	-	-	25.50
	0.34	0.33	196.20	-	-	196.87
Security & Documentation Charges						-
IFIN	-	50.91	-	-	-	50.91
	-	50.91	-	-	-	50.91

SCHEDULES

forming part of the Consolidated Financial Statements

II. Previous Year

a. Name of the related parties and description of relationship

Nature of Relationship	Name of Entity	Acronym used
Holding Company	Infrastructure Leasing & Financial Services Limited	IL&FS
Fellow Subsidiaries :	IL&FS Energy Development Co Limited	IEDCL
	IL&FS Financial Services Limited (Erst while IL&FS Finvest Ltd.)	IFIN
	IL&FS Infrastructure Development Corporation Limited	IIDCL
	IL&FS Maritime Infrastructure Co Limited	IMICL
	IL&FS Water Limited	IWL
	IL&FS Property Management & Services Limited	IPMSL
	IL&FS Securities Services Limited	ISSL
	IL&FS Waste Management & Urban Service Limited	IWMUSL
	IL&FS Trust Company Limited	ITCL
	Chhattisgarh Highways Development Co Limited	CHDCL
	Tamil Nadu Water Investment Co Limited	TWICL
	IL&FS Investment Managers Limited	IIML
	IL&FS Ecosmart Limited	IEL
	IL&FS Urban Infrastructure Services Ltd	IUISL
	IL&FS Renewable Energy Limited	IREL
	IL&FS Education & Technology Services Limited	IETS
	IL&FS Urban Infrastructure Managers Limited	IUIML
	Jharkhand Accelerated Road Development Co Ltd	JARDCL
	IL&FS Infrastructure Equity Fund	IIEF
	IL&FS Cluster Development Initiatives Co Limited	ICDICL
Associates	Andhra Pradesh Expressway Limited	APEL
	Thiruvananthapuram Road Development Company Limited	TRDCL
	West Gujarat Expressway Limited	WGEL
	Kohinoor CTNL Infrastructure Company Limited	KCICL
	ITNL Toll Management Services Limited	ITMSL
	Centro De Investigacion De Carreteras De Andalucia S.A.	CICAN
	CGI-8, S.A.	CGI-8
	Labtec Ensayos Tecnicos Canarios S.A.	LABTEC
	VCS-Elsamex India Pvt. Ltd.	Elsamex VCS
	A4 CONCESSION	A4 CONCESSION
	ERTC China	ERTC China
	JV Geoteyco Control 7	JV Geoteyco Control 7
	Ramky Hyderabad Concession	Ramky
	Sevimagen SA (former shareholders)	Sevimagen SA
	UTE ABEDUL Villavidels	UTE ABEDUL Villavidels
	SIMCA	SIMCA

SCHEDULES

forming part of the Consolidated Financial Statements

Nature of Relationship	Name of Entity	Acronym used
Co - Venture	New Okhla Industrial Development Authority	NOIDA
	EPTISA Elsamex CIESM	EPTISA Elsamex CIESM
	JVs Atenea	JVs Atenea
	Jvs. Grusamar	Jvs. Grusamar
	JVs. Intevia	JVs. Intevia
	Intertoll Management Services BV	INTERTOLL
	JVs. CIESM	JVs. CIESM
	JVs Elsamex	JVs Elsamex
	CIESM	CIESM
	Geotecnia 7	Geotecnia 7
	Intevia SA	Intevia SA
	Grusamar SA	Grusamar SA
Key Management personnel	Mr K Ramchand-Managing Director (from August 14, 2008)	
	Mr Mukund Sapre-Executive Director (from August 14, 2008) and CEO of GRICL	
	Mr. Ajay Menon (Manager upto August 13, 2008)	
	Mr. Sanjiv Rai - Director of a Subsidiary	
	Mr. Jagdish Aggarwal - Manager of a Subsidiary	
	Mr. S K Verma - Manager of a Subsidiary	
	Mr. Ankit Sheth - Manager & Company Secretary (from 6th December, 2008) of a Subsidiary	
	Mr. Vikram Joshi - Manager & Company Secretary (upto July 15, 2008) of a Subsidiary	
	Mr. Cherian George - Managing Director of a Subsidiary	
	Mr. Pradeep Puri - President & Chief Executive Officer of a Jointly Controlled Entity	
	Ms. Monisha Macedo - Manager of a Jointly Controlled Entity	
	Mr. Ajay Dhawangale - Director of a Subsidiary (Upto October 07, 2008)	
	Mr. Neeraj Kapadia - Director of a Subsidiary (Upto October 07, 2008)	
	Mr. Jayesh Somaya - Director of a Subsidiary (Upto October 07, 2008)	

SCHEDULES

forming part of the Consolidated Financial Statements

(b) Transactions with related parties (Mentioned in Note 17(II) (a) above)

Rupees in Million

Nature of Transaction	Holding Company	Fellow Subsidiaries	Associates	Co - Venture	Key Management Personnel	Grand Total
Balances						
Advance Towards Capital						
IIEF	-	150.00	-	-	-	150.00
	-	150.00	-	-	-	150.00
Advance Towards Investments						
TRDCL	-	-	40.30	-	-	40.30
	-	-	40.30	-	-	40.30
Call Option Premium (Receivable)						
IL&FS	235.21	-	-	-	-	235.21
IIEF	-	55.68	-	-	-	55.68
	235.21	55.68	-	-	-	290.89
Commitment Charges Payable						
IL&FS	28.73	-	-	-	-	28.73
	28.73	-	-	-	-	28.73
Credits with Associated						
A4 Concession	-	-	9.95	-	-	9.95
	-	-	9.95	-	-	9.95
Current Assets - Client						
A4 Concession	-	-	176.01	-	-	176.01
Co-Venture	-	-	-	162.63	-	162.63
Others	-	-	6.42	-	-	6.42
	-	-	182.43	162.63	-	345.06
Debtors						
IL&FS	18.50	-	-	-	-	18.50
TRDCL	-	-	75.89	-	-	75.89
APEL	-	-	60.64	-	-	60.64
Others	-	11.67	-	-	-	11.67
	18.50	11.67	136.53	-	-	166.70
Interest Accrued but not due						
APEL	-	-	49.81	-	-	49.81
Others	0.12	-	7.17	-	-	7.30
	0.12	-	56.98	-	-	57.10
Investment						
IL&FS	500.00	-	-	-	-	500.00
APEL	-	-	951.53	-	-	951.53
WGEL	-	-	196.00	-	-	196.00
Others	-	-	130.49	-	-	130.49
	500.00	-	1,278.03	-	-	1,778.03
Investment Equity Instrument						
A4 Concession	-	-	26.90	-	-	26.90
CICAN	-	-	12.62	-	-	12.62
Labetec	-	-	8.54	-	-	8.54
Ramky	-	-	21.59	-	-	21.59
Others	-	-	5.84	-	-	5.84
	-	-	75.49	-	-	75.49

SCHEDULES**forming part of the Consolidated Financial Statements**

Rupees in Million

Nature of Transaction	Holding Company	Fellow Subsidiaries	Associates	Co - Venture	Key Management Personnel	Grand Total
Investment in Call Money						
IL&FS	210.00	-	-	-	-	210.00
	210.00	-	-	-	-	210.00
Loans Given						
APEL	-	-	200.00	-	-	200.00
TRDCL	-	-	35.00	-	-	35.00
WGEL	-	-	35.00	-	-	35.00
Managerial Remuneration	-	-	-	-	0.16	0.16
	-	-	270.00	-	0.16	270.16
Loans Payable						
IL&FS	2,385.18	-	-	-	-	2,385.18
	2,385.18	-	-	-	-	2,385.18
Long Term Liability						
UTE ABEDUL Villavidels	-	-	0.42	-	-	0.42
	-	-	0.42	-	-	0.42
Option premium						
IL&FS	189.95	-	-	-	-	189.95
	189.95	-	-	-	-	189.95
Other Financial Assets						
JV Geoteyco Control 7	-	-	0.02	-	-	0.02
Co-Venture	-	-	-	0.06	-	0.06
	-	-	0.02	0.06	-	0.08
Payable on Account of Service received						
IFIN	-	51.39	-	-	-	51.39
	-	51.39	-	-	-	51.39
Payable on Current Account						
IL&FS	23.59	-	-	-	-	23.59
IREL	-	3.13	-	-	-	3.13
	23.59	3.13	-	-	-	26.72
Purchase of Fixed Assets						
WGEL	-	-	0.45	-	-	0.45
	-	-	0.45	-	-	0.45
Receivable on Account of Service rendered						
WGEL	-	-	125.76	-	-	125.76
others	-	0.34	-	-	-	0.34
	-	0.34	125.76	-	-	126.10
Receivable on Current Account						
WGEL	-	-	60.58	-	-	60.58
Others	-	3.34	6.91	0.28	-	10.54
	-	3.34	67.50	0.28	-	71.13
Remuneration						
Managerial Remuneration	-	-	-	-	0.09	0.09
	-	-	-	-	0.09	0.09
Short Term Financial Investment						
A4 Concession	-	-	188.71	-	-	188.71
Co-Venture	-	-	-	367.22	-	367.22
ERTC China	-	-	82.23	-	-	82.23
others	-	-	16.44	-	-	16.44
	-	-	287.38	367.22	-	654.60

SCHEDULES

forming part of the Consolidated Financial Statements

Rupees in Million

Nature of Transaction	Holding Company	Fellow Subsidiaries	Associates	Co - Venture	Key Management Personnel	Grand Total
Short Term Liability						
Sevimagen SA	-	-	41.35	-	-	41.35
others	-	-	5.62	-	-	5.62
	-	-	46.97	-	-	46.97
Short Term Liability - Creditors						
Co-Venture	-	-	-	222.62	-	222.62
others	-	-	0.15	-	-	0.15
	-	-	0.15	222.62	-	222.77
Zero coupon Bonds Series B						
IL&FS	32.51	-	-	-	-	32.51
	32.51	-	-	-	-	32.51
Transactions						
Advance Towards Investments made						
WGEL	-	-	98.00	-	-	98.00
	-	-	98.00	-	-	98.00
Annual Fee						
ITCL	-	0.04	-	-	-	0.04
	-	0.04	-	-	-	0.04
Commitment Charges						
IL&FS	0.55	-	-	-	-	0.55
	0.55	-	-	-	-	0.55
DDB Trusteeship fees						
ITCL	-	0.11	-	-	-	0.11
	-	0.11	-	-	-	0.11
Deputation Cost Paid						
IL&FS	20.12	-	-	-	-	20.12
	20.12	-	-	-	-	20.12
Deputation Cost Recovered						
CHDCL	-	6.56	-	-	-	6.56
JARDCL	-	4.21	-	-	-	4.21
APEL	-	-	16.57	-	-	16.57
WGEL	-	-	8.02	-	-	8.02
Others	-	2.46	-	-	-	2.46
	-	13.23	24.59	-	-	37.82
Dividend Amount						
IL&FS	270.00	-	-	-	-	270.00
	270.00	-	-	-	-	270.00
Guarantee Commission						
IL&FS	19.81	-	-	-	-	19.81
	19.81	-	-	-	-	19.81
Interest Expense						
IL&FS	235.62	-	-	-	-	235.62
ISSL	-	59.05	-	-	-	59.05
	235.62	59.05	-	-	-	294.67

SCHEDULES**forming part of the Consolidated Financial Statements**

Rupees in Million

Nature of Transaction	Holding Company	Fellow Subsidiaries	Associates	Co - Venture	Key Management Personnel	Grand Total
Interest Income						
IL&FS	20.91	-	-	-	-	20.91
APEL	-	-	62.66	-	-	62.66
KCICL	-	-	27.21	-	-	27.21
Others	-	-	7.54	-	-	7.54
	20.91	-	97.42	-	-	118.32
Investment in Call Money - Matured						
IL&FS	4,580.08	-	-	-	-	4,580.08
	4,580.08	-	-	-	-	4,580.08
Investment in Call Money made						
IL&FS	4,767.50	-	-	-	-	4,767.50
	4,767.50	-	-	-	-	4,767.50
Investment made						
IL&FS	250.00	-	-	-	-	250.00
Others	-	-	0.01	-	-	0.01
	250.00	-	0.01	-	-	250.01
Investment sold						
IL&FS	300.00	-	-	-	-	300.00
IMICL	-	198.79	-	-	-	198.79
	300.00	198.79	-	-	-	498.79
Loans Given						
KCICL	-	-	510.00	-	-	510.00
Others	-	-	35.00	-	-	35.00
	-	-	545.00	-	-	545.00
Loans Received back						
APEL	-	-	120.00	-	-	120.00
	-	-	120.00	-	-	120.00
Loans Repaid						
IL&FS	4,249.69	-	-	-	-	4,249.69
ISSL	-	1,280.00	-	-	-	1,280.00
Others	-	-	352.24	-	8.38	360.61
	4,249.69	1,280.00	352.24	-	8.38	5,890.31
Loans taken						
IL&FS	5,300.00	-	-	-	-	5,300.00
ISSL	-	640.00	-	-	-	640.00
Others	-	-	-	-	4.73	4.73
	5,300.00	640.00	-	-	4.73	5,944.73
Payable on Current Account						
ITMSL	-	-	0.25	-	-	0.25
	-	-	0.25	-	-	0.25
Processing Fees						
IUIML	-	0.45	-	-	-	0.45
	-	0.45	-	-	-	0.45
Receivable on Account of Service rendered						
IUISL	-	0.01	-	-	-	0.01
	-	0.01	-	-	-	0.01

SCHEDULES

forming part of the Consolidated Financial Statements

Rupees in Million

Nature of Transaction	Holding Company	Fellow Subsidiaries	Associates	Co - Venture	Key Management Personnel	Grand Total
Remuneration						
Mr. K Ramchand	-	-	-	-	13.88	13.88
Mr. Mukund Sapre	-	-	-	-	5.20	5.20
Mr. Pradeep Puri	-	-	-	-	8.44	8.44
Others	-	-	-	-	9.68	9.68
	-	-	-	-	37.20	37.20
Rent paid						
IL&FS	33.14	-	-	-	-	33.14
Others	-	-	-	-	0.30	0.30
	33.14	-	-	-	0.30	33.44
Sale of Construction Material						
WGEL	-	-	5.27	-	-	5.27
APEL	-	-	1.87	-	-	1.87
	-	-	7.14	-	-	7.14
Security Agent Fees						
IL&FS	1.29	-	-	-	-	1.29
ITCL	-	1.54	-	-	-	1.54
	1.29	1.54	-	-	-	2.83
Service rendered						
APEL	-	-	365.77	-	-	365.77
WGEL	-	-	75.84	-	-	75.84
Others	0.05	1.26	24.78	-	-	26.09
	0.05	1.26	466.40	-	-	467.71
Services Received						
IL&FS	17.60	-	-	-	-	17.60
IFIN	-	69.33	-	-	-	69.33
Others	-	4.31	-	-	-	4.31
	17.60	73.64	-	-	-	91.24
Take out Assitance Fee						
IL&FS	1.65	-	-	-	-	1.65
	1.65	-	-	-	-	1.65
Upfront fees						
IFIN	-	2.21	-	-	-	2.21
IUIML	-	1.11	-	-	-	1.11
Others	0.10	-	-	-	-	0.10
	0.10	3.32	-	-	-	3.42

SCHEDULES

forming part of the Consolidated Financial Statements

18. SEGMENT INFORMATION

	Rupees in Million							
	Surface Transportation Business		Building Maintenance		Non reportable		Total	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Revenue								
External	22,248.20	9,135.49	1,821.58	2,923.55	61.29	195.30	24,131.07	12,254.34
Inter-Segment	-	-	-	-	-	-	-	-
Segment Revenue	22,248.20	9,135.49	1,821.58	2,923.55	61.29	195.30	24,131.07	12,254.34
Unallocated income	22,248.20	9,135.49	1,821.58	2,923.55	61.29	195.30	741.44	1,065.78
Total Revenue	22,248.20	9,135.49	1,821.58	2,923.55	61.29	195.30	24,872.51	13,320.11
Segment results								
Unallocated income (excluding interest income)	7,291.03	1,251.64	179.96	318.97	29.51	(64.66)	7,500.50	1,505.95
Unallocated expenditure							308.01	819.83
Interest Expenses							61.00	24.99
Interest income unallocated							2,940.93	1,742.98
Provision for taxation (Including Wealth Tax & Fringe Benefit Tax)							434.37	245.95
Add: Share of Profit/(Loss) of Associates							1,857.89	482.57
Add: Share of Loss/(Profit) of Minority Interest							87.28	(26.77)
Net Profit / (Loss)							(26.44)	(31.79)
Segment assets							3,443.90	262.63
Unallocated Assets (Refer footnote 1)	45,623.57	25,735.93	1,439.69	2,722.54	48.37	541.89	47,111.63	29,000.37
Total assets							13,354.70	7,878.28
Segment liabilities							60,466.33	36,878.65
Unallocated Liabilities (Refer footnote 2)	5,579.09	5,322.89	817.45	1,539.05	27.11	171.88	6,423.65	7,033.81
Total liabilities							37,356.32	20,982.69
Capital Expenditure for the year	5,750.91	315.36	-	-	-	-	43,779.97	28,016.50
Depreciation for the year	603.05	352.99	-	-	-	-	5,750.91	315.36
Non cash expenditure other than depreciation for the year							603.05	352.99
							391.85	186.31

(I) Primary - Business Segments:

Particulars	Rupees in Million			
	India		Outside India	
	2009-10	2008-09	2009-10	2008-09
Revenue - External	14,281.51	4,193.30	9,849.56	8,061.04
Segment Assets	37,081.45	17,961.44	10,030.18	11,038.93
Capital Expenditure	5,376.39	23.70	374.52	291.66

Footnotes:

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

SCHEDULES

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

Rupees in Million

Particulars	March 31, 2010	March, 31, 2009
Contract Revenue recognised as revenue during the year ended	1,121.46	286.23
Aggregate amount of Contract Costs incurred recognised Profits up to reporting date	1,121.46	286.23
Advances received as at the year end	-	-
Retention money as at the year end	-	-
Gross amount due from customers for contract work, disclosed as asset, as at the year end	46.78	248.81
Gross amount due to customers for contract work, disclosed as liability as at the year end	386.88	180.55

20. Earnings Per Share

Particulars	Unit	For the year ended March 31, 2010	For the year ended March 31, 2009
Profit after tax and minority interest	Rupees in Million	3,443.90	262.63
Premium on preference shares	Rupees in Million	(16.14)	(16,14)
Tax on premium on preference shares	Rupees in Million	(2.28)	(2,74)
Profit available for Equity Shareholders	Rupees in Million	3,425.47	243.75
Weighted number of Equity Shares outstanding	Nos	171,540,016	171,414,794
Nominal Value of equity shares	Rs.	10.00	10.00
Basic Earnings per share	Rs.	19.97	1.42
Equity shares used to compute diluted earnings per share	Nos.	171,540,016	171,414,794
Diluted Earnings per share	Rs.	19.97	1.42

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

- 21.** Provision for overlay in respect of toll roads maintained by the Group under service concession arrangements and classified as intangible assets represents contractual obligations to restore an infrastructure facility to a specified level of serviceability in respect of such asset. Estimate of the provision is measured using a number of factors, such as current contractual requirements, technology, expert opinions and expected price levels. Because actual cash flows can differ from estimates due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provision is reviewed at regular intervals and adjusted to take account of such changes

Accordingly, financial and accounting measurements such as the revenue recognized on financial assets, allocation of annuity into recovery of financial asset, carrying values of financial assets and depreciation of intangible assets and provisions for overlay in respect of service concession agreements are based on such assumptions

SCHEDULES

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Movements in provision made for overlay are tabulated below :

Particulars	Rupees in Million	
	As at March 31, 2010	As at March 31, 2009
Opening balance	280.81	242.14
Adjustment for new acquisition	64.59	-
Provision made during the year	87.37	54.04
Provision utilised	-	(7.53)
Adjustment on disposal of joint venture	-	(7.84)
Closing balance as on	432.77	280.81

22. As explained in note no. 8 of Schedule O

- (i) the fair value of consideration for construction services in respect of intangible assets covered under service concession arrangements of the Group, the useful lives of such intangible assets, the annual amortisation in respect thereof, and the provisions for overlay costs have been estimated by the management having regard to the contractual provisions, the evaluations of the units of usage and other technical evaluations by independent experts, the key elements having been tabulated below:

	Upto / As at March 31, 2010	Upto / As at March 31, 2009
Margin on construction services recognised in respect of intangible assets (Rs. in Million)	922.26	589.18
Carrying amounts of intangible assets (Rs. in Million)	14,797.20	6,899.58
Amortisation charge in respect of intangible assets (Rs. in Million)	468.15	244.71
Units of usage (No. of vehicles)	96,481,483 to 1,863,511,429	616,542,229 to 1,864,087,082
Provision for overlay in respect of intangible assets (Rs. in Million)	432.77	280.81

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

	Rupees in Million	
	Upto / As at March 31, 2010	Upto / As at March 31, 2009
Margin on construction and operation & maintenance and renewal services recognised in respect of Financial Assets	939.25	773.36
Carrying amounts of Financial Assets included under Receivables against Service Concession Arrangements	12,048.81	7,317.62
Revenue recognised on Financial Assets on the basis of effective interest method	4,426.72	3,652.94

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23. Provision for Contingencies

The provision for contingency includes Rs.7.49 mn provided in accordance with the terms of scheme of amalgamation of jointly controlled entity for prepayment of loans

Particulars	Rupees in Million	
	As at March 31, 2010	As at March 31, 2009
Opening balance as on April 1, 2009	7.49	7.49
Add : Provision made during the year	-	-
Less : Provision utilised	-	-
Less : Provision reversed	-	-
Closing balance as on March 31, 2010	7.49	7.49

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

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

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

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

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

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

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

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- f) The Pune Sholapur Road Project (“PSRP”) concession arrangement has been entered into between NHAI and Pune Sholapur Road Development Company Limited (“PSRDCL”). PSRDCL is required to design, build, finance and operate the PSRP for a period of 20 years commencing from the appointed date including construction period of 910 days. Maintenance activities cover routine maintenance, overlays and renewals. The amount of toll recoverable from users is linked to the movements in the consumer price index. Premature termination before the said period of concession is not permitted except in the event of a force majeure. Premature termination without the default on the part of PSRDCL will entitle PSRDCL to be eligible for the compensation as per the concession arrangement. At the end of the concession period, PSRP is required to hand back the carriageway to the grantor without additional consideration
- g) The Moradabad Bareilly Road Project (“MBRP”) is a concession arrangement entered into between NHAI and Moradabad Bareilly Expressway Limited (“MBEL”). MBEL is required to design, build, finance, operate and transfer the MBRP for a period of 25 years commencing from the appointed date including construction period of 910 days. Maintenance activities cover routine maintenance, overlays and renewals. The amount of toll recoverable from users is linked to the movements in the consumer price index. Premature termination before the said period of concession is not permitted except in the event of a force majeure. Premature termination without default on the part of MBEL will entitle MBEL to be eligible for compensation as per the concession. At the end of the concession period, MBRP is required to hand back the carriageway to the grantor without additional consideration

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

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

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JRPICL is entitled to a defined annuity. At the end of the concession period RRRP, RPDRP and PDRRP are required to be handed over in the stipulated condition to the grantor. Premature termination is permitted only upon the happening of a force majeure event or upon the parties defaulting on their obligations. The concession arrangements do not provide for renewal options

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

For and on behalf of the Board

K. Ramchand
Managing Director

Arun K. Saha
Director

George Cherian
Chief Financial Officer

Krishna Ghag
Company Secretary

Mumbai, May 25, 2010

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No. State Code

Balance Sheet Date
 Date Month Year

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

Public Issue <input type="text" value=""/> <input type="text" value="5"/> <input type="text" value="8"/> <input type="text" value="9"/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="5"/> <input type="text" value="8"/>	Rights Issue <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Bonus Issue <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Private Placement <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

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

Total Liabilities <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="9"/> <input type="text" value="4"/> <input type="text" value="3"/> <input type="text" value="0"/>	Total Assets <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="9"/> <input type="text" value="4"/> <input type="text" value="3"/> <input type="text" value="0"/>
Sources of Funds	Reserve and Surplus
Paid-Up Capital <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="4"/> <input type="text" value="2"/> <input type="text" value="6"/> <input type="text" value="8"/> <input type="text" value="0"/>	<input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="8"/> <input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="8"/> <input type="text" value="5"/> <input type="text" value="0"/>
Secured Loans <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/>
Unsecured Loans <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="2"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>	Deferred Tax Liability <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="0"/> <input type="text" value="0"/>
Application of Funds	Investments
Net Fixed Assets <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="8"/> <input type="text" value="6"/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="0"/>	<input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="9"/> <input type="text" value="5"/> <input type="text" value="3"/> <input type="text" value="8"/> <input type="text" value="1"/> <input type="text" value="0"/>
Net Current Assets <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="6"/> <input type="text" value="6"/> <input type="text" value="9"/> <input type="text" value="0"/> <input type="text" value="2"/> <input type="text" value="0"/>	Misc. Expenditure <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Accumulated Losses <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	

IV. Performance of Company (Amount in Rs. Thousand)

Turnover <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="9"/> <input type="text" value="4"/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="3"/> <input type="text" value="6"/> <input type="text" value="0"/>	Total Expenditure <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="4"/> <input type="text" value="4"/> <input type="text" value="4"/> <input type="text" value="4"/> <input type="text" value="0"/> <input type="text" value="9"/> <input type="text" value="0"/>
+ - Profit / Loss before Tax <input checked="" type="checkbox"/> <input type="text" value=""/> <input type="text" value="4"/> <input type="text" value="9"/> <input type="text" value="7"/> <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="7"/> <input type="text" value="0"/>	+ - Profit / Loss after Tax <input checked="" type="checkbox"/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="2"/> <input type="text" value="4"/> <input type="text" value="7"/> <input type="text" value="2"/> <input type="text" value="9"/> <input type="text" value="0"/>
(Please tick Appropriate box + for Profit - for Loss)	Dividend Rate % <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="0"/> <input type="text" value="."/> <input type="text" value="0"/> <input type="text" value="0"/>
Earning Per Share in Rs. <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="8"/> <input type="text" value="."/> <input type="text" value="9"/> <input type="text" value="3"/>	

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

Items Code No. (ITC Code) <input type="text" value="N.A."/>	Product Description <input type="text" value="N.A."/>
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Notice

Notice is hereby given that the Tenth Annual General Meeting of IL&FS Transportation Networks Limited will be held at Y B Chavan Auditorium, Gen. J. Bhosale Marg, Mumbai 400 021 on Wednesday, August 4, 2010 at 3.30 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at March 31, 2010 and the Profit and Loss Account for the financial year ended on that date together with the Reports of Directors and Auditors thereon
2. To declare a dividend
3. To appoint a Director in place of Mr. Arun K Saha, who retires by rotation and, being eligible offers himself for re-appointment
4. To appoint a Director in place of Mr. Pradeep Puri, who retires by rotation and, being eligible offers himself for re-appointment
5. To appoint a Director in place of Mr. R C Sinha, who retires by rotation and, being eligible offers himself for re-appointment
6. To appoint Auditors and fix their remuneration

SPECIAL BUSINESS

7. Appointment of Mr. R. S. Chandra as a Director
To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that Mr. R. S. Chandra, who was appointed by the Board of Directors as an Additional Director of the Company with effect from May 25, 2010 and who holds office upto the date of the forthcoming Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 (the Act) and in respect of whom the Company has received a notice in writing under Section 257 of the Act from a Member proposing his candidature for the office of a Director of the Company, be and is hereby appointed as a Director liable to retire by rotation”

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

“RESOLVED that pursuant to Article 139.2 of the Articles of Association of the Company and the provisions of Sections 309, 310, 349, 350 and other applicable provisions, if any, of the Companies Act, 1956, commission in the aggregate not exceeding 1% per annum of the net profits of the Company computed in the manner laid down in the Companies Act, 1956, for each of the five financial years of the Company commencing from April 1, 2010 be paid to and distributed amongst the Non-Executive Directors of the Company, as may be determined by the Board of Directors of the Company in such proportion and manner of such payment and distribution as the Board may from time to time decide”

9. To consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

“RESOLVED that an approval be and is hereby accorded to the Company in terms of Section 163 of the Companies Act, 1956 to keep its Registers and Index of Members and copies of Annual Returns prepared under Section 159 of the Companies Act, 1956 together with copies of certificates and documents required to be annexed thereto under Section 161 of the Companies Act, 1956 or one or more of them at the office premises of the Company’s Registrar and Share Transfer Agents viz Link Intime India Private Limited (“R&T Agents”) at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078, India and/or at such other place(s) within the city of Mumbai where the R&T Agents may shift its office from time to time and/or at the Registered Office of the Company at The IL&FS Financial Centre, C-22, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051

By Order of the Board

Krishna Ghag
Associate Vice President &
Company Secretary

Mumbai
May 25, 2010

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

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Proxies, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the meeting
2. The relative Explanatory statement pursuant to Section 173 of the Companies Act, 1956 relating to the special business set out at Item Nos. 7 to 9 above and the relevant details in respect of Item Nos. 3, 4 and 5 above pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges are annexed hereto
3. Members / Proxies should bring the enclosed attendance slip duly filled in, for attending the Meeting, along with the Annual Report
4. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, July 28, 2010 to Wednesday, August 4, 2010 (both days inclusive)
5. Dividend, if approved by the Members at the Annual General Meeting will be paid / credited on or before September 3, 2010 to those persons or their mandates
 - a) whose names appear as Beneficial Owners as at the end of the business hours on July 28, 2010 in the list of Beneficial Owners to be furnished by National Securities Depository Ltd and Central Depository Services (India) Ltd in respect of those shares held in electronic form; and
 - b) whose names appear as Members in the Register of Members of the Company on August 4, 2010 after giving effect to valid share transfers in physical form lodged with the Company / Registrar and Share Transfer Agents on or before the aforesaid date
6. Members are requested to immediately intimate changes, if any, in their registered addresses along with pin code number to the Company or the Registrars and Share Transfer Agents. Members holding shares in dematerialised mode are requested to intimate the same to their respective depository participants
7. In order to avail of the facility of Electronic Clearing Service (ECS), Members holding shares in physical form are requested to provide bank account details to the Company or the Registrar and Share Transfer Agents. Members holding shares in dematerialised mode are requested to instruct their respective Depository Participants regarding bank accounts in which they wish to receive the dividends. The Company/Registrars and Share Transfer Agents will not act on any direct request received from Members holding shares in dematerialised form for change/deletion of such bank details
8. Members seeking any information or clarifications on the Annual Report are requested to send in written queries to the Company at least one week before the meeting to enable the Company to compile the information and provide replies at the meeting

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956**Item No. 7**

Mr. R. S. Chandra was appointed as an Additional Director by the Board of Directors with effect from May 25, 2010. In accordance with the provisions of Section 260 of the Companies Act, 1956, Mr. Chandra will hold office upto the date of the ensuing Annual General Meeting. The Company has received a Notice under Section 257 of the Companies Act, 1956, from a member proposing his candidature for the office of the Director

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 recognized by Forbes Magazine on its Midas List as a top dealmaker

The Board considers it desirable that the Company should receive the benefit of Mr. Chandra's valuable experience and advice and commends his appointment

Mr. Chandra is not related to any other Director of the Company. He may be deemed to be concerned or interested in the Resolution at Item No. 7 of the Notice

Item No. 8

The Articles of Association of the Company vide Article 139.2 provides for payment of commission to the Directors of the Company who are not in the whole-time employment or Managing Director of the Company (hereinafter referred to as Non-Executive Directors) subject to the provisions of the Companies Act, 1956. Further, Sections 309, 310, 349, 350 and other applicable provisions, if any, of the Companies Act, 1956, provides for payment of commission to the Non-Executive Directors in the aggregate not exceeding 1% of the net profits of the Company per annum subject to the proposal being approved by passing a Special Resolution by the Shareholders of the Company for a period not exceeding 5 years at a time. It is therefore proposed to recommend the payment of commission to the Non-Executive Directors not exceeding 1% of the net profits of the Company in terms of the aforesaid provisions of the Companies Act, 1956 for each of the five financial years of the Company commencing from April 1, 2010 to be paid to and distributed amongst the Non-Executive Directors of the Company, as may be determined by the Board of Directors of the Company in such proportion and manner of such payment and distribution as the Board may decide from time to time

The Board recommends the Special Resolution for approval

Mr. Deepak Dasgupta, Mr. Ravi Parthasarathy, Mr. Hari Sankaran, Mr. Arun K Saha, Mr. R. C Sinha, Mr. Pradeep Puri, Mr. H P Jamdar, Mr. Vibhav Kapoor and Mr. Deepak Satwalekar, the Non-Executive Directors may be deemed to be concerned or interested in the Resolution at Item No. 8 of the Notice

Item No. 9

In terms of the provisions of Section 163 of the Companies Act, 1956, approval of the Members is sought by a Special Resolution for keeping the Records mentioned in the Resolution at Item No. 9 at the office premises of the Company's Registrar and Share Transfer Agents viz. Link Intime India Private Limited ("R&T Agents") at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078, India and/or at such other place(s) within the city of Mumbai where the R&T Agents may shift its office from time to time and/or at the Registered Office of the Company at The IL&FS Financial Centre, C-22, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051. A copy of the Notice of the proposed special resolution will be served in advance to the Registrar of Companies, Maharashtra, Mumbai as required under the Companies Act, 1956

The Directors recommend passing of the Special Resolution at item No 9 of the Notice

None of the Directors of the Company is in any way, concerned or interested in this resolution.

By Order of the Board

Krishna Ghag
Associate Vice President &
Company Secretary

Mumbai
May 25, 2010

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

DETAILS OF DIRECTORS SEEKING APPOINTMENT AND RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

Particulars	Arun K Saha	Pradeep Puri	R. C. Sinha	R. S. Chandra
Date of Birth	March 27, 1953	September 28, 1956	May 27, 1938	April 15, 1966
Date of Appointment	January 6, 2001	January 6, 2001	March 19, 2001	May 25, 2010
Qualifications	(i) M.Com. (ii) A.C.A. (iii) A.C.S.	(i) M.A. (History)	(i) M.A.-Economics (ii) LL.B. (iii) P.G. in Urban Development from London University	(i) MBA from Harvard Business School
Expertise in specific functional areas	Proficient in the areas of finance, operations, credit compliance and risk management	Retired IAS, having immense experience in the Infrastructure Industry	Retired IAS, having rich experience in the field of Surface Transport and Rural Development	Private Equity Investment for over 15 years
Directorships in other Public Limited Companies*	<ul style="list-style-type: none"> ─ Infrastructure Leasing & Financial Services Limited 	<ul style="list-style-type: none"> ─ North Karnataka Expressway Limited 	<ul style="list-style-type: none"> ─ West Bengal Housing Infrastructure Development Corporation Limited 	<ul style="list-style-type: none"> ─ Orient Green Power Company Ltd.
	<ul style="list-style-type: none"> ─ IL&FS Securities Services Limited 	<ul style="list-style-type: none"> ─ IL&FS Infrastructure Development Corporation Limited 	<ul style="list-style-type: none"> ─ Bengal Ambuja Housing Development Limited 	<ul style="list-style-type: none"> ─ Shriram EPC Limited
	<ul style="list-style-type: none"> ─ IL&FS Infrastructure Development Corporation Limited 	<ul style="list-style-type: none"> ─ IL&FS Ecosmart Limited 	<ul style="list-style-type: none"> ─ Maharashtra Airport Development Co. Limited 	
	<ul style="list-style-type: none"> ─ IL&FS Investment Managers Limited 	<ul style="list-style-type: none"> ─ West Gujarat Expressway Limited 		

Particulars	Arun K Saha	Pradeep Puri	R. C. Sinha	R. S. Chandra
Directorships in other Public Limited Companies*	IL&FS Property Management & Services Limited	IL&FS Urban Infrastructure Managers Limited		
	IL&FS Technologies Limited	Andhra Pradesh Expressway Limited		
	IL&FS Trust Company Limited	Urban Mass Transit Company Limited		
	IL&FS Urban Infrastructure Managers Limited	PDCOR Limited		
	Orix Auto Infrastructure Services Limited	Pipavav Railway Corporation Limited		
	Noida Toll Bridge Company Limited	ITNL Toll Management Services Limited		
	Maytas Infra Limited	IL&FS Waste Management and Urban Services Limited		
	GVK Gautami Power Limited	Delhi Mumbai Industrial Corridor Development Corporation Ltd		
		IL&FS Urban Infrastructure Services Limited		
Membership of Committees in other Public Limited Companies (includes only Audit and Shareholders' / Investors' Grievance Committee)	Audit Committee:	Audit Committee:	Nil	Nil
	IL&FS Financial Services Limited	Pipavav Railway Corporation Ltd		
	IL&FS Infrastructure Development Corporation Limited	North Karnataka Expressway Ltd		
	IL&FS Investment Managers Limited	West Gujarat Expressway Ltd		
	IL&FS Property Management and Services Limited	Andhra Pradesh Expressway Ltd		
	IL&FS Technologies Limited			
	Orix Auto Infrastructure Services Limited			
	Maytas Infra Limited			
Shareholders' / Investors' Grievance Committee:				
Maytas Infra Limited				
No. of Shares held in the Company	79	79	53	Nil

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

ATTENDANCE SLIP

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

DP.Id*	
Client Id*	

Folio No.	
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Name and Address of the Shareholder

Number of Shares held :

I hereby record my presence at the ANNUAL GENERAL MEETING of the Company to be held on Wednesday, August 4, 2010 at 3.30 p.m., at Y. B. Chavan Auditorium, Gen. J. Bhosale Marg, Mumbai 400 021

* Applicable for Investors holding
Shares in electronic form

** Strike out whichever is not applicable

SIGNATURE OF THE SHAREHOLDER OR PROXY**



PROXY FORM

DP.Id*	
Client Id*	

Folio No.	
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I/We

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

..... of.....

or (failing him) of.....

or (failing him) of.....

as my/our Proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Wednesday, August 4, 2010 at 3.30 p.m. at Y. B. Chavan Auditorium, Gen. J. Bhosale Marg, Mumbai 400 021 and at any adjournment thereof

Signed thisday of2010

Signature



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*Applicable for Investors holding shares in electronic form.

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