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IL&FS | Transportation

RED HERRING PROSPECTUS
Please read Section 60B of the Companies Act, 1956
Dated March 4, 2010
100% Book Built Issue

IL&FS Transportation Networks Limited

Our Company was incorporated under the Companies Act, 1956 on November 29, 2000 at Mumbai. Presently, the name of our Company is "IL&FS Transportation Networks Limited" pursuant to a special resolution of the shareholders of our Company dated September 29, 2005 and a fresh certificate of incorporation granted to our Company on October 18, 2005 by the Registrar of Companies, Maharashtra, situated at Mumbai. For further details in relation to the corporate history of our Company, see the section titled "History and Certain Corporate Matters" on page 145.

PROMOTER OF THE COMPANY: INFRASTRUCTURE LEASING & FINANCIAL SERVICES LIMITED

Registered and Corporate Office: 'The IL&FS Financial Centre', Plot No. C 22, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051, India
Telephone: + 91 22 2653 3333; **Facsimile:** +91 22 2652 3979
Contact Person and Compliance Officer: Mr. Krishna Ghag; **Telephone:** + 91 22 2653 3333; **Facsimile:** + 91 22 2652 3979; **Email:** itnlinvestor@ilfsindia.com; **Website:** www.itnlindia.com

PUBLIC ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF RS. 10 EACH ("EQUITY SHARES") OF IL&FS TRANSPORTATION NETWORKS LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS. [●] PER EQUITY SHARE) AGGREGATING UP TO RS. 7,000 MILLION (THE "ISSUE") CONSISTING OF A FRESH ISSUE OF [●] EQUITY SHARES BY THE COMPANY ("FRESH ISSUE") AND AN OFFER FOR SALE OF 4,278,844 EQUITY SHARES ("OFFER FOR SALE") BY TRINITY CAPITAL (TWO) LIMITED (THE "SELLING SHAREHOLDER"). THE ISSUE WILL CONSTITUTE [●]% OF THE FULLY DILUTED POST ISSUE PAID-UP CAPITAL OF THE COMPANY.

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY THE COMPANY AND THE SELLING SHAREHOLDER IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND THE CO-BOOK RUNNING LEAD MANAGERS AND ADVERTISED AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE.

In case of any revision in the Price Band, the Bidding Period shall be extended for three additional Working Days after such revision of the Price Band, subject to the total Bidding Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bidding Period, if applicable, shall be widely disseminated by notification to the Self Certified Syndicate Banks ("**SCSBs**"), the National Stock Exchange of India Limited (the "**NSE**") and the Bombay Stock Exchange Limited (the "**BSE**"), by issuing a press release and also by indicating the change on the websites of the Book Running Lead Managers, the Co-Book Running Lead Managers and at the terminals of the other members of the Syndicate.

Pursuant to Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 ("**SCRR**") read with Regulation 41(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "**SEBI Regulations**"), this being an Issue for less than 25% of the post-Issue share capital, is being made through the 100% Book Building Process wherein at least 60% of the Issue shall be Allotted to Qualified Institutional Buyers ("**QIBs**"). If at least 60% of the Issue cannot be Allotted to QIBs, then the entire application money will be refunded forthwith. In addition, in accordance with Rule 19(2)(b) of the SCRR, a minimum of two million securities are being offered to the public and the size of the Issue shall aggregate to at least Rs. 1,000 million. Our Company and the Selling Shareholder may, in consultation with the Book Running Lead Managers and the Co-Book Running Lead Managers, allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Price on a discretionary basis, out of which at least one-third will be available for allocation to domestic Mutual Funds only. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIBs in proportion to their Bids. Further, not less than 10% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received from them at or above the Issue Price. Any Bidder, other than a QIB, may participate in this Issue though the ASBA process by providing the details of their respective bank accounts in which the corresponding Bid amounts will be blocked by the SCSBs. Specific attention of investors is invited to the section titled "Issue Procedure" on page 451.

RISKS IN RELATION TO FIRST ISSUE

This being the first public issue of the Issuer, there has been no formal market for our Equity Shares. The face value of the Equity Shares is Rs. 10 and the Floor Price is [●] times of the face value and the Cap Price is [●] times of the face value. The Issue Price (as determined by our Company and the Selling Shareholder, in consultation with Book Running Lead Managers and the Co-Book Running Lead Managers, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process and as stated in the section titled "Basis for Issue Price" on page 48) should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the 'risk factors' carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and this Issue, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to the section titled "**Risk Factors**" on page xii.

IPO GRADING

This Issue has been graded by Fitch Ratings India Private Limited and has been assigned a grade of '4(ind)' indicating above-average fundamentals. Further, this Issue has been graded by Credit Analysis and Research Limited and has been assigned a grade of 'CARE IPO Grade 4' indicating above average fundamentals For more information on IPO grading, see the section titled "General Information" on page 23.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to the Issuer and this Issue, which is material in the context of this Issue, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading, in any material respect.

LISTING

The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on the National Stock Exchange of India Limited ("**NSE**") and the Bombay Stock Exchange Limited ("**BSE**"). Our Company has received in-principle approvals from the NSE and the BSE for listing of the Equity Shares pursuant to their letters dated October 21, 2009 and November 4, 2009, respectively. For the purposes of this Issue, the NSE shall be the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGERS

ENAM	NOMURA	JM FINANCIAL
ENAM SECURITIES PRIVATE LIMITED 801/802, Dalamal Towers, Nariman Point, Mumbai 400 021, India. Telephone: +91 22 6638 1800 Facsimile: +91 22 2284 6824 Email: itnlipo@enam.com Website: www.enam.com Investor Grievance ID: complaints@enam.com Contact Person: Ms. Kanika Sarawgi SEBI registration number: INM000006856	**NOMURA FINANCIAL ADVISORY AND SECURITIES (INDIA) PRIVATE LIMITED** Ceejay House, Level 11, Dr. Annie Besant Road, Worli, Mumbai 400 018, India. Telephone: +91 22 4037 4037 Facsimile : +91 22 4037 4111 Email id: itnl.ipo-in@nomura.com Website: http://www.nomura.com/asia/services/capital_raising/equity.shtml Investor Grievance ID: investorgrievances-in@nomura.com Contact Person: Mr. Shreyance Shah SEBI registration number: INM000011419	**JM FINANCIAL CONSULTANTS PRIVATE LIMITED** 141 Maker Chamber III, Nariman Point, Mumbai 400 021, India. Telephone: +91 22 6630 3030 Facsimile : +91 22 2204 7185 Email id: itnl.ipo@jmfinancial.in Website: www.jmfinancial.in Investor Grievance ID: grievance.ibd@jmfinancial.in Contact Person: Ms. Lakshmi Lakshmanan SEBI registration number: INM000010361

CO- BOOK RUNNING LEAD MANAGERS / REGISTRAR TO THE ISSUE

Avendus	SBI Capital Markets Limited	LINK INTIME INDIA PVT LTD (Formerly INTIME SPECTRUM REGISTRY LTD)
AVENDUS CAPITAL PRIVATE LIMITED 'IL&FS Financial Centre', B- Quadrant - 5th Floor, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051, India. Telephone: +91 22 6648 0050 Facsimile: +91 22 6648 0040 Email ID: itnl.ipo@avendus.com website: www.avendus.com Investor Grievance ID: investorgrievance@avendus.com Contact Person: Mr. Prashant Kothari SEBI registration number: INM000011021	**SBI CAPITAL MARKETS LIMITED** 202, Maker Towers 'E' Cuffe Parade, Mumbai 400 005, India. Telephone: +91 22 2217 8300 Facsimile: +91 22 2218 8332 Email ID: itnl.ipo@sbicaps.com Website: www.sbicaps.com Investor Grievance ID: investor.relations@sbicaps.com Contact Person: Ms. Nitya Venkatesh SEBI registration number: INM000003531	**LINK INTIME INDIA PRIVATE LIMITED** C-13, Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (West), Mumbai 400 078, India. Telephone: +91 22 2596 0320 Facsimile: +91 22 2596 0329 Email: itnl.ipo@linkintime.co.in Website: www.linkintime.co.in Contact Person: Mr. Sachin Achar SEBI registration number: INR000004058

BID/ISSUE PROGRAMME

BIDDING/ISSUE OPENS ON : THURSDAY, MARCH 11, 2010*	BIDDING/ISSUE CLOSES ON : MONDAY, MARCH 15, 2010

** The Bid/Issue Period for Anchor Investors shall be one day prior to the Bid/Issue Opening Date.*

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, requires or implies, the following terms shall have the following meanings in this Red Herring Prospectus.

General

Term	Description
The "Company" or "our Company" or "ITNL" or the "Issuer"	IL&FS Transportation Networks Limited, a public limited company incorporated under the Companies Act.
"We" or "us" or "our"	The Company together with its Subsidiaries, joint ventures and associates.

Company Related Terms

Term	Description
"Articles" or "Articles of Association" or "our Articles"	The articles of association of our Company, as amended.
Auditor	The statutory auditor of our Company, being M/s Deloitte Haskins & Sells, Chartered Accountants.
"Board" or "Board of Directors" or "our Board"	The board of directors of our Company, as constituted from time to time, or committees thereof.
Director(s)	The director(s) of our Company, unless otherwise specified.
"Memorandum" or "Memorandum of Association" or "our Memorandum"	The memorandum of association of our Company, as amended from time to time.
Group Companies	Such entities as mentioned in the section titled "Our Group Companies" on page 223.
Promoter	The promoter of our Company, being IL&FS.
Promoter Group	The individuals, companies and entities as described in the section titled "Our Promoter and Promoter Group" on page 217.
Registered and Corporate Office	The registered and corporate office of our Company is presently situated at 'The IL&FS Financial Centre', Plot No. C 22, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051, India.
"Subsidiaries" or "our Subsidiaries"	ITNL Road Infrastructure Development Company Limited, Gujarat Road and Infrastructure Company Limited, East Hyderabad Expressway Limited, ITNL International Pte Limited, Elsamex S.A, ITNL Enso Rail Systems Limited, Vansh Nimay Infraprojects Limited, Elsamex India Private Limited, Elsamex Internacional SL, Elsamex Portugal S.A, Grusamar Ingenieria Y Consulting SL, Inversiones Tyndrum, S.A., Intevial-Gestao Integral Rodoviaria S.A., Mantenimiento Y Conservacion De Vialidades, S.A. de C.V, Proyectos de Gestion Sistemas Calculo y Analisis, S.A., Sanchez Marcos Senalizacion E Imagen, S.A., Senalizacion Viales E Imagen, S.A., Centro De Investigacion Elpidio Sanchez Marcos SA, Control 7, SA, Geotecnia 7, SA, ESM Mantenimiento Integral S.A. de C.V, Grusamar Albania SHPK, Atenea Seguridad Y Medio Ambiente S.A, Ecoasfalt Construction Company Private Limited, Proyectos y Promociones Inmobiliarias Elpidio Sanchez Marcos, S.L, Instituto Tecnico De La Vialidad Y Del Transporte, S.A and Yala Construction Co Private Limited, Hazaribagh Ranchi Expressway Limited, Pune Sholapur Road Development Company Limited, Rapid MetroRail Gurgaon Limited, North Karnataka Expressway Limited, West Gujarat Expressway Limited and Moradabad Bareilly Expressway Limited.

Issue Related Terms

Term	Description
"Allot" or "Allotment" or "Allotted"	The allotment of Equity Shares pursuant to this Issue.
Allottee	A successful Bidder to whom Equity Shares are Allotted.
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor category, who has Bid for Equity Shares amounting to at least Rs. 100 million.
Anchor Investor Bidding Date	The date one day prior to the Bid/Issue Opening Date prior to or after which the

Term	Description
	Syndicate will not accept any Bids from the Anchor Investors.
Anchor Investor Margin Amount	An amount representing 25% of the Bid Amount payable by Anchor Investors at the time of submission of their Bid.
Anchor Investor Portion	The portion of the Issue available for allocation to Anchor Investors on a discretionary basis in accordance with the SEBI Regulations, being up to 30% of the QIB Portion or up to [●] Equity Shares.
Anchor Investor Price	The price at which the Equity Shares are Allotted to the Anchor Investors under the Anchor Investor Portion in terms of this Red Herring Prospectus, which shall be higher than or equal to the Issue Price, but not higher than the Cap Price.
ASBA	The application (whether physical or electronic) used by an ASBA Bidder to make a Bid authorizing the SCSB to block the Bid Amount in his/her specified bank account maintained with the SCSB.
ASBA Form	The application form, whether physical or electronic, in terms of which an ASBA Bidder shall make a Bid containing an authorisation to block the Bid Amount in an ASBA Account and which will be considered as an application for Allotment pursuant to the terms of this Red Herring Prospectus.
ASBA Revision Form	The forms used by the ASBA Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their ASBA Forms (if submitted in physical form).
ASBA Account	Account maintained with an SCSB which will be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder, as specified in the ASBA Form.
ASBA Bidder	A prospective investor in this Issue, except QIBs, who intends to apply through the ASBA process.
"Bankers to the Issue" or "Escrow Collection Banks"	The banks which are clearing members and registered with SEBI or bankers to the Issue with whom the Escrow Account will be opened, being Axis Bank Limited, HDFC Bank Limited, Punjab National Bank Limited, Kotak Mahindra Bank Limited, Central Bank of India, ABN AMRO Bank N.V., Yes Bank Limited and Standard Chartered Bank.
Basis of Allocation	The basis on which the Equity Shares will be allocated as described in the section titled "Issue Procedure – Basis of Allocation" on page 440.
Bid	An indication to make an offer during the Bidding Period by a Bidder for Equity Shares at a price within the Price Band through the Bid cum Application Form, the Revision Form by a Bidder or through the ASBA Form or the ASBA Revision Form, as the case may be, by an ASBA Bidder.
Bidder	Any prospective investor who makes a Bid through the Bid cum Application Form or the ASBA Form, as the case may be, pursuant to the terms of this Red Herring Prospectus.
Bid Amount	The highest Bid Price indicated in the Bid cum Application Form and in case of ASBA Bidders, the Bid amount mentioned in the ASBA Form.
Bid cum Application Form	The form in terms of which the Bidder (other than an ASBA Bidder) makes a Bid and which will be considered as the application for Allotment.
Bid Price	The prices indicated within the optional Bids in the Bid cum Application Form.
Bid/Issue Opening Date	Except in relation to Anchor Investors, the date on which the members of the Syndicate and SCSBs shall start accepting Bids, which shall be the date notified in an English national newspaper, a Hindi national newspaper and a regional newspaper, each with wide circulation and in case of any revision, the extended Bid/Issue Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI Regulations.
Bid/Issue Closing Date	Except in relation to Anchor Investors, the date after which the members of the Syndicate and SCSBs will not accept any Bids, which shall be notified in an English national newspaper, a Hindi national newspaper and a regional newspaper, each with wide circulation and in case of any revision, the extended Bid/Issue Closing Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI Regulations.
Bidding Centre	A centre for acceptance of the Bid cum Application Form.
Bidding Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date (inclusive of both days) and during which Bidders (excluding Anchor Investors) can submit their Bids, inclusive of any revision thereof.
Book Building Process	The book building process as described in Schedule XI of the SEBI Regulations.
"Book Running Lead Managers" or "BRLMs"	Book running lead managers to this Issue, being Enam Securities Private Limited, Nomura Financial Advisory and Securities (India) Private Limited and JM Financial Consultants Private Limited.
"CAN" or "Confirmation of Allocation Note"	Except in relation to the Anchor Investors, the note or advice or intimation sent to the Bidders who have been allocated Equity Shares, after discovery of the Issue Price in accordance with the Book Building Process, including any

Term	Description
	revisions thereof. In relation to Anchor Investors, the note or advice or intimation sent to the successful Anchor Investors who have been allocated Equity Shares after discovery of the Anchor Investor Price, including any revisions thereof.
"Co-Book Running Lead Managers"or "CBRLMs"	Avendus Capital Private Limited and SBI Capital Markets Limited.
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids will be accepted.
Controlling Branches	Such branches of the SCSBs which coordinate Bids under this Issue by the ASBA Bidders with the Registrar to the Issue and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in.
Cut-Off Price	Any price within the Price Band finalized by our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers and the Co-Book Running Lead Managers, at which only Retail Individual Bidders are entitled to Bid, for a Bid Amount not exceeding Rs. 100,000.
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended.
"Depository Participant" or "DP"	A depository participant as defined under the Depositories Act.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Form from the ASBA Bidders and a list of which is available on http://www.sebi.gov.in.
Designated Date	The date on which the Escrow Collection Banks and the SCSBs transfer the funds from the Escrow Accounts and the ASBA Accounts, to the Public Issue Account, in terms of this Red Herring Prospectus.
"Designated Stock Exchange" or "DSE"	NSE.
"Draft Red Herring Prospectus" or "DRHP"	The offer document dated September 29, 2009 filed with SEBI and issued in accordance with the SEBI Regulations, which does not contain, *inter alia,* complete particulars of the price at which the Equity Shares are offered.
Eligible NRI	An NRI from such a jurisdiction outside India where it is not unlawful to make an offer or invitation under this Issue and in relation to whom this Red Herring Prospectus constitutes an invitation to Bid for the Equity Shares, pursuant to the terms of this Red Herring Prospectus.
Equity Shares	The equity shares of our Company with a face value of Rs. 10 each.
Escrow Account(s)	Accounts opened with the Escrow Collection Banks for this Issue to which cheques or drafts of the Margin Amount are issued by a Bidder (including Anchor Investor and excluding the ASBA Bidders), when submitting a Bid and the remainder of the Bid Amount, if any.
Escrow Agreement	An agreement to be entered into among our Company, the Selling Shareholder, the Registrar, the Escrow Collection Banks, the Book Running Lead Managers, the Co-Book Running Lead Managers and the Syndicate Members for the collection of Bid Amounts and for remitting refunds, if any, to the Bidders (excluding the ASBA Bidders) on the terms and conditions thereof.
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form or the ASBA Form.
FII	Foreign Institutional Investor, as defined in and registered under the FII Regulations.
FVCI	Foreign venture capital investor as defined in and registered under the FVCI Regulations.
Floor Price	The lower end of the Price Band: (a) which shall not be lesser than the face value of the Equity Shares; (b) below which the Issue Price will not be finalised; and (c) below which no Bids will be accepted.
Fresh Issue	The issue of [●] Equity Shares by the Company offered for subscription pursuant to the terms of this Red Herring Prospectus.
IPO Grading Agencies	Fitch Ratings India Private Limited and Credit Analysis and Research Limited, the credit rating agencies appointed by our Company and the Selling Shareholder for grading this Issue.
Issue	The public issue of an aggregate [●] Equity Shares aggregating up to Rs. 7,000 million, consisting of the Fresh Issue and the Offer for Sale.
Issue Price	The final price at which Equity Shares will be Allotted, as determined by our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers and the Co-Book Running Lead Managers.
Issue Proceeds	Gross Proceeds to be raised by our Company through the Fresh Issue

Term	Description
Margin Amount	The amount paid or blocked in the ASBA Account, by the Bidder at the time of submission of the Bid cum Application Form or the ASBA Form, which may range between 10% to 100% of the Bid Amount.
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended.
Mutual Fund Portion	5% of the Net QIB Portion or [●] Equity Shares, available for allocation to Mutual Funds only, out of the QIB Portion.
NEFT	National electronic fund transfer service.
Net Issue	The Issue less the number of Equity Shares allocated to the Anchor Investors.
Net Proceeds	Net proceeds of the Issue after deducting the Issue related expenses from the Issue Proceeds.
Net QIB Portion	The QIB Portion less the number of Equity Shares allocated to the Anchor Investors, being a minimum of [●] Equity Shares to be allocated to QIBs on a proportionate basis.
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India.
Non-Institutional Bidders	All Bidders (including ASBA Bidders and Sub-Accounts which are foreign corporates or foreign individuals) that are not Qualified Institutional Buyers or Retail Individual Bidders and who have Bid for an amount more than Rs. 100,000.
Non-Institutional Portion	The portion of this Issue being not less than 10% of the Issue consisting of [●] Equity Shares, available for allocation to Non-Institutional Bidders.
"Non Residents" or "NRs"	Persons resident outside India, as defined under FEMA, including Eligible NRIs and FIIs.
"Non Resident Indian" or "NRI"	A person resident outside India, as defined under FEMA and who is a citizen of India or a person of Indian origin, such term as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended.
Offer for Sale	The offer for sale of 4,278,844 Equity Shares by the Selling Shareholder, pursuant to the terms of this Red Herring Prospectus.
"Overseas Corporate Body" or "OCB"	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under FEMA.
Pay-in Date	The Bid/Issue Closing Date with respect to the Bidders whose Margin Amount is 100% of the Bid Amount or the last date specified in the CAN sent to the Bidders with respect to the Bidders whose Margin Amount is less than 100% of the Bid Amount.
Pay-in Period	(i) With respect to Bidders, except Anchor Investors and ASBA Bidders, whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid/Issue Opening Date and extending until the Bid/Issue Closing Date; (ii) With respect to Bidders, except Anchor Investors, whose Margin Amount is less than 100% of the Bid Amount, the period commencing on the Bid/Issue Opening Date and extending until the closure of the Pay-in Date specified in the CAN; and (iii) With respect to Anchor Investors, commencing on the Anchor Investor Bidding Date and extending until the last date specified in the CAN, which shall not be later than two days after the Bid Closing Date.
Payment through electronic transfer of funds	Payment through ECS, Direct Credit or RTGS, as applicable.
Price Band	The price band with Floor Price of Rs. [●] per Equity Share and Cap Price of Rs. [●] per Equity Share and revisions thereof. The Price Band and the minimum bid lot as decided by the Company and the Selling Shareholder in consultation with the Book Running Lead Managers and the Co-Book Running Lead Managers, including the relevant financial ratios computed for both the Cap Price and the Floor Price and shall be published at least two Working Days prior to the Bid/Issue Opening Date in English and Hindi national newspapers, (i.e., [●] edition of [●] and [●] edition of [●]) and one regional newspaper (i.e., [●] edition of [●]), each with wide circulation.
Pricing Date	The date on which the Issue Price is finalised by our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers and the Co-Book Running Lead Managers.
Prospectus	The prospectus of our Company to be filed with the RoC for this Issue post the

Term	Description
	Pricing Date in accordance with Sections 56, 60 and 60B of the Companies Act and the SEBI Regulations, which would include, *inter alia*, the Issue Price, the size of this Issue and certain other information.
Public Issue Account	The bank account opened with the Bankers to the Issue by our Company and the Selling Shareholder under Section 73 of the Companies Act to receive money from the Escrow Accounts on the Designated Date and where the funds shall be transferred by the SCSBs from the ASBA Accounts.
"QIBs" or "Qualified Institutional Buyers"	Public financial institutions as defined in Section 4A of the Companies Act, FIIs and Sub-Accounts (other than Sub-Accounts which are foreign corporates or foreign individuals), VCFs, FVCIs, multilateral and bilateral financial institutions, scheduled commercial banks, Mutual Funds, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with a minimum corpus of Rs. 250 million, pension funds with a minimum corpus of Rs. 250 million,the NIF and insurance funds set up and managed by the Army, Navy or Air Force of the Union of India, eligible for bidding in this Issue.
QIB Margin Amount	An amount representing at least 10% of the Bid Amount that the QIBs (other than Anchor Investors) are required to pay at the time of submitting a Bid.
QIB Portion	The portion of this Issue being a minimum [●] Equity Shares to be Allotted to QIBs, including the Anchor Investor Portion.
"Red Herring Prospectus" or "RHP"	The offer document to be issued by our Company in accordance with Sections 56, 60 and 60B of the Companies Act and the SEBI Regulations and which does not contain, *inter alia*, complete particulars of the price at which the Equity Shares are offered and the size (in terms of value) of this Issue.
Refund Account(s)	The account opened with the Refund Banker(s), from which refunds of the whole or part of the Bid Amount (excluding the ASBA Bidders), if any, shall be made.
Refunds through electronic transfer of funds	Refunds through ECS, NEFT, direct credit or RTGS, as applicable.
Refund Banker(s)	The bank(s) which is a/ are clearing member(s) and registered with SEBI as Bankers to the Issue, at which the Refund Accounts will be opened, in this case being Axis Bank Limited.
Registrar to the Issue	Link Intime India Private Limited.
Retail Individual Bidders	Bidders, including HUFs (applying through their *Karta*) and ASBA Bidders, who have Bid for an amount less than or equal to Rs. 100,000.
Retail Portion	The portion of this Issue being not less than 30% of this Issue, consisting of [●] Equity Shares, available for allocation to Retail Individual Bidders on a proportionate basis.
Revision Form	The form used by the Bidders, except the ASBA Bidders, to modify the quantity of Equity Shares or the Bid Price in any of their Bid cum Application Forms or any previous Revision Form(s).
Self Certified Syndicate Bank or SCSB	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offers services in relation to ASBA, including blocking of bank account and a list of which is available on http://www.sebi.gov.in.
Selling Shareholder	Trinity Capital (Two) Limited.
Stock Exchanges	The BSE and the NSE, as the context may refer to.
Sub-Account	Sub-accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, as amended from time to time.
Syndicate Agreement	The agreement to be entered into between our Company, the Selling Shareholder and members of the Syndicate, in relation to the collection of Bids (excluding Bids from the ASBA Bidders).
Syndicate Members	Intermediaries registered with SEBI and permitted to carry out activities as an underwriter, in this case being SBICap Securities Limited, JM Financial Services Private Limited and Reliance Securities Limited.
"Syndicate" or "members of the Syndicate"	The Book Running Lead Managers, the Co-Book Running Lead Managers and the Syndicate Members.
"Transaction Registration Slip" or "TRS"	The slip or document issued by any of the members of the Syndicate, or the SCSBs upon demand as the case may be, to a Bidder or an ASBA Bidder, as applicable, as proof of registration of the Bid.
Underwriters	The Book Running Lead Managers, the Co-Book Running Lead Managers and the Syndicate Members.
Underwriting Agreement	The agreement to be entered into between the Underwriters, our Company and the Selling Shareholder, on or after the Pricing Date.
VCFs	Venture Capital Funds as defined in and registered with SEBI under the VCF

Term	Description
	Regulations.
Working Days	All days except Saturday, Sunday and any public holiday on which commercial banks in Mumbai are open for business.

Conventional/General Terms, Abbreviations and References to Other Business Entities

Abbreviation	Full Form
A/c	Account.
AGM	Annual general meeting.
APEL	Andhra Pradesh Expressway Limited.
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India.
Assessment Year	The period of twelve months commencing from the first day of April every year.
BPLR	Benchmark Prime Lending Rate.
BSE	Bombay Stock Exchange Limited.
CDSL	Central Depository Services (India) Limited.
CHDCL	Chhattisgarh Highway Development Company Limited.
CIN	Corporate identification number.
Companies Act	The Companies Act, 1956, as amended.
CST	Central Sales Tax Act, 1956.
Depositories	NSDL and CDSL.
Depositories Act	The Depositories Act, 1996, as amended.
DIN	Director’s identification number.
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India.
DP ID	Depository Participant’s Identity.
EBITDA	Earnings before interest, tax, depreciation and amortisation.
ECB	External commercial borrowings.
ECS	Electronic clearing system.
EHEL	East Hyderabad Expressway Limited.
EGM	Extraordinary general meeting.
EPS	Earnings per share i.e., profit after tax for a Fiscal/period divided by the weighted average number of equity shares/potential equity shares during that Fiscal/period.
ESI	Employee’s state insurance.
ESIC	Employee’s state insurance corporation.
FCNR Account	Foreign currency non-resident account.
FDI	Foreign direct investment, as understood under applicable Indian regulations.
FEMA	The Foreign Exchange Management Act, 1999, together with rules and regulations framed thereunder, as amended.
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and amendments thereto.
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended.
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended.
FIPB	The Foreign Investment Promotion Board of the Government of India.
Fiscal or Financial Year or FY	A period of twelve months ended March 31 of that particular year, unless otherwise stated.
GDP	Gross domestic product.
GDR	Global depository receipts.
GIR Number	General index registry number.
GoI or Government of India	Government of India.
GRICL	Gujarat Road and Infrastructure Company Limited.
G-Sec	Government security.
HDFC	Housing Development Finance Corporation Limited.
HREL	Hazaribagh Ranchi Expressway Limited.
HUF	Hindu undivided family.
IRR	Internal rate of return.
Indian GAAP	Generally accepted accounting principles in India.
IFRS	International financial reporting standards.
IL&FS	Infrastructure Leasing & Financial Services Limited.

Abbreviation	Full Form
IL&FS EWT	IL&FS Employees' Welfare Trust.
IPO	Initial public offering.
IRDA	The Insurance Regulatory and Development Authority constituted under the Insurance Regulatory and Development Authority Act, 1999, as amended.
IRIDCL	ITNL Road Infrastructure Development Company Limited.
IRIT	ITNL Road Investment Trust.
IT	Information technology.
IT Act	The Income Tax Act, 1961, as amended.
ITCL	IL&FS Trust Company Limited
IT Department	Income tax department.
JARDCL	Jharkhand Accelerated Road Development Company Limited.
JRPICL	Jharkhand Road Projects Implementation Company Limited.
LA Act	Land Acquisition Act, 1894.
LIC	Life Insurance Corporation of India
Ltd.	Limited.
Merchant Banker	Merchant banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992.
Merchant Banker Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended
MIBOR	Mumbai Inter-Bank Offer Rate.
MICR	Magnetic ink character recognition.
N.A.	Not applicable.
NAV	Net asset value being paid-up equity share capital plus free reserves (excluding reserves created out of revaluation, preference share capital and share application money) less deferred expenditure not written off (including miscellaneous expenses not written off) and debit balance of 'profit and loss account', divided by number of issued equity shares outstanding at the end of Fiscal.
Net Worth	The aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account.
NKEL	North Karnataka Expressway Limited.
NOIDA	New Okhla Industrial Development Authority.
NRE Account	Non-resident external account.
NRO Account	Non-resident ordinary account.
NSDL	National Securities Depository Limited.
NSE	The National Stock Exchange of India Limited.
NTBCL	Noida Toll Bridge Company Limited.
p.a.	Per annum.
PAN	Permanent Account Number allotted under the IT Act.
P/E Ratio	Price/earnings ratio.
PLR	Prime lending rate.
PSRDCL	Pune Sholapur Road Development Company Limited.
PTC(s)	Pass through certificate/s.
Pvt.	Private.
PWD	Public Works Department.
RAP	Resettlement Action Plan.
RBI	Reserve Bank of India.
Regulation S	Regulation S under the U.S. Securities Act.
RIDCOR	Road Infrastructure Development Company of Rajasthan Limited.
RoC	The Registrar of Companies, Mumbai, Maharashtra.
RoNW	Return on Net Worth.
Rs. Or Rupees	Indian Rupees.
RTGS	Real time gross settlement.
SBI	State Bank of India.
SCRA	The Securities Contracts (Regulation) Act, 1956, as amended.
SCRR	The Securities Contracts (Regulation) Rules, 1957, as amended.
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act.
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended.
SEBI Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.
Securities Act	The U.S. Securities Act of 1933, as amended.

Abbreviation	Full Form
Sec	Section.
SEZ	Special Economic Zone.
SICA	The Sick Industrial Companies (Special Provisions) Act, 1985, as amended.
SPV	Special purpose vehicle.
Takeover Code	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended.
TRDCL	Thiruvananthapuram Road Development Company Limited.
U.S. or US or U.S.A	The United States of America, including its territories and possessions, any state of the Unites States of America and the District of Columbia.
U.S. GAAP	Generally accepted accounting principles in the United States of America.
UTI	Unit Trust of India.
VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as amended
VNIL	Vansh Nimay Infraprojects Limited.
WGEL	West Gujarat Expressway Limited.
WCBTRL	Warora Chandrapur Ballapur Toll Road Limited.

Industry/ Project Related Terms, Definitions and Abbreviations

Term	Description
AAI	Airports Authority of India.
EPC	Engineering, procurement and construction.
PPP	Public private partnership.
BOO	Build own and operate.
BOOT	Build own operate transfer.
BOT	Build operate transfer, and includes BOO, BOOT and DBFOT.
CCTV	Closed- Circuit Television.
COD	Commercial Operations Date.
DBFOT	Design, build, finance, operate and transfer.
DORTH	Department of Road Transport and Highways.
EMP	Environment Mitigation Plan.
GIS	Geographic Information System.
HGCL	Hyderabad Growth Corridor Limited.
HUDA	Haryana Urban Development Authority or Hyderabad Urban Development Authority, as applicable.
IDC	Interest During Construction or Internal Development Charges, as the context may require.
km.	Kilometres.
Lane km.	A measurement unit generally used in the road industry to represent the length and width of roads. One Lane km. equals one kilometre long and single lane road which is generally three-and-a-half meters wide. Lane kms are computed based on the length of road specified under the concession agreements, multiplied by the number of lanes.
MDR	Major district road.
MT	Metric tonne.
NH	National Highway.
NHAI	National Highways Authority of India.
NHDP	National Highways Development Project.
OMT	Operate, maintain and transfer.
O&M	Operations and maintenance.
PMIS	Project Management Information System.
PPPAC	Public Private Partnership Appraisal Committee
ROBs	Road over bridges or railways over bridges, as the context may refer to, in respect of the roads.
RoW	Right of way along roads.
RS	Remote Sensing.
SH	State Highway.
Sq. ft.	Square foot.
Sq. mt.	Square meter.
VGF	Viability gap funding.
VOC	Vehicle operating cost.
VOT	Vehicle operating time.

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in sections titled “Main Provisions of the Articles of Association”, “Statement of Tax Benefits” and “Financial Statements” on pages 464, 51 and F-1, respectively, have the meanings given to such terms in these respective sections.

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

Financial Data

Unless stated otherwise, the financial data in this Red Herring Prospectus is derived from our restated financial statements, prepared in accordance with Indian GAAP and the SEBI Regulations, which are included in this Red Herring Prospectus, and set out in the section titled "Financial Information — Financial Statements" on page F-1. Our fiscal/financial year commences on April 1and ends on March 31.

There are significant differences between Indian GAAP and IFRS or US GAAP. We have not attempted to explain those differences or quantify their impact on the financial data included herein and we urge you to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the Indian GAAP financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

In this Red Herring Prospectus, any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off.

Currency of Presentation and Exchange Rates

All references to "Rupees" or "Rs." are to Indian Rupees, the official currency of the Republic of India. All references to "US$" or United States Dollars are to the official currency of the United States of America. All references to "€" are to Euros, the official currency of European Union. All references to "Sterling Pound" or "£" are to the official currency of the United Kingdom. All references to "Leks" are to the official currency of the Republic of Portugal/Albania. All references to "peso" are to Mexican peso, the official currency of Mexico. All references to "S$" or "Singapore Dollars" are to Singapore Dollars, the official currency of Republic of Singapore.

The exchange rates of the respective foreign currencies are as stated below.

	January 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
1 USD*	46.37	50.95	39.97	43.59
1 Albanian Lek**	0	0.54	0.52	0.48
1 Sterling Pound*	74.78	72.86	79.53	85.53
1 Singapore Dollar**	33.31	34.32	28.91	28.64
	January 31, 2010	**December 31, 2008**	**December 31, 2007**	**December 31, 2006**
1 Euro*	64.63	68.22	58.12	58.25
1 Mexican Peso**	3.58	3.64	3.62	4.09
1 Khazak Tenge	0.31	0.41	0.33	0.36

**Source: www.rbi.org.in*
***Source: www.oanda.com*

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Red Herring Prospectus has been obtained from industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Red Herring Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports, while believed by us to be reliable, have not been verified by any independent sources.

The extent to which the market and industry data used in this Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

FORWARD-LOOKING STATEMENTS

This Red Herring Prospectus contains certain “forward-looking statements”. These forward- looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “shall”, “will”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include, among others:

- Changes in toll rates or the concession arrangements under which we operate;
- Failure to commence operations of our projects as expected;
- Our inability to raise the necessary funding for our capital expenditures, including for the development of our projects;
- Certain inherent construction and operational risks commonly associated with toll road construction projects;
- The monetary and interest rate policies of India, inflation, deflation, unanticipated turbulence in interest rates;
- Changes in the foreign exchange control regulations in India;
- Foreign exchange rates, equity prices or other rates or prices;
- The performance of the financial markets in India;
- General economic, business, political and social conditions in India;
- The ability to successfully implement our strategy;
- Changes in laws and regulations that apply to our clients, suppliers and the surface transport infrastructure sector; and
- Increasing competition in the surface transport infrastructure sector.

For a further discussion of factors that could cause our actual results to differ, see the section titled “Risk Factors” on page xii. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither we, our Directors, the Selling Shareholder, any member of the Syndicate nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, the Book Running Lead Managers, the Co-Book Running Lead Managers, our Company and the Selling Shareholder will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges.

SECTION II – RISK FACTORS

Investment in Equity Shares involve a high degree of risk. You should carefully consider all the information contained in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment decision. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. The risks and risk factors set forth below are not an exhaustive list of the risks currently facing us or that may develop in the future. Additional risks, whether known or unknown, may in the future have a material adverse effect on our business, financial condition and results of operations. The market prices of the Equity Shares could decline due to such risks and you may lose all or part of your investment. In addition, you should be aware that we are incorporated in India and operate in a legal and regulatory environment which may differ from that which prevails in the United States and other countries.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. This Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including events described below and elsewhere in this Red Herring Prospectus. Unless otherwise stated, the financial information used in this section is derived from and should be read in conjunction with restated unconsolidated financial statements of the Company as of and for Fiscals 2005, 2006, 2007, 2008 and 2009 and the six months ended September 30, 2009 and consolidated financial statements of the Company as of and for Fiscals 2007, 2008 and 2009 and the six months ended September 30, 2009, in each case prepared in accordance with Indian GAAP, including the schedules, annexure and notes thereto.

Risks Relating to Our Business

1) Our Promoter, IL&FS, has been involved in SEBI proceedings in the past and has been subjected to certain penalties by SEBI.

Our Promoter, IL&FS, has been involved in proceedings initiated by SEBI in the past and has been subjected to certain penalties by SEBI, brief details of which are provided below:

a) SEBI issued an *ex parte* ad-interim order dated April 27, 2006 under Sections 11, 11B and 11(4) of the SEBI Act and Section 19 of the Depositaries Act, 1996 in the matter of investigation into initial public offerings thereby restraining the IL&FS Depository Participant from opening fresh demat accounts. Pursuant to an order dated July 28, 2006, SEBI directed the withdrawal of the *ex parte* order. An enquiry officer was appointed by SEBI, who had issued a notice dated January 23, 2007 seeking explanation as to why action should not be taken against IL&FS. IL&FS submitted a proposal pursuant to its letter dated December 24, 2007 seeking settlement of the pending proceeding upon payment of Rs. 0.10 million towards the terms of consent. Pursuant to an order dated July 22, 2008, IL&FS's proposal was accepted and the show cause notice of the enquiry officer was disposed off.

   The following irregularities, deficiencies and lapses were observed during the inspection of operations of IL&FS as a Depository Participant:

   - Opening beneficiary accounts without obtaining proper proof of identity and address of the client;
   - Such accounts were opened with improper and incomplete documentation;
   - Such accounts were closed based on incomplete application;
   - Delayed closing of such accounts whereas investors were charged until the date of closure;
   - Omission to mention or incorrect mentioning of ISIN on demat request form;
   - Mentioning of extra account holders in demat request form thereby delaying dematerialisation and rejection by the registrar or the issuer company;
   - Accepting 'Demat Instruction Slips' ("**DIS**") without time-stamping, the date of acceptance, nor an ISIN on the DIS. There were also a difference in the execution date and actual execution and difference in the quantity mentioned on the DIS and the system;

- Investor complaints were not recorded and the complaints register was not maintained; correspondence relating to the same was only filed after June 2000; and
- Even after this period, the date and time of receipt of grievance was not recorded. In its absence, the question of whether grievances were addressed within 30 days cannot be determined in terms of Regulation 20(2)(e) of Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended (the "**DP Regulations**").

b) SEBI had issued a show cause notice on May 6, 2004 asking IL&FS Depository Participant the reason why "cease and desist" proceedings under Section 11D of the SEBI Act for the lapses observed during the inspection of Depository Participant operations should not be initiated against IL&FS. A reply was sent by IL&FS on June 7, 2004 admitting certain short comings and compliances to be completed. After a personal hearing given to IL&FS on July 21, 2006, SEBI passed an order dated August 22, 2006 holding that it would not be appropriate to issue an order at this stage and directed IL&FS to refrain from committing any further violations. SEBI further directed IL&FS to desist from repeating any of the aforesaid lapses.

SEBI passed an *ad interim ex parte* order dated April 27, 2006 whereby IL&FS was directed not to open fresh demat accounts until it received further directions due to a violation of Know Your Client ("**KYC**") practices. Subsequently, proceedings under Section 11 of the SEBI Act were initiated against IL&FS and the enquiry officer issued a show cause notice against IL&FS on January 23, 2007.

However, on December 24, 2007, IL&FS proposed settlement through a consent order. The High Powered Advisory Committee, after examining the consent terms, recommended a vide letter dated July 10, 2008, a settlement by IL&FS paying Rs. 0.1 million. SEBI passed the consent order on July 22, 2008 and accepted the abovementioned amount without any admission or denial of guilt by IL&FS. This settlement did not however preclude SEBI's power to reopen proceedings against IL&FS in the event that the representations made during such consent proceedings were later found to be untrue or if there was a breach of any conditions of undertakings/waivers filed during current consent proceedings.

c) SEBI had issued a notice on October 6, 2004 under Rule 4 of the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995, for an inspection of books of accounts, documents, records, infrastructure and procedures of IL&FS conducted in September, 2003. The primary allegation against IL&FS was related to violation of Regulations 41 and 42(1) of the DP Regulations and violation of the SEBI Circular No. SMDRP/POLICY/CIR-36/2000 dated August 4, 2000 (the "**SEBI Account Circular**").

Violation of Regulation 41 of the DP Regulations was allegedly due to certain irregularities arising from the failure of IL&FS to enter into agreements with beneficial owners before acting as a participant on their behalf as mentioned below:

a. Failure to enter into an agreement with four clients;
b. Failure to obtain necessary documentary proof of identity of a client; and
c. Failure to enter into an agreement with certain margin trading clients.

Non-compliance with the SEBI Account Circular was alleged on the basis that IL&FS failed to open 'BO' accounts in accordance with account opening procedures for five clients. Violation of Regulation 42(1) of the DP Regulations was allegedly due to co-mingling of securities of certain beneficial owners.

SEBI attributed a certain amount of liability to IL&FS for failure to properly carry out its duties as a Depository Participant. However, no data could be found to quantify the loss caused to an investor or group of investors, nor were there quantifiable figures on record with regard to default by IL&FS. SEBI opined that although a penalty need not be imposed in terms of the quantum specified in Section 15B of the SEBI Act, a token penalty was required to be imposed. Hence, SEBI passed an order dated July 15, 2005 in the adjudication proceedings held consequent to which IL&FS paid a penalty of Rs. 0.02 million on August 8, 2005.

For further details, see the section titled "Outstanding Litigation and Material Developments – Details of past penalties imposed on IL&FS by authorities concerned" on page 347.

2) *There is outstanding litigation against our Company, our Promoter and our group companies.*

Our Promoter and group companies are involved in certain legal proceedings. Further, our Company has instituted a proceeding in relation to certain taxation related matters.

These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers, and appellate authorities. In the event of rulings against us, our Promoter and our group companies, by courts or tribunals in these proceedings or levy of penalties by statutory authorities, we may need to make payments to others or book provisions against probable future payments, which could increase our expenses and our current liabilities and could also adversely affect our reputation.

A summary of the pending proceedings involving our Company, our Promoter and our group companies, is provided below:

Litigation involving our Company

Our Company has instituted a proceeding against the Assistant Commissioner of Income Tax in relation to certain disallowances of expenses, professional charges, travelling expenses and interest aggregating to Rs. 12.30 million relating to the assessment year Fiscal 2007.

Litigation against our Promoter

S. No.	Nature of the cases/ claims	No. of cases outstanding	Amount involved (Rs. million)
1.	Civil suits against IL&FS	7	214.62
2.	Criminal proceedings against IL&FS	1	-
3.	Consumer cases against IL&FS	1	0.10
4.	Debt recovery proceedings against IL&FS	1	109.11
5.	Arbitration proceedings against IL&FS	1	0.67
6.	Income tax related litigation against IL&FS	15	6,023.86

Litigation against our group companies

S. No.	Nature of the cases/ claims	No. of cases outstanding	Amount involved (Rs. million)
1.	Civil suits	100	943.10
2.	Criminal proceedings	9	Not ascertainable
3.	Labour disputes	15	Not ascertainable
4.	Consumer cases	22	10.50
5.	Motor accidents disputes	15	144.75
6.	Arbitration matters	2	79.81
7.	Tax disputes	6	588.35
8.	Proceedings under the Negotiable Instruments Act, 1881	2	Not ascertainable
9.	Disputes in overseas jurisdictions	2	Not ascertainable

Litigation against our Subsidiaries

S. No.	Nature of the cases/ claims	No. of cases outstanding	Amount involved (Rs. million)
1.	Civil suits	18	Not ascertainable
2.	Consumer cases	1	-
3.	Tax disputes	4	1,283.97

Details of the criminal proceedings, if any, involving our Company, our Promoter and our group companies are provided herein below:

S. No.	Section	Nature of the cases/ claims	Penalty

S. No.	Section	Nature of the cases/ claims	Penalty
I.	**IL&FS**		
1.	-	Violation of the provisions of the Maharashtra Private Security Guards (Regulation of Employment) Amendment Scheme, 2005 by engaging non-exempted security guards.	No penalty involved.
II.	**Maytas Infra Limited "MIL"**		
1.	Section 304(a) of the Indian Penal Code (the "IPC")	Failure to adhere with precautionary measures while laying road, resulting in an accident, and consequent death.	-
2.	Section 499 of the IPC	Defamation alleged by complainant due to a paper publication by the Human Resources Department of MIL alleging fraud on the part of the complainant.	-
3.	Section 138 of the Negotiable Instrument Act, 1881	A cheque issued by MIL, given as security for a term loan, was dishonoured.	Rs. 300 million
III.	**ORIX Autoinfrastructure Services Limited ("OAISL")**		
1.	*There are seven criminal cases filed against OAISL which are pending in various courts and tribunals.*[*]		
IV.	**IL&FS Securities Services Limited**		
1.	Section 138 of the Negotiable Instrument Act, 1881	Case filed against a director of the company relating to a dishonoured cheque.	Not ascertainable until adjudication.

[*] *1. Mr. Prahlad S. Yadav has instituted a criminal proceeding (no. 191 of 2007) against OAISL and certain of its employees before Court No. 2, Ghaziabad Court, Uttar Pradesh in relation to certain business activities of the company. The matter is currently pending and the next date of hearing shall be notified in due course.*

2. Mr. Satpal has instituted a criminal proceeding dated July 13, 2005 against OAISL and certain of its employees before the Judicial Magistrate First Class, Gurgaon, Haryana in relation to certain business activities of the company. The matter is currently pending and the next date of hearing is scheduled on April 3, 2010.

3. Mr. Govind Kaushik and Omvati have lodged a first information report no. 266 of 2003 at police station, Faridabad, Haryana, against OAISL and certain of its employees, pursuant to which the matter has been referred to the Additional Chief Judicial Magistrate, Faridabad, Haryana. The matter relates to certain business activities of the company. The matter is currently pending and the next date of hearing shall be notified in due course.

4. Mr. Tajinder Sandhu has lodged a first information report no. 10 of 2002 dated January 30, 2002 at police station, Panchkula, Haryana, against OAISL and certain of its employees, pursuant to which the matter has been referred to the Sessions Judge, Haryana. The matter relates to certain business activities of the company. The matter is currently pending and the next date of hearing is scheduled on February 19, 2010 at the Supreme Court, however the lower court has adjourned sine die the matter till disposal by the Supreme Court.

5. Mr. Dharamveer Singh Magli has instituted a criminal proceeding (Crl. M.C 2038 of 2007) against OAISL before the Delhi High Court seeking to set aside a criminal proceeding initiated by OAISL against Mr. Dharamveer Singh Magli at the District Court, Rohini, New Delhi in relation to certain business activities of the company. The matter is currently pending and the next date of hearing shall be notified in due course.

6. Mr. Dhyan Singh has instituted a criminal proceeding (no. 2111 of 2006) dated December 22, 2006 against OAISL and certain of its employees before the Additional Civil Judge, Agra in relation to certain business activities of the company. The matter is currently pending and the next date of hearing shall be notified in due course.

7. A first information report (no. 39 of 2009) has been lodged at Sushant Lok police station, Gurgaon, Haryana under Sections 337 and 338 of the IPC against Mr. Pardeep Singh, an employee of OAISL which is currently pending for investigation before the Judicial Magistrate First Class, Gurgaon, Haryana. The matter is currently pending and the next date of hearing shall be notified in due course.

For further details of legal proceedings involving our Company, our Promoter and our group companies, see the section titled “Outstanding Litigations and Material Developments” on pages 331, 339 and 349, respectively.

3) The information we have provided in relation to our “projects-under-development”, “pre-qualified” and “preferred bidder” projects are not representative of our future results and do not provide indications in relation to cancellations or scope adjustments that may occur to some of such projects. Also, there is no assurance that the project in which we are preferred bidders would ultimately be awarded to us.

The information we have provided in relation to our “projects-under-development,” “pre-qualified,” and “preferred bidder” projects is not representative of our future results. We may not be awarded the projects for which we have pre-qualified or have been selected as preferred bidders. Even if we are eventually awarded a project, we may not be able to achieve financial closure, enter into a concession agreement and commence or complete construction due to a number of factors, including those relating to construction, financing and operational risks. For further details, see the section titled "Our Business – Our Business Operations" on page 76. Additionally these projects are subject to cancellations or scope or schedule. We may also encounter problems executing such projects or executing them on a timely basis. Moreover, factors beyond our control or the control of our customers may cause projects to be postponed or cancelled, including because of delays or failures to obtain necessary permits, authorizations, permissions, and other types of difficulties or obstructions.

Even relatively short delays or surmountable difficulties in the execution of a project could result in our failure to receive, on a timely basis or at all, all payments otherwise due to us on a project. In addition, even where a project proceeds as scheduled, it is possible that the contracting parties may default or otherwise fail to pay amounts owed.

4) Our consolidated financial statements for Fiscal 2008 and 2009 may not be comparable with those of the previous years.

We have made acquisitions during the periods under review. As a result of these acquisitions, it may not be possible to compare our results of operations on a period-to-period basis. In March 2008, we acquired Elsamex. As of March 2008, only the assets and liabilities of Elsamex were included in our restated consolidated financial statements. In Fiscal 2007 and Fiscal 2008, we acquired interests in several projects that, in the aggregate, had a significant impact on our results of operations. For details of our acquisitions during Fiscal 2007, 2008 and 2009, see Note 3 to our consolidated financial statements appearing as part of the section titled "Financial Statements" on page F-58.

5) We are subject to risks associated with debt financing in our loan arrangements. As on September 30, 2009, approximately 40% of our loans were repayable within a period of the next 12 months.

We have substantial indebtedness and will continue to have substantial indebtedness and debt service obligations following the Issue. We are therefore subject to various risks associated with debt financing. Our level of debt and the limitations imposed on us by our current or future loan arrangements could have significant adverse consequences, including, but not limited to, the following:

- our cash flows may be insufficient to meet our required principal and interest payments;
- payments of principal and interest on borrowings may leave us with insufficient cash resources to fund our operations or make new strategic acquisitions;
- we may be unable to borrow additional funds as needed or on favorable terms;
- the duration of cash flows from our assets may not match the duration of the related financing arrangements and we may be exposed to refinancing risk. We may be unable to refinance our indebtedness at maturity or the refinancing terms may be less favorable than the terms of the original indebtedness;
- fluctuations in market interest rates may adversely affect the cost of our borrowings, since the interest rates on most of our borrowings may be subject to changes based on the prime lending rate of the respective bank lenders, could be renegotiated on a periodic basis;
- we may be subject to certain restrictive covenants, which may limit or otherwise adversely affect our operations, such as our ability to incur additional indebtedness, acquire properties, make certain other investments or make capital expenditures;
- we may also be subject to certain affirmative covenants, which may require us to set aside funds or reserves for maintenance or repayment of security deposits or maintain debt servicing or leverage ratios within a certain level;
- we may be more vulnerable to economic downturns, may be limited in our ability to withstand competitive pressures and may have reduced flexibility in responding to changing business, regulatory and economic conditions; and
- we cannot assure you that we will generate cash in an amount sufficient to enable us to service our debt or fund other liquidity needs. In addition, we may need to refinance all or a portion of our debt on or before maturity. We cannot assure you that we will be able to refinance any of our debt on commercially reasonable terms, or at all.

As of September 30, 2009 the aggregate amount of the Company's indebtedness was Rs. 24,171.27 million, representing 68.78% of our capital employed on a consolidated basis. For further details see the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations – Liabilities and Provisions" "Financial Indebtedness" on pages 316 and 324, respectively.

6) Our business is significantly dependent on policies of the Government of India and various government entities in India and other countries in which we have operations and could be materially and adversely affected if there are adverse changes in such policies.

Our business is dependent significantly on various central and state government entities, in terms of policies, incentives, budgetary allocations and other resources provided by these entities for the surface transportation industry, from which we benefit, as well as in terms of the contractual arrangements, concessions and other incentives we receive from these government entities for our existing and potential projects. Any adverse change in the focus or policy framework regarding infrastructure development or the surface transportation industry, of the Government of India or the governments of other countries in which we have operations, could adversely affect our existing projects and opportunities to secure new projects.

Additionally, the projects in which government entities participate may be subject to delays, extensive internal processes, policy changes, changes due to local, national and internal political pressures and changes in governmental or external budgetary allocation and insufficiency of funds. Since government entities are responsible for awarding concessions and maintenance contracts to us and a party to the development and operations of our projects, our business is directly and significantly dependent on their support. Any withdrawal of support or adverse changes in their policies, though not quantifiable monetarily, may lead to our agreements being restructured or renegotiated and could also materially and adversely affect our financing, capital expenditure, revenues, development or operations relating to our existing projects as well as our ability to participate in competitive bidding or bilateral negotiations for our future projects.

7) Elsamex has generated losses in the past. We derive a majority of our revenues from Elsamex's operations and we are therefore highly dependent on Elsamex's performance.

Elsamex, our wholly-owned subsidiary, has incurred losses in the past and may continue to generate losses. Elsamex's maintenance business has very thin profit margins as a result of (1) relatively high interest expenses and (2) a relatively high percentage of fixed costs. Meanwhile, Elsamex's maintenance revenues fluctuate depending on the economic conditions in the locations where it operates, changes in governmental policies or budgetary allocations for spending on maintenance of roads or the non-renewal of contracts.

In Fiscal 2009 and for the six months ended September 30, 2009 61.62%and 43.43% of our revenues, respectively, were attributable to our interest in Elsamex. As a result, any condition which might have a material adverse effect on Elsamex's business, financial condition, profitability and results of operations, such as changes in the economic conditions or applicable regulations in Spain or Portugal, though not quantifiable monetarily, could have a material adverse effect on our revenues, financial condition, and results of operations.

8) Contingent liabilities could adversely affect our financial condition.

The table below sets out the details of our off-balance sheet items and contingent liabilities on a consolidated basis:

	As of September 30, 2009 (Rs. million)
Capital Commitments:	
Estimated amount of contracts remaining to be executed on capital account and not provided for	5,767.29
(against which advances paid aggregate)	2,101.95
Exercise price payable in respect of call option contracts	15.11
Contingent Liabilities:	
In respect of performance guarantees issued on behalf of our Company by banks	3,277.11

	As of September 30, 2009 (Rs. million)
Income tax demands contested by group	7.84
Claims against the group not acknowledged as debt	674.21
In respect of a guarantee issued to foreign banks	551.68
In respect of corporate guarantee issued by foreign banks	3,843.90
In respect of a letter of comfort issued to a foreign bank	-
Counter guarantee issued to Infrastructure Leasing & Financial Services Limited (IL&FS) against guarantees furnished by it	2,147.72
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
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 its 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. The Group does not expect any outflow of economic resources for the above and therefore no provisions is made in respect thereof.	

If any of these contingent liabilities materialize, the profitability of our Company could be adversely affected. For further details, see the section titled "Financial Statements" on page F-42.

9) Our ability to negotiate standard form government contracts may be limited.

We rely on government-owned entities (within and outside India), such as NHAI, MORTH and the Public Work Departments of state governments for of our revenues. In Fiscal 2009 and for the six months ended September 30, 2009, 42% and 29%, of our revenues, respectively, were attributable to these government entities. Political or financial pressures could cause them to force us to renegotiate our contracts and could adversely affect their ability to pay. For example, NHAI's revenues are dependent upon grants from the Government of India and cash flows generated by its toll road operations, and if such revenues are not sufficient to discharge its liabilities, there may be pressure to reduce the fees we are entitled to receive from NHAI. We cannot assure that the payments we are entitled to receive under our road concession agreements will not be subject to reductions by Government entities. Any such reduction, if material, could materially and adversely affect our business, prospects and results of operations. In addition, our ability to negotiate the terms of contracts with government-owned entities is limited and we may be forced to accept unusual or onerous provisions in such contracts in order to be hired for the projects. Such provisions may limit amounts we recover for our services or cause us to incur additional costs not typically borne by us.

10) There are potential conflicts of interest within our group companies.

IL&FS, and certain members of our group companies have equity interests or other investments in other companies that offer services that are similar to our business, such as Chhattisgarh Highway Development Company Limited, Jharkhand Accelerated Road Development Company Limited, MP Toll Roads Limited, Road Infrastructure Development Company of Rajasthan Limited, IL&FS Nepal Infrastructure Development Company Private Limited and Maytas Infrastructure Limited. For further details regarding these group companies, see the section titled "Our Group Companies" on page 223. IL&FS is involved in certain infrastructure projects being undertaken by our Company or certain of our SPVs and is a party to certain agreements in relation to some of our projects.

There may be conflicts of interest in addressing business opportunities and strategies in circumstances where our interests differ from other companies in which IL&FS or one or more group companies has an interest. While such entities carry on certain activities, which under certain circumstances may be in conflict with the activities carried on by our Company in the respective states in which they operate, however, presently most of these entities do not carry on and nor do they intend to undertake activities which may be directly in conflict with our business. Additionally, as per the model concession agreement, road project bidders shall be disqualified if they have a direct or indirect shareholding of more than 25% of the paid up and subscribed capital. We shall adopt the necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise. Further, neither IL&FS nor any Group Company has undertaken to refrain from competing with our business.

In addition, new business opportunities may be directed to these affiliated companies instead of us. IL&FS and our group companies may also restrain us from entering into certain businesses related to our own, which may be important for our growth in the future, as they may already have interests in other similar businesses.

11) Our Company has obtained unsecured debt from our Promoter, certain Group Companies, related parties, material associate companies and others.

Our Company has obtained unsecured debt from IL&FS, IL&FS Securities Services Limited and IL&FS Financial Services Limited, aggregating Rs. 3,400 million and 21.40% of the total debt availed by our Company as on January 21, 2010 that are repayable on demand. In the event that our Promoter and such group companies call in these loans, we would need to find alternative sources of financing, which may not be available on commercially reasonable terms or at all.

All loans taken by our Promoter, Group Companies, related parties, material associate companies and others, as on September 30, 2009, which could have a material impact on the financial position of the Company, are as stated herein below:

(*Rs. Million*)

Loans given by the Company to associate companies		
Name of company	**Amount Outstanding as on September 30, 2009**	**Interest Income for six months ended September 30, 2009**
Thiruvanthpuram Road Development Company Limited	20.00	1.74
Andhra Pradesh Expressway Limited	574.60	20.00
Total	**594.60**	**21.74**
Loans given by the Company to its Subsidiaries		
Name of company	**Amount outstanding as on September 30, 2009**	**Interest Income for six months ended September 30, 2009**
West Gujarat Expressway Limited	35.00	2.46
Vansh Nimay Infraprojects Limited	110.00	11.16
ITNL Road Infrastructure Development Company Limited	120.80	8.29
Elsamex India Private Limited	30.09	2.46
Yala Construction Company Private Limited	3.25	0.10
Gujarat Road Infrastructure Company Limited	308.80	17.28
Total	**607.94**	**41.75**
Loans given by the Company to its Group Companies		
Name of company	**Amount Outstanding as on September 30, 2009**	**Interest Income for six months ended September 30, 2009**
Road Infrastructure Development Company of Rajasthan Limited	500.00	14.38
Total	**500.00**	**14.38**
Loans given by the Company to Others		
Name of company	**Amount Outstanding as on September 30, 2009**	**Interest Income for six months ended September 30, 2009**
Rajasthan Land Holdings Limited	42.50	1.60
Ramky Infrastructure Limited	50.00	1.32
Total	**92.50**	**2.92**

For further details, see the section titled "Finaxncial Indebtedness" on page 324.

12) We may continue to be controlled by IL&FS following this Issue and our other shareholders may not be able to affect the outcome of shareholder voting.

Currently IL&FS holds 78.75% of our fully paid up equity share capital. Further, after the completion of this Issue, IL&FS will hold [●]% of the fully diluted post-Issue equity capital. For further details in this regard, see the section titled “Capital Structure – Our Shareholding Pattern” on page 35. Consequently, IL&FS would exercise substantial control over us and determine the outcome of proposals for certain corporate actions requiring approval of our Board or shareholders. IL&FS will be able to influence our major policy decisions. This control could also delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from obtaining control of our Company even if it is in our best interests. The interests of our controlling shareholders could conflict with the interests of our other shareholders, including the holders of the Equity Shares, and the controlling shareholders could make decisions that adversely affect your investment in the Equity Shares.

13) We do not own the trademark “IL&FS | Transportation”. We may be unable to adequately protect our intellectual property. Furthermore, we may be subject to claims alleging breach of third party intellectual property rights.

We have applied for registration over the trademark “IL&FS | Transportation” in Classes 35, 36, 37, 39 and 42 under the provisions of the Trademarks Act, 1999. Our Promoter, IL&FS, has obtained certificates of registration for the “IL&FS” and “IL&FS (Stylised)” trademarks and service marks under the Trademarks Act of 1999 in India. We have the license to use the “IL&FS (Stylised)” trademark pursuant to a license user agreement dated March 26, 2007 with IL&FS. For further details in this regard, see the section titled “Government and Other Approvals — Intellectual Property Approvals” on page 374.

We do not enjoy the statutory protections accorded to a registered trademark. There can be no assurance that we will be able to register the trademark and the logo or that third parties will not infringe its intellectual property, causing damage to its business prospects, reputation and goodwill. As a license holder, we do not enjoy the statutory protections accorded to a registered trademark and are subject to the risk of non-performance (such as IL&FS's obligation to obtain trademark registration offshore), under the license agreement as well as other contractual risks. Further, we cannot assure you that the applications for registration of trademark by IL&FS will be granted by the relevant authorities in a timely manner or at all.

Our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and the outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect its intellectual property.

14) There were shortfalls in the performance of Noida Toll Bridge Company Limited (“NTBCL”), a Group Company, when compared to the promises made in its previous issue.

In Fiscal 1999, NTBCL made simultaneous public issues of secured redeemable 'deep discount bonds' for an issue price aggregating to Rs. 500 million and secured fully convertible debentures aggregating to Rs. 207.80 million. The objects of these public issues were to part finance the construction of the 'Delhi NOIDA Toll Bridge Project'. The promise versus performance in respect of the public issues were as under:

(Rs. million)

Year	2002		2003		2004	
	Projected	**Actuals**	**Projected**	**Actuals**	**Projected**	**Actuals**
Total Revenue	466.6	118.08	646.7	187.35	759.5	258.64
Profit After Tax	(26.6)	(456.24)	75.4	(285.98)	212.1	(211.06)

The reason for the lower actual revenues in comparison to the projected revenues was shortfall in the actual traffic volumes on the “DND Flyway” in comparison to those expected. The same was a result of failure of NTBCL to complete the Ashram Flyover link within the expected time to enable diversion of traffic on to the “DND Flyway”. For further details in this regard, see the section titled “Our Group Companies” on page 229.

15) Certain of our group companies, subsidiaries and associates have incurred losses during recent Fiscals and have had negative networth.

Certain of our Group Companies, Subsidiaries and Associates have incurred losses (after tax) in recent Fiscals as set forth in the table below:

(Rs. million)

Sr. No	Name of the Promoter Group entity	Fiscal 2009 (year ending March 31)	Fiscal 2008 (year ending March 31)	Fiscal 2007 (year ending March 31)
Group Companies.				
1.	IL&FS Energy Development Company Limited	14.04	(0.51)	Not Applicable
2.	IL&FS Waste Management & Urban Service Limited	(90.38)	(56.73)	Not Applicable
3.	IL&FS Water Limited	(59.23)	1.30	Not Applicable
4.	IL&FS Property Management & Services Limited	(18.83)	(92.74)	(1.61)
5.	MP Toll Roads Limited	(4.10)	(6.76)	(7.80)
6.	Chhattisgarh Highway Development Company Limited	(6.03)	Not Applicable	Not Applicable
7.	Tamil Nadu Water Investment Company Limited	(50.81)	(1.01)	37.53
8.	India Telecom Infra Limited	(518.35)	(86.01)	Not Applicable
9.	Bihar e-Governance Services & Technologies Limited	10.32	6.61	(0.14)
10.	Greater Noida Integrated Warehousing Private Limited	(0.02)	Not Applicable	Not Applicable
11.	Karnataka Enterprise Solutions Limited	(0.39)	(0.30)	Not Applicable
12.	Power Grid IL&FS Transmission Private Limited	(0.05)	Not Applicable	Not Applicable
13.	SAIL Salem SEZ Private Limited	(0.06)	Not Applicable	Not Applicable
14.	Sealand Ports Private Limited	(3.53)	(0.04)	Not Applicable
15.	Sealand Warehousing Private Limited	Not Available	(0.05)	Not Applicable
16.	Urban Mass Transit Company Limited	17.67	(1.31)	(22.98)
17.	Avash Logistic Park Private Limited	(1.45)	(0.03)	Not Applicable
18.	MPPL Enterprise Private Limited	(22.36)	34.86	56.81
19.	ORIX Auto Infrastructure Services Limited	(23.47)	101.88	45.74
20.	Dighi Port Limited	(11.42)	14.19	3.01
21.	New Tirupur Area Development Corporation Limited	(694.67)	(606.46)	(465.14)
22.	IL&FS Urban Infrastructure Services Limited	(0.86)	(14.21)	Not Applicable
23.	Kanak Resources Management Limited	(22.90)	1.87	Not Applicable
24.	Integrated Waste Management & Urban Services (Tamil Nadu) Limited	(9.29)	(0.47)	Not Applicable
25.	Integrated Electronic Waste Management & Recycling Limited	(0.25)	Not Applicable	Not Applicable
26.	IL&FS Hydro Energy Limited	(0.08)	(0.15)	Not Applicable
27.	IL&FS Renewable Energy Limited	0.11	(0.26)	Not Applicable
28.	IL&FS Wind Power Limited	(0.08)	(0.15)	Not Applicable
29.	IL&FS Nepal Infrastructure Development Company Private Limited	(0.58)	Not Applicable	Not Applicable
30.	IL&FS Urban Infrastructure Managers Limited	1.90	0.04	(0.37)
31.	IL&FS Investment Trust – I	100.89	48.60	(14.78)
32.	IL&FS Investment Trust – II	(0.00)	(0.80)	65.77
33.	IL&FS Investment Trust – V	61.65	68.02	(0.55)
34.	ITNL Road Investment Trust	3.89	(0.26)	0.28

Sr. No	Name of the Promoter Group entity	Fiscal 2009 (year ending March 31)	Fiscal 2008 (year ending March 31)	Fiscal 2007 (year ending March 31)
35.	Tara India Fund III Trust	33.30	(16.65)	Not Applicable
36.	Urjankur Nidhi Trust	(35.30)	(47.21)	(16.37)
37.	Pan Asia Project Development Fund	(7.47)	(24.15)	(39.58)
38.	Tamil Nadu Infotech Fund	5.48	(0.77)	100.35
39.	Leverage India Fund	(16.33)	869.06	780.45
40.	IL&FS ORIX Trust	(0.17)	(0.02)	Not Applicable
41.	IFIN Realty Trust	(16.63)	Not Applicable	Not Applicable
42.	Infrastructure Leasing & Financial Services India Realty Fund	(52.27)	(48.61)	(48.03)
43.	IL&FS Singapore Asset Management Company Pte Limited[#]	0.03	2.09	(1.67)
44.	IL&FS Global Financial Services Pte Limited[#]	(2.50)	Not Applicable	Not Applicable
45.	Road Infrastructure Development Company of Rajasthan Limited[**]	(1449.24)	(278.14)	6.46
46.	Jharkhand Accelerated Road Development Company Limited	(0.48)	Not Applicable	Not Applicable
47.	Thiruvananthpuram Road Development Company	(42.04)	9.48	Not Applicable
48.	Maytas Infrastructure Limited	(4897.90)	996.36	531.20
49.	Khambhat Port Limited	(1.64)	Not Applicable	Not Applicable
50.	IL&FS Offshore Natural Resources Limited[#]	(0.51)	Not Applicable	Not Applicable
51.	ILFS Maritime Offshore Pte. Ltd. [#]	Not available	(1.20)	Not Applicable
Subsidiaries				
52.	Gujarat Road & Infrastructure Company Limited	96.59	8.74	(44.01)
53.	ITNL Enso Rail Systems Limited	(63.70)	Not Applicable	Not Applicable
54.	Vansh Nimay Infraprojects Limited	(43.04)	(24.34)	(0.20)
55.	Elsamex India Private Limited	(5.58)	(4.79)	(6.59)
56.	Ecoasphalt Construction Company Private Limited[**]	(2.00)	(1.04)	(0.93)
57.	Yala Construction Company Private Limited	(4.17)	3.25	0.47
58.	West Gujarat Expressway Limited	(85.42)	23.92	23.38
Associates				
59.	ITNL Toll Management Services	(1.84)	0.04	Not Applicable
		Fiscal 2008 (Year ending December 31)	**Fiscal 2007 (Year ending December 31)**	**Fiscal 2006 (Year ending December 31)**
Subsidiaries				
60.	Elsamex SA[%]	24.56	(444.04)	69.90
61.	Elsamex International SRL[%]	5.46	(201.68)	16.89
62.	Mantenimiento I Conservacion De Vialidades DE C.V[&]	(7.21)	(3.00)	(1.35)
63.	Intevial-Gestao Integral Rodoviaria S.A. [%]	(91.41)	(51.73)	9.90
64.	ITNL Road Infrastructure Development Company Limited	(0.06)	Not Applicable	Not Applicable
65.	Elsamex Portugal SA[%]	15.01	(48.82)	11.65
66.	Proyectos de Gestión, Sistemas, Cálculo y Análisis, S.A[%]	NIL	(45.33)	(1.75)
67.	Proyectos y Promociones Inmobiliarias Sanchez Marcos, S.L.[%]	NIL	(31.38)	NIL
68.	Señalizacion Viales E Imagen, S.A.[%]	(2.73)	(50.56)	(4.66)
69.	Grusamar Albania SHPK [@]	4.36	(1.02)	Not Applicable

** *Figures are provided for the financial year ending on March 31, 2008, 2007 and 2006, respectively*
#*Figures converted from US$ to INR. as follows:*

Exchange rate	March 31, 2009	March 31, 2008	March 31, 2007
1 US$ = INR	50.95^	39.97^	43.59^

% *Figures converted from Euro to INR as follows:*

Exchange rate	December 31, 2008	December 31, 2007	December 31, 2006
1 Euro = INR	68.22^	58.12^	58.25^^

& *Figures converted from Mexican Peso to INR as follows:*

Exchange rate	December 31, 2008	December 31, 2007	December 31, 2006
1 Mexican Peso = INR	3.64^^	3.62^^	4.093^^

@*Figures converted from Albanian Lek to INR as follows:*

Exchange rate	December 31, 2008	December 31, 2007	December 31, 2006
1 Albanian Lek = INR	0.58^^	0.49^^	0.49^^

^*source : www.rbi.org.in*
^^*source : www.oanda.com*
***Not Available**: Audited Financials for the period are not available*
***Not Applicable**: Financial year not commenced, as the Company was not incorporated*

Further, certain of our Group Companies, namely MP Toll Roads Limited, India Telecom Infra Limited, OVIRA Logistics Private Limited, MPPL Enterprises Private Limited, IL&FS Urban Infrastructure Services Limited, Kanak Resources Management Limited and Road Infrastructure Development Company of Rajasthan Limited have a negative Net Worth For further details, see the section titled "Our Group Companies" beginning on page 223.

16) We presently do not have legal ownership for certain of our projects being implemented by the respective corporate entities and our revenues may be affected if there are any objections to our beneficial interest in such projects.

The concession agreements signed by each of WGEL, APEL and NKEL with NHAI, and by Jharkhand Road Projects Implementation Company Limited and JARDCL with the Governor of Jharkhand, by RIDCOR with the Government of Rajasthan, and the Programme Development Agreement signed by CHDCL with Governor of Chhattisgarh, require these entities to maintain a prescribed equity capital structure. Pursuant to the respective shareholders' agreements and 'call option' agreements in certain cases, our Company has invested in the equity capital structure of these entities, directly or indirectly, in accordance with the provisions of the respective concession agreements. Our investments in these entities have provided us beneficial interests, including our Company's right to appoint a prescribed number of directors on the board of directors of some of the above mentioned Companies, until such time as our Company maintains a prescribed minimum percentage of equity holding. The Company holds an economic interest in each of the following projects: North Karnataka Expressway project, Chhattisgarh Accelerated Road Development Programme, Jharkhand Accelerated Road Development Programme, Rajasthan Mega Highways Road project, West Gujarat Expressway project and Andhra Pradesh Expressway project. For further details in relation to the various agreements pursuant to which our Company has acquired economic interests in these entities, see the section titled "History and Certain Corporate Matters – Material Corporate Agreements" on page 175.

We believe that the above investments are in compliance with the terms of the respective concession agreements with the concerned regulatory authorities. However, in the event such regulatory authorities raise objections to the same, we may be required to take corrective steps as we may not be allowed to continue to hold such economic interests and therefore, we may not be able to enjoy the rights consequent thereto. The corrective steps which could be taken by the Company in the event the concerned regulatory authorities raise objections to the economic interests held by the Company in the abovementioned projects, have been disclosed in the section titled "Our Business – Our Business Operations – Projects in which we have beneficial interest" on page 80. Since we derive and expect to continue to derive a substantial portion of our revenues from these entities and we expect to continue to derive revenues in the future, the occurrence of such an event, though not quantifiable monetarily, may have a material adverse effect on our financial conditions and the results of our operations.

17) There are certain criminal proceedings against IL&FS, our Promoter.

The Security Guard Board has filed a criminal complaint (bearing no. 189/SS of 2006) before the Chief Metropolitan Magistrate, Mumbai against IL&FS and three of its officers alleging that IL&FS and its officers have violated the provisions of the Maharashtra Private Security Guards (Regulation of Employment) Amendment Scheme, 2005 by engaging non-exempted security guards.

This proceeding is currently pending and any adverse order or direction by the concerned authority and though not quantifiable, could have a material adverse impact on our business or cause the price of our Equity Shares to decline. For further details in relation to the outstanding litigation against IL&FS, see the section titled "Outstanding Litigation and Material Developments – Outstanding Litigation and Material Developments/Proceedings against IL&FS" on page 339.

18) Our Company is subject to certain restrictive covenants under its financing arrangements.

Certain loan agreements entered into with our lenders, namely, Allahabad Bank, United Bank of India, Indian Overseas Bank and Canara Bank contain certain restrictive covenants, such as requiring consent of the lenders, *inter alia*, for issuance of new shares, creating further encumbrances on its assets, disposing of its assets and declaring dividends or incurring capital expenditures beyond certain limits. Some of these loan agreements also contain covenants which limit our ability to make any change or alteration in our capital structure, our Memorandum and Articles, make investments and effect any scheme of amalgamation or restructuring. There can be no assurance that we will be able to comply with the financial and other covenants imposed by the loan agreements in the future. For instance, we have not been able to obtain the consent of Allahbad Bank prior to the date of this Red Herring Prospectus, which was required for acquisition (whether by formation, purchase, subscription or otherwise) of any subsidiary. Further, certain of the financing arrangements entered into by our SPVs with lenders in relation to the projects undertaken by such SPVs also require the concerned SPVs to maintain a certain debt to equity ratio. Also, such SPVs are restrained from, *inter alia,* undertaking any new project, incurring additional debt, prepaying the loan facilities and granting loans or financial assistance to their employees.

Any failure by us to service our indebtedness, maintain the required security interests maintain debt/equity ratios or otherwise perform our obligations under financing agreements could lead to a termination of one or more of our credit facilities, trigger cross default provisions, penalties and acceleration of amounts due under such facilities, or enforcement of substitution rights by our lenders as a result of which we may lose certain or all of our concession rights over the project and the entity substituted by our lender may replace us as the concessionaire to implement the project, any of which may adversely affect our business, financial condition and results of operations.

19) Our growth primarily depends upon the award of new contracts. Our financial condition would be materially and adversely affected if we fail to obtain new contracts.

The growth of our business mainly depends on us winning new contracts. Generally, it is very difficult to predict whether and when we will be awarded a new contract since many potential contracts involve a lengthy and complex bidding and selection process that may be affected by a number of factors, including changes in existing or assumed market conditions, financing arrangements, governmental approvals and environmental matters. Our future results of operations and cash flows can fluctuate materially from period to period depending on the timing of contract awards.

20) Our financial results depend on the financial performance of our SPVs and their ability to pay our project development fees and/or operations and maintenance fees.

Our financial performance depends significantly on the performance of our SPV holding projects. We recognize income from these SPVs as our share in profit/ loss in associate companies. In addition we generate project development and/or operations and maintenance or other agreed fees from contracts with these SPVs. If such SPVs are unable to pay these fees to us, our business condition and results of operations could be adversely affected.

21) We do not have a controlling interest in some of our joint ventures, associate companies and SPVs and our business will be adversely affected if the interests of our joint venture partners

or associates do not align with our interests or our shareholders' interests or if they discontinue their arrangements with us.

We do not have a controlling interest in our joint venture, namely Noida Toll Bridge Company Limited (approximately, 25.35%), associate companies and SPVs. For further details see the section titled "History and Certain Corporate Matters" and "Financial Statements" on pages 148 and F-7, respectively. As a result, our joint venture partner or associates may:

- be unable or unwilling to fulfill their obligations, whether of a financial nature or otherwise;
- have economic or business interests or goals that are inconsistent with ours;
- take actions contrary to our instructions or requests or contrary to the joint ventures' policies and objectives;
- take actions that are not acceptable to regulatory authorities;
- have financial difficulties;
- have disputes with us; or
- take actions which may be in conflict with our and our shareholders' interests.

We may also need the cooperation and consent of joint venture partners or associates in connection with project operations, which may not always be forthcoming and we may not always be successful in managing our relationships with such partners. Any joint venture partner or associate disputes leading to deadlock could cause delays and/or impact our operations while the matter is being resolved. Additionally, if any of our joint venture partners or associates discontinues its arrangements with us, is unable to provide expected expertise, resources or assistance, or competes with us for business opportunities that are attractive to us, we may not be able to find a substitute for such strategic partner immediately or at all. As a result, such entities may not be able to qualify for new contracts, complete existing projects or obtain new projects. Further, we may be jointly and severally liable for the performance of obligations by our joint venture partners or co-sponsors if they discontinue their arrangements with us. Any of the foregoing factors, though not quantifiable monetarily, will materially and adversely affect our business, prospects, financial condition and results of operations.

22) We are dependent on our Promoter to successfully source and implement certain of our projects and business objectives.

We are highly dependent on our Promoter, IL&FS, for the successful implementation and completion of certain of our projects. For instance, we are dependent on IL&FS to meet pre-qualification criterion and negotiation of bilateral contracts with State governments, during the competitive bidding process and for arranging financing for certain of our projects. For further details in this regard, see the section titled "Our Business" on page 70.

In the event IL&FS does not continue to support us in the future and though not quantifiable monetarily, we may not be able to bid for or win new projects or sustain and implement our existing projects, which may have a material adverse effect on our business, results of operations and financial condition.

23) Our projects under development are subject to construction, financing and operational risks.

The development of our new projects involves various risks, including, among others, land acquisition risk, regulatory risk, construction risk, financing risk and the risk that these projects may ultimately prove to be unprofitable. Entering into any new projects may pose significant challenges to our management, administrative, financial and operational resources. For further details, see the section titled "Our Business – Our Business Operations – Projects Under Development" on page 79.

We cannot provide any assurance that we will succeed in any new projects we invest in or that we will recover our investments. Any failure in the development, financing or operation of any of our material new projects, though not quantifiable monetarily, is likely to materially and adversely affect our business, prospects, financial condition and results of operations. We may be adversely affected if the completion of the projects under construction or development is delayed due to:

- the contractors hired by us may not be able to complete the construction of the project on time, within budget or to the specifications and standards they have set out in the contracts with them. For further details, see Risk Factor 24 below and the section titled "History and Certain

Corporate Matters” on page 147;

- failure to obtain necessary government approvals in time or at all;
- delays in completion and commercial operation could increase the financing costs associated with the construction and cause the forecasted budget to be exceeded;
- we may not be able to obtain adequate working capital or other financing to complete construction of and to commence operations of the project; and
- we may not be able to recover the amounts we have invested in the projects if the assumptions contained in the feasibility studies for these projects do not materialize.

Any of the foregoing factors could materially and adversely affect our business, financial condition, cash flows, profitability and reputation.

24) Our financial condition and business prospects could be materially and adversely affected if we do not complete our projects as planned or if our projects experience delays.

Our projects under development have a long gestation period before they become operational or generate profit. Our projects are typically required to achieve financial closure no later than the scheduled commercial operations date specified under the relevant concession agreement. The completion targets for our projects are based on our estimates and are subject to various risks, including, among other things, contractor performance shortfalls, unforeseen engineering problems, *force majeure* events, unanticipated cost increases or changes in scope and delays in obtaining certain property rights and government approvals, any of which could give rise to delays, cost overruns or the termination of a project's development. In addition, completion of our projects can be delayed by other risks, including increased raw material or labor costs, unfavorable financing conditions, damage or injury to third parties, interruptions to construction due to bad weather, unforeseen environmental or engineering problems, failure to perform by our contactors or their suppliers, site accidents or other incidents and contractual disputes with our construction contractors. The failure to complete our projects within the required period and in accordance with agreed specifications could render benefits granted by the government unavailable or may result in higher costs, penalties or liquidated damages, invocation to performance guarantees, cancellation of our concession, loss of our equity contribution in the project, lower returns on capital or reduced earnings. In addition, such delays or failure would delay the commencement of our toll operations and annuity payments from such projects. Moreover, any loss of our goodwill, though not quantifiable monetarily, could adversely affect our ability to pre-qualify for new projects. Such loss of revenue or any of the foregoing factors could materially and adversely affect our business, cash flows, reputation, prospects and results of operations.

We have experienced time and cost overruns in the past. There was a delay of six months and cost overrun of Rs. 320 million in relation to the Andhra Pradesh Expressway project. This time overrun was primarily due to delay in handing over of land and certain force majeure events. The concession agreement does however provide for compensation to be paid to the relevant concessionaire upon the occurence of such delays. We believe that the time overrun is unlikely to impact the future revenues accruing to APEL. The cost overrun was primarily due to an increase in interest rates since the time of financial closure. Further, there was a cost overrun of Rs. 350 million in relation to the West Gujarat Expressway project, which was caused primarily due to an increase in cost of construction material and interest costs.

The cost of the ‘Thiruvananthapuram City Roads’ project was originally estimated to be Rs. 2,213.90 million. However, due to reasons, including *inter alia*, the non-handing over of certain land that was free of encumbrances, only a certain part of the total length of the project road was completed by November 2006 at a cost of Rs. 1,100 million. The said part of the project has been considered as ‘*Phase I*’ of the project. The remainder of the project is intended to be completed as ‘*Phase II*’ and ‘*Phase III*’ of the project.

There can be no assurance that we will be able to complete our projects, including those that may be undertaken in future, within the stipulated time and budget. This, though not quantifiable monetarily other than as stated above, could adversely affect our results of operations and financial condition.

For details in this regard, see the sections titled “Our Business – Details of Projects” and “History and Certain Corporate Matters” on pages 76 and 147, respectively.

25) Our revenues from BOT toll roads are subject to significant fluctuations due to changes in traffic volumes. A decline in traffic volumes would adversely affect our revenues.

In Fiscal 2009 and in the six months ended September 30, 2009, we generated 6.46% and 7.00% respectively of our revenues from toll receipts. All toll revenues depend on toll receipts and affected by changes in traffic volumes. Traffic volumes are directly or indirectly affected by a number of factors, many of which are outside our control, including:

- toll rates;
- fuel prices in India;
- the affordability of automobiles;
- the quality, convenience and travel time on alternate routes outside our network;
- the availability of alternate means of transportation, including rail networks and air transport;
- the level of commercial, industrial and residential development in areas served by our projects;
- growth of the Indian economy;
- adverse weather conditions; and
- seasonal holidays.

Traffic volumes are also influenced by the convenience and extent of a toll road's connections with other parts of the local and national highway and toll road network, as well as the cost, convenience and availability of other means of transportation. There can be no assurance that future changes affecting the road network in India, through road additions and closures or through other traffic diversions or redirections, or the development of other means of transportation, such as air or rail transport, will not adversely affect traffic volume on our toll roads. Revenue from toll receipts is affected by traffic volume and tariff rates, both of which are outside our control. The tariff structure is fixed upon acceptance of a project and we do not have the ability to change it. In addition, we are also subject to decreases in receipts from our BOT toll roads projects for which we have auctioned the toll receipts for one-year periods. In the event that we experience a significant decrease in traffic volumes on our BOT toll roads, and though not quantifiable monetarily, we would experience a corresponding decrease in our revenues, and our profitability, cash flows, financial condition and results of operations may be materially and adversely affected.

26) Leakage of the tolls collected on our BOT toll roads may adversely affect our revenues and earnings.

Our toll receipts are primarily dependent on the integrity of toll collection systems. We generate revenues from some of our BOT toll roads through collection of tolls. In such projects, generally each motorist pays a one-time entry tariff to the toll operator at the point of entry to our toll roads based on the average trip distance calculated for all the users of the toll road.

The level of revenues derived from the collection of tolls may be reduced by leakage through toll evasion, fraud or technical faults in our toll systems. If toll collection is not properly monitored, leakage may reduce our toll revenue. Although we have systems in place to minimize leakage through fraud and pilfering, any significant failure by us to control leakage in toll collection systems, though not quantifiable monetarily, could have a material adverse effect on our business, prospects, financial condition and results of operations.

27) There can be no assurance that we may be able to successfully undertake future acquisitions or efficiently manage the businesses we have acquired or may acquire in the future.

Our growth strategy in the future may involve future strategic acquisitions, partnerships and exploration of mutual interests with other parties. We may not be able to identify or conclude appropriate or viable acquisitions in a timely manner. The success of our past acquisitions and any future acquisitions will depend upon several factors, including the:

- ability to identify and acquire businesses on a cost-effective basis;
- ability to integrate acquired personnel, operations, products and technologies into its organization effectively;
- ability to retain and motivate key personnel and to retain the customers of the acquired

businesses;

- unanticipated problems or legal liabilities of the acquired businesses; and
- tax or accounting issues relating to the acquired businesses.

There can be no assurance that we will be able to achieve the strategic purpose of such an acquisition or operational integration or an acceptable return on such an investment.

28) Tender processes and qualification criteria, through which new toll road projects are awarded, may be delayed or cancelled, thereby reducing or eliminating our ability to undertake a project.

Most infrastructure development projects are awarded through competitive bidding processes and satisfaction of other prescribed pre-qualification criteria. While service quality, technological capacity and performance, health and safety records and personnel, as well as reputation and experience, are important considerations in client decisions, price is also a major factor. There can be no assurance that we would be able to meet such qualification criteria, particularly for many large infrastructure development projects, whether independently or with our Promoter or other joint venture partners.

There can be no assurance that the projects for which we bid will be tendered within a reasonable time, or at all. The government-conducted tender processes may also be subject to change in qualification criteria, unexpected delays and uncertainties. In the event that new road projects which have been announced, and which we plan to tender for, are not put up for tender within the announced timeframe, or qualification criteria are modified such that we are unable to qualify, the tender process is subject to delay or uncertainty, though not quantifiable monetarily, our business, prospects, financial condition and results of operations could be materially and adversely affected.

29) We are required to adhere to certain obligations under the various agreements pursuant to which we have acquired economic interests in certain corporate entities undertaking our projects

Pursuant to the terms of various agreements pertaining to our economic interests in certain corporate entities undertaking our projects, we are required to adhere to certain obligations. For instance, our Company is obligated to co-ordinate with the NHAI for the execution of EPC contracts and is responsible for all technical aspects in the concerned projects, including construction and designing in accordance with the respective concession agreements. We are also required to provide corporate guarantees on behalf of the concerned entities to the NHAI till such period as stipulated in the concession agreements.

We have been in compliance and believe that we shall continue to be in compliance with the terms of the agreements entered into with the concerned entities in relation to our projects. However, in the event we fail to adhere to our obligations under these agreements, we may not be able to enjoy our rights in relation to our economic interests in the concerned entities. Consequently, our financial conditions and results of operations may be adversely affected. For further details see the section titled “History and Certain Corporate Matters – Material Corporate Agreements” on page 175.

30) We face various operational and investment risks due to the long-term nature of road infrastructure development projects.

Typically road infrastructure development projects involve arrangements that are long-term in nature. For instance, the concession periods stipulated for our projects typically range from 10 years to 32 years. Long-term arrangements have inherent risks associated with them that may not necessarily be within our control and can restrict our operational and financial flexibility. We may not have the ability to modify its agreements to reflect future changes in the business, or negotiate satisfactory alternate arrangements.

Our profitability depend largely on our revenue generation and how effectively we are able to manage the costs over a period of time. Absence of flexibility in relation to toll charges or annuity could have a negative impact on our ability to repay our lenders and our profitability. As is typical to the sector in which we operate, generation of profits involves a long gestation period. During such period, a larger portion of the expenditure in relation to a particular road is booked in the initial years of its operation leading to mounting losses. Toll charges, which are largely dependent on traffic volumes, may take some time to stabilize and generate the expected revenue. Our failure to suitably extend the concession periods though not quantifiable monetarily, may have a material adverse effect on our operations and financial condition. Additionally, being committed to long-term projects exposes us to an increased risk of unforeseen business and industry changes, which could have an adverse effect on our business prospects, its results of operations and financial condition.

31) Our failure to successfully diversify or implement and integrate our expanded operations into our existing business operations could adversely affect our results of operations.

Our expansion and diversification strategy contemplates diversification into additional sub-sectors of the surface transport infrastructure industry, thereby exposing us to new business risks which we may not have the expertise, capability or the systems to manage. This strategy will place significant demands on our management, financial and other resources. It will require us to continuously develop and improve our operational, financial and internal controls and will increase the challenges involved in recruitment, training and retaining sufficient skilled technical and management personnel and developing and improving our internal and administrative infrastructure. We intend to expand our operations into both urban railways and airports sub-sectors (in which we have limited experience), which is highly dependent on our ability to enter into partnerships and secure projects in the competitive bidding process. As stated in the section titled "Our Business", under our expansion plans into urban railways, we have entered into a concession agreement for the Gurgaon Metro Rail Project. Further, regarding the expansion into airport sub-sectors, IL&FS has entered into a memorandum of understanding with the Airports Authority of India ("**AAI**") pursuant to which IL&FS has agreed to identify, develop, implement, operate and maintain airports and associated projects outside India, and we intend to leverage IL&FS's arrangement with AAI for identifying, securing and developing projects outside India. Additionally, we may face significant challenges such as intense competition from well established companies in these sub-sectors and pre-qualification requirements that we may not be able to meet given our limited experience in these sub-sectors. No assurance can be given that a failure to successfully implement such future business ventures would not have a material adverse affect on our business, financial position and results of operations, though such material adverse effect cannot be quantified monetarily.

Any failure to integrate the expanded operations into our existing business operations or any failure to manage these successfully could materially and adversely affect our business, financial condition and results of operations.

32) We depend on various contractors and their sub-contractors to construct, develop, operate and maintain our projects. Any delay, default or unsatisfactory performance by these third parties could materially and adversely affect our ability to complete, effectively operate or maintain our projects.

We depend on the availability and skills of third party contractors and their sub-contractors for the development, construction, operation and maintenance of our projects. We do not have direct control over the timing or quality of services, equipment or supplies provided by these contractors. We cannot assure you that such contractors will continue to be available at reasonable rates in the areas in which we conduct our operations. We may also be exposed to risks relating to the quality of their services, equipment and supplies. The contractors and sub-contractors may not be able to obtain adequate working capital or other financing on favorable terms as and when required for completing construction. Any delays in meeting project milestones by our contractors could increase our financing costs and cause our forecasted budget to exceed, which may in turn result in invocation of clauses relating to payment of liquidated damages or penalties, or may even result in termination of the concession agreements.

For any geographic expansion, we may have to use sub-contractors with whom we are not familiar, which could increase the risk of cost overruns, construction defects and failures to meet scheduled completion dates. As stated in the section titled "Our Business", in March 2008 we commenced our international operations through the acquisition of Elsamex S.A., a provider of maintenance services primarily for highways and roads in Spain and other countries. Further, we have also entered into a memorandum of understanding with Belbadi and ASCON Road Construction L.L.C ("**ASCON**") to bid for new projects in the Gulf Cooperation Council Region and for setting up a contracting and project development strategic partnership to undertake major infrastructure, real estate development, construction and maintenance projects. IL&FS has entered into a memorandum of understanding with the AAI pursuant to which IL&FS has agreed to cooperate, identify, develop, implement, operate and maintain airports and asccoiated projects outside India, and we intend to leverage IL&FS's arrangement with the AAI for identifying, securing and developing airport projects outside India. We have also entered into a memorandum of understanding with Middles East Coal Pte Limited, Singapore, for financing, developing and implementing coal evacuation infrastructure facilities in Muara Wahau, Indonesia.

We generally do not receive guarantees or indemnities from our contractors as to timely completion, cost overruns, or additional liabilities. As a result, we assume the risk of delayed or reduced payments, liquidated damages or penalty amounts, or termination of contracts. We also assume liability for defects in connection with any design or engineering work provided by the contractors. Although we sub-contract our construction work, we may still be liable for accidents on our projects, due to defects in design and quality of construction of our projects, during their construction and operations. Any delay, default or unsatisfactory performance by these third parties could adversely affect our ability to complete our projects in a timely manner or at all. Any of the foregoing factors, though not quantifiable monetarily, could have a material adverse affect on our business, financial condition, reputation and results of operations.

33) Traffic saturation may occur on certain of our BOT toll roads and an inability to resolve this problem could affect the results of our operations.

Certain of our BOT toll roads may experience high traffic levels and congestion at certain times of the day or on certain days of the week. Although we may consider possible solutions and take appropriate steps in order to ease traffic flow and reduce congestion on such roads, there can be no assurance that the saturation problems will be resolved under conditions that are economically satisfactory to us. This could also lead to user dissatisfaction and could potentially reduce the traffic volume. In that case, though not quantifiable monetarily, our business, financial condition and results of operations could be materially and adversely affected.

34) Our Company has made investments in certain equity-linked instruments.

Our Company has made investments in certain equity-linked instruments such as 'covered warrants'. Our Company has entered into certain subscription agreements with IL&FS for subscription to certain 'covered warrants' representing our economic interests in Road Infrastructure Development Company of Rajasthan Limited ("**RIDCOR**"), Jharkhand Accelerated Road Development Company Limited ("**JARDCL**") and Chhattisgarh Highway Development Company Limited ("**CHDCL**"). Under the terms of such subscription agreements, our Company, as holders of the 'covered warrants' will be entitled to a coupon representing a proportionate share of the dividend amount declared and paid by RIDCOR, JARDCL or CHDCL, as the case may be, on the shares held by IL&FS. However, the obligation to pay the coupon shall lapse automatically in the event no dividends are declared by RIDCOR, JARDCL and CHDCL. Further, no interest amount is payable on the subscription amounts. The maturity of the covered warrants is co-terminus with the concession period for the respective projects being carried on by RIDCOR, JARDCL and CHDCL. There can be no assurance that these amounts could not have been invested in instruments, which would have yielded higher returns for our Company. Our Company shall not be entitled to the rights or privileges available to IL&FS, as a shareholder of RIDCOR, JARDCL and CHDCL. The issue of the "covered warrants" shall not be construed as a transfer to our Company of any right, title, interest or benefit with respect to the equity shares held by IL&FS in RIDCOR, JARDCL and CHDCL. These covered warrants can be transferred only to bodies corporate incorporated in India and such endorsement shall carry confirmation by IL&FS. Further, there can be no assurance that the operations of RIDCOR, JARDCL and CHDCL would generate distributable profits. For further details in this regard, see the section titled "History and Certain Corporate Matters" and "Financial Statements" on pages 193 and F-80, respectively.

35) We may be subject to increases in our operations and maintenance costs, which may adversely affect our business, financial condition and results of operations.

The operation and maintenance costs of our projects may increase due to factors beyond our control, including:

- the standards of maintenance or road safety applicable to our projects prescribed by the relevant regulatory authorities;

- our being required to restore our projects in the event of any landslides, floods, road subsidence, other natural disasters accidents or other events causing structural damage or compromising safety; or
- higher axle loading, traffic volume or environmental stress leading to more extensive or more frequent heavy repairs or maintenance costs. The cost of major repairs may be substantial and repairs may adversely affect traffic flows.

Such factors, though not quantifiable monetarily, may reduce our profits and could materially and adversely affect our business operations, financial condition and prospects.

36) Increases in prices or shortages of raw materials could increase the cost of construction of road projects.

Our construction contracts with our contractors are either fixed price contracts or item based contracts. In item based contracts, we agree on the construction cost per unit with the contractor based on reference rates for various components of construction, including steel, cement and bitumen at the time of the construction agreement. These contracts generally contain construction price escalation provisions linked to increases in raw material costs relative to the agreed reference rates in accordance with a pre-determined formula. Accordingly, we bear the risk of increased costs of raw materials to the extent we outsource construction activities pursuant to contracts other than fixed price contracts. The prices and supply of these and other raw materials depend on factors not under our control, including general economic conditions, competition, production levels, demand, transportation costs, crude oil prices and import duties. Price increases or shortages in these raw materials could adversely affect our construction costs, profitability, prospects and results of operations.

37) Our revenues from annuity projects are fixed and our returns from these projects could decline with an increase in costs associated with these projects.

The payments received under our annuity contracts are fixed and are classified as “financial assets”. We are unable to renegotiate the financial terms of the annuity during its term, and we may be unable to renew such annuities on commercially acceptable terms. As a result, in the event that our costs increase, we may be unable to offset such increases with higher revenues, which though not quantifiable monetarily, may adversely affect our business, financial condition and results of operations. Further, such payments are contingent on our ensuring that the infrastructure meets the specified quality or efficiency requirements.

38) For projects that may be awarded to us on the basis of joint venture partnerships or co-sponsors, we may be jointly and severally liable for the performance of obligations by our joint venture partners or co-sponsors.

In our business, delay or failure on the part of a joint venture partner to timely perform its obligations could result in delayed payments to us, additional liabilities, or termination of a contract.

In our business, lenders to project SPVs may require joint and several undertakings and guarantees by us and the other co-sponsors of the project SPVs of, among others, the following:

- unpaid equity capital contributions;
- a shortfall in funds necessary to complete the project and/or project cost overruns;
- shortfalls from time to time in operation and maintenance expenses;
- shortfalls in the debt service reserve accounts or shortfalls in interest payments;
- shortfalls between the outstanding debt and a project termination payment on the occurrence of a termination event; and
- performances of work divided among joint venture partners under fixed-price, lump sum contracts.

The inability of a joint venture partner to continue with a project due to financial or legal difficulties could mean that, as a result of our joint and several liability, we may be required to make additional investments and/or provide additional services to ensure the performance and delivery of the contracted services. With respect to BOT projects in our business, we may be required to draw funds from the operations of our business or from external sources in order to satisfy our joint and several obligations to lenders of project SPVs. In either case, such joint and several obligations could have an adverse effect on our financial results and business prospects.

39) An inability to renew or maintain our statutory and regulatory permits and approvals required to operate our businesses may have a material adverse effect on our business.

We require certain approvals, licenses, registrations and permissions under various regulations, guidelines, circulars and statutes regulated by various regulatory and government authorities, for operating our businesses. For instance, we may not receive the requisite approvals for maintenance of our sites under the relevant shops and establishment legislations. For more information, see the section titled "Government and Other Approvals" on page 373. If we fail to obtain necessary approvals required by us to undertake our business, or if there is any delay in obtaining these approvals, our business and financial condition could be adversely affected. Further, these permits, licenses and approvals could be subject to several conditions, and we cannot assure you that we would be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, and this may lead to cancellation, revocation or suspension of relevant permits, licenses or approvals, which may result in the interruption of our operations and may adversely affect our business, financial condition and results of operations.

40) The departure of our key personnel could adversely affect our business and our ability to pursue our growth strategies.

Our success depends on our ability to retain our senior executives and key employees. Our continued success will depend on our ability to attract, recruit and retain a large group of experienced professionals and staff. If any senior executives or key employees were to leave, we could face difficulty replacing them. Their departure and our failure to replace such key personnel could have a negative impact on our business, including our ability to bid for and execute new projects as well as on our ability to meet our earnings and profitability targets and to pursue our growth strategies. For further details see the section titled "Our Management - Key Managerial Personnel" on page 213.

41) There can be no assurance that our strategy of integrating the business operations of Elsamex S.A. will be successful, which may in turn impact our financial performance.

We intend to utilize Elsamex to bid for OMT projects outside India in the countries in which Elsamex operates. Although we have not faced any material problems with our integration plans or strategy, there can be no assurance that problems will not arise in the future. Further, there is a risk that our integration plans may: (i) take longer than expected; or (ii) cost more than expected. Any failure to effectively implement the Elsamex integration strategy would have an adverse impact on our business and financial performance. For details of Elsamex and its operations, see the section titled "Our Business–International Operations – Elsamex" on page 92.

42) The cost of implementing new technologies could be significant and could adversely affect our results of operations.

Our business requires us to keep pace with technological advances. Our future success will depend in part on our ability to respond to technological advances and emerging unduly standards and practices on a cost-effective and timely basis. The cost of implementing new technologies could be significant and could adversely affect our financial condition and results of operations.

43) Some of our projects enjoy certain benefits under Section 80IA of the Income Tax Act, 1961 and any change in these tax benefits applicable to us may adversely affect our results of operations.

Presently, surface transport infrastructure development projects, including BOT projects, enjoy certain benefits under Section 80IA of the Income Tax Act, 1961. As a result of these incentives, our projects are subject to relatively low tax liabilities. The income tax exemptions for various BOT projects expire at various points of time. There is no assurance that such projects will continue to enjoy the tax benefits under Section 80IA in future. When the tax incentives expire or terminate, our tax liability will increase, reducing our profitability. On February 26, 2010, the GoI presented its proposed budget for the fiscal year ending March 31, 2011 (the "**Finance Bill, 2010**"). Subject to approval of the Parliament and the President, the Finance Bill, 2010 will be enacted into legislation, the Finance Act, 2010 (the "**Finance Act, 2010**"). If the Finance Act, 2010 is enacted, with or without modifications to the Finance Bill, 2010, tax rates could change and this may have an adverse impact on our business and results of operations and we can provide no assurance as to the extent of the impact of proposed changes. For further details, see the section titled "Statement of Tax Benefits" on page 51.

44) Our business is subject to seasonal and other fluctuations that may affect our cash flows and business operations.

Our business and operations are affected by seasonal factors, which may require the evacuation of personnel, suspension or curtailment of operations, result in damage to construction sites or delays in the delivery of materials. In particular, the monsoon season in the second quarter of each Fiscal Year may restrict our ability to carry on activities related to our projects and fully utilize our resources. This may result in delays to our contract schedules and reduce our productivity. During periods of curtailed activity due to adverse weather conditions, we may continue to incur operating expenses but our project related activities may be delayed or reduced. Additionally, traffic volumes witness a decrease during the monsoon. Such fluctuations may adversely affect our cash flows and business operations related to the toll roads operated and managed by us.

45) Our employee attrition rate may increase to a level where we are not able to sustain our deliverables at a given point of time.

We believe we pay competitive compensation package and benefits to our employees. However, given the increasing wage levels and the increased competition for professionally qualified staff in India, we cannot assure you that our employee attrition rate will not increase to an unsustainable level or that we will be able to attract, recruit and retain experienced professionals to replace the professionals leaving at that particular point of time. Our attrition rate for Fiscal 2008, Fiscal 2009 and the six months ended September 30, 2009 was 7.63%, 7.05% and 3.6% respectively.

Employee compensation in India is increasing at a fast rate, which could result in increased costs relating to engineers, managers and other mid-level professionals. We may need to continue to increase the levels of our monetary and non-monetary incentives to retain talent.

46) We face growing and new competition that may adversely affect our competitive position and our profitability.

We are subject to competition for the award of new projects. We believe that our main competitors for new surface transportation infrastructure projects will be domestic infrastructure and international infrastructure operators working in partnership with Indian companies. Some of these operators may have substantially greater financial and other resources than we do, with greater economies of scale, diversification and international experience. To win new concessions, we may also have to accept less favorable terms than what we enjoy under our current concessions. There is a risk we will not win concessions due to more competitive bids by our competitors. Loss of future road tenders or projects to such competitors, or acceptance of less favorable terms than we enjoy under our current concessions, though not quantifiable monetarily, may adversely affect our performance and, to the extent that one or more of our competitors becomes more successful with respect to any key competitive factor, our profitability, business and prospects could be materially and adversely affected. For further details see section titled "Industry Overview".

47) Compliance with, and changes in, safety, health and environmental laws and regulations may adversely affect our business, prospects, financial condition and results of operations.

Our business is subject to extensive and increasingly stringent environmental, health and safety laws and regulations and various labor, workplace and related laws and regulations. Any changes in or amendments to these standards or laws and regulations could further regulate our business and could force us to incur additional, unanticipated expenses in order to comply with these changed standards. Additionally, the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted. The costs and management time required to comply with these requirements could be significant. The measures that we and third parties upon whom we depend implement in order to comply with these new laws and regulations may not be deemed sufficient by governmental authorities and our compliance costs may significantly exceed our estimates. If we fail to meet safety, health and environmental requirements, we may also be subject to administrative, civil and criminal proceedings by governmental authorities, as well as civil proceedings by environmental groups and other individuals, which could result in substantial fines and penalties against us as well as that could limit or halt our construction or operations and could include us being required to incur substantial clean up costs. Penalties imposed by regulatory authorities on us or third parties upon whom we depend may also disrupt our business and operations.

There can be no assurance that we will not become involved in future litigation or other proceedings or be held responsible in any such future litigation or proceedings relating to safety, health and environmental matters in the future, the costs of which could be material. Clean-up and remediation costs, as well as damages, payment of fines or other penalties, other liabilities and related litigation, could adversely affect our business, prospects, financial condition and results of operations.

48) Labour laws in certain jurisdictions where we operate are highly protective of employees, which may make it difficult and costly for us to streamline our workforce in the event of an economic downturn.

Out of a total of 2,888 employees as on December 31, 2009, 1,083 employees are based in Spain and 52 employees are based in Portugal, representing 38% and 2% of our total number of employees, respectively. Labour laws in these countries are highly protective of employees. We may be prohibited from discharging employees without severance payments and/or compensation in the absence of gross misconduct, neglect, or acts of dishonesty. As such, we have limited measures at our disposal to reduce headcount in order to increase efficiencies, reduce costs or achieve similar objectives. Any changes to employment terms and conditions that diminish employees' rights and benefits would require consent from employees.

49) Our insurance policies may not provide adequate protection against various risks associated with our operations.

Road infrastructure development project contracts are subject to various risks including:

- political, regulatory and legal actions that may adversely affect a project's viability;
- changes in government and regulatory policies;
- delays in construction and operation of projects;
- shortages of or adverse price movement for construction materials;
- design and engineering defects;
- breakdown, failure or substandard performance of equipment;
- improper installation or operation of equipment;
- labor disturbances;
- terrorism and acts of war;
- inclement weather and natural disasters;
- environmental hazards, including earthquakes, flooding, tsunamis and landslides; and
- adverse developments in the overall economic environment in India.

There can be no assurance that all risks are adequately insured against or that we will be able to procure adequate insurance coverage at commercially reasonable rates in the future. Natural disasters in the future may cause significant disruption to our operations, damage to our properties and the environment that could have a material adverse impact on our business and operations. In addition, not all of the above risks may be insurable, on commercially reasonable terms or at all. For example, we may be required under our concession agreements or other project development contracts to maintain the quality of the roads and to repair the roads in the event of damage to the roads on account of accidents or due to other reasons. Accordingly, we may need to incur significant expenditure to repair the damaged roads and maintain the roads in good condition, particularly if the damage is major, unanticipated or uninsured. Although we believe that we have obtained insurance coverage customary to our business, such insurance may not provide adequate coverage in certain circumstances and is subject to certain deductibles, exclusions and limits on coverage. To the extent that we suffer damage or losses which is not covered by insurance, or exceeds our insurance coverage, the loss would have to be borne by us. The proceeds of any insurance claim may also be insufficient to cover the rebuilding costs as a result of inflation, changes in regulations regarding infrastructure projects, environmental and other factors. We cannot assure you that material losses in excess of insurance proceeds will not occur in the future.

50) Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.

The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. There can be no assurance that we will be able to pay dividends. Additionally, we may be restricted in our ability to make dividend payments by the terms of any debt financing we may obtain in the future.

51) We are exposed to foreign currency exchange risks, which we may not be able to manage effectively.

In furtherance of our strategy to increase our international presence in the surface transport infrastructure sector, we have acquired Elsamex S.A. and have considerably expanded our overseas operations. Consequently, a significant portion of our revenues is denominated in Euro. The exchange rate between the Rupee and the other foreign currencies such as the Euro, the US Dollar, Mexican Peso has changed substantially in recent years and may continue to fluctuate significantly in the future. Accordingly, our operating results may be impacted by fluctuations in the exchange rate between the Indian Rupee and other foreign currencies. Any strengthening of the Indian Rupee against the Euro, the US Dollar or other foreign currencies could adversely affect our financial condition and results of operations.

52) We have entered into certain related party transactions.

We have entered into certain transactions with related parties, including members of our group companies. Furthermore, it is likely that we will enter into related party transactions in the future. Such transactions or any future transactions with related parties may potentially involve conflicts of interest and impose certain liabilities on our Company. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. For detailed information on our related party transactions, see the section titled "Related Party Transactions" on page 298.

53) We do not own our Registered and Corporate Office and other premises from which we operate.

We do not own the premises on which our Registered and Corporate Office is situated and operates from rented and leased premises. The lease agreements are renewable at our option upon payment of such rates as stated in these agreements. If the owner of such premises does not renew the agreement under which we occupy the premises or renew such agreements on terms and conditions that are unfavorable to us, we may suffer a disruption in its operations which could have a material adverse effect on its business and operations.

For the immoveable properties for our other offices, we enter into lease or license arrangements. Certain of these properties may not have been constructed or developed in accordance with local planning and building laws and other statutory requirements. For further details of the lessors, the relationship with our Company, and rentals payable by our Company in relation to the properties leased by our Company, see the section titled "Our Business – Property and Equipment" on page 90.

54) Restrictions and conditions with respect to foreign investment may limit our ability to raise debt or equity investment outside India.

Indian laws constrain our ability to raise capital outside India through the issuance of equity or convertible debt securities and restrict the ability of non-Indian companies to acquire us. Generally, any foreign investment in, or an acquisition of, an Indian company requires approval from the relevant government authorities in India, including the RBI and the FIPB in certain cases. There are certain exemptions prescribed for companies in various infrastructure sectors upon which we are able to rely. Foreign investment up to the prescribed ceiling in operating-cum-investing companies, like our Company, would not require approval of the FIPB as long as (a) more than 50% of the equity interest in our Company is beneficially owned by resident Indian citizens and Indian companies which are owned and controlled ultimately by resident Indian citizens; and (b) the power to appoint a majority of directors of our Company is ultimately with resident Indian citizens.

Under the 'Portfolio Investment Scheme', FIIs and NRIs are permitted to invest in the shares of our Company up to certain percentages stipulated under the extant foreign exchange control regulations. Any adverse change to the existing policies may restrict our ability to raise capital. If the Government of India does not approve the investment or acquisition, or restricts foreign equity ownership of infrastructure companies, our ability to obtain investments and be acquired by foreign companies will be limited. In addition, making investments in, and the acquisition of, a foreign company by us requires various approvals from the RBI and the Government of India. We cannot assure you that we will be able to obtain such approval from the relevant Indian or foreign authorities. Failure to obtain such approvals, though not quantifiable monetarily, may have a material adverse effect on our growth, financial condition and results of operations.

55) The requirements of being a public listed company may strain our resources and distract management.

We have no experience as a public listed company or with the increased scrutiny of its affairs by shareholders, regulators and the public at large that is associated with being a public company. As a public listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will also be subject to the provisions of the listing agreements signed with the Stock Exchanges which require us to file unaudited financial results on a quarterly basis. In order to meet our financial control and disclosure obligations, significant resources and management supervision will be required. As a result, our management's attention may be diverted from other business concerns, which could have an adverse effect on our business and operations. In addition, we may need to increase the strength of our management team and hire additional legal and accounting staff with appropriate experience in a public listed company and accounting knowledge and we cannot assure you that we will be able to do so in a timely manner.

Risks Relating To Industry

56) We operate in an industry that is capital intensive in nature and we may not be able to raise the required capital for future investments.

Infrastructure projects are typically capital intensive and may require high levels of financing. We cannot assure that market conditions and other factors would permit us to obtain financing on terms acceptable to us. Our ability to arrange financing on a substantially non-recourse basis, and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our projects and other laws that are conducive for raising of capital in this manner. Our ability to obtain future finances on favorable terms may not always be successful and this could adversely affect our business, prospects, financial condition and results of operations.

57) Our business is subject to government rules and requirements, which may adversely affect our operations.

We are subject to various national and local government regulations, including those relating to the environment, general building requirements, occupational health and safety requirements and foreign exchange regulations. We are also subject to laws governing our relationship with our employees, including minimum wage, overtime, working conditions, termination of employment and work permit requirements. Compliance with these laws and regulations can increase costs and reduce revenues and profits.

58) Regulatory changes and difficulties in obtaining licenses may adversely affect our business and results of operations.

We operate in a regulated environment, and our toll road operations are regulated by the NHAI under the auspices of the Ministry of Road Transport and Highways. We are also required to comply with applicable environmental, health, operational and safety regulations during the construction and operation of our toll roads. Future regulatory changes, particularly with respect to the land acquisition process or the decentralization of regulatory authority for toll road development to local authorities, may generate incremental costs and delays, thereby adversely affecting our business, prospects, financial condition and results of operations.

In addition, our licenses may be subject to conditions, compliance with which may be expensive, difficult or impossible. It is possible that governmental authorities could take enforcement actions against us for our failure to comply with such regulations, including the aforementioned conditions. These enforcement actions could result, among other things, in the imposition of fines or the revocation of our licenses. Compliance with such regulations could require us to make substantial capital expenditures and consequently divert funds from our planned construction projects. We could also experience delays in our construction or maintenance schedules as a result of such compliance efforts. Each of the above could adversely affect our business, prospects, financial condition and results of operations.

Risks Relating to Objects of the Issue

59) The funding requirements of our Company and the deployment of a portion of the Net Proceeds are based on management estimates and have not been independently appraised by any bank or financial institution and may be revised from time to time.

The deployment of certain portions of the Net Proceeds are based on management estimates and have not been appraised by any bank, financial institution or other independent institution. Our management may have to revise the Company's estimates from time to time on account of modifications in the terms of the debt facilities availed by us and intended to be pre-paid or re-paid from the Net Proceeds depending on a number of factors which may not be in the control of our management, including variations in interest rate structures, repayment of certain debt facilities mentioned herein, changes in the financial condition and the prevailing economic/ commercial conditions. This may also include rescheduling the proposed utilization of Net Proceeds within the "Objects of the Issue". However, any changes in "Objects of the Issue", other than those specified herein, post-listing of the Equity Shares shall be subject to compliance with the Companies Act and such regulatory and other approvals and disclosures, as may be applicable. For further details of the objects of this Issue, see the section titled "Objects of the Issue" on page 40.

60) A portion of the Net Proceeds are intended to be utilized towards making payments to our Group Company, IL&FS Securities Services Limited ("ISSL")

As of January 21, 2010, our Promoter, IL&FS and our Group Company ISSL have provided certain short term loans to our Company. We intend to utilize a portion of the Net Proceeds to repay outstanding amounts of Rs. 1,000.00 million to ISSL. For further details in this regard, see the sections titled "Objects of the Issue" and "Financial Indebtedness" on pages 41 and 328, respectively.

External Risks

61) There is no existing market our the Equity Shares, and we do not know if one will develop. The price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Issue Price, or at all.

Prior to the Issue, there has been no public market for our Equity Shares, and an active trading market on the Indian Stock Exchanges may not develop or be sustained after the Issue. The Issue Price of the Equity Shares may bear no relationship to the market price of the Equity Shares after the Issue. The market price of the Equity Shares after the Issue may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the surface transportation sector in India, developments relating to India and volatility in the BSE and the NSE and securities markets elsewhere in the world.

62) There is no guarantee that our Equity Shares will be listed on the Stock Exchanges in a timely manner or at all.

In accordance with Indian law and practice, permission for listing of the Equity Shares will not be granted until after those Equity Shares have been issued and allotted. Approval requires all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the BSE and the NSE. In accordance with section 73 of the Companies Act, in the event that the permission of listing the Equity Shares is denied by the stock exchanges, we are required to refund all monies collected to investors. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

63) Any trading closures at the BSE and the NSE may adversely affect the trading price of our Equity Shares.

The regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in Europe and the U.S. The BSE and the NSE have in the past experienced problems, including temporary exchange closures, broker defaults, settlements delays and strikes by brokerage firm employees, which, if continuing or recurring, could affect the market price and liquidity of the securities of Indian companies, including the Equity Shares, in both domestic and international markets. A closure of, or trading stoppage on, either of the BSE and the NSE could adversely affect the trading price of the Equity Shares.

64) There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.

We will be subject to a daily "circuit breaker" imposed by stock exchanges in India, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by the SEBI on Indian stock exchanges. The maximum movement allowed in the price of the Equity Shares before the circuit breaker is triggered is determined by the Stock Exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The Stock Exchanges will not inform us of the triggering point of the circuit breaker in effect from time to time, and may change it without our knowledge. This circuit breaker will limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance may be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

65) Increases in interest rates may adversely impact our results of operations.

We are exposed to interest rate risk and do not currently enter into any swap or interest rate hedging transactions in connection with our loan agreements. We may enter into interest hedging contracts or other financial arrangements in the future to minimize our exposure to interest rate fluctuations. We cannot assure you, however, that we will be able to do so on commercially reasonable terms or any of such agreements we enter into will protect us fully against our interest rate risk. Any increase in interest expense due to factors beyond our control, such as governmental, monetary and tax policies and domestic and international economic and political conditions, may have a adverse effect on our business prospects, financial condition and results of operations.

66) Future issuances or sales of the Equity Shares could significantly affect the trading price of the Equity Shares.

The future issuances of Equity Shares by our Company or the disposal of Equity Shares by any of the major shareholders of our Company or the perception that such issuance or sales may occur may significantly affect the trading price of the Equity Shares. There can be no assurance that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge or otherwise encumber their Equity Shares.

67) Any downgrading of India's debt rating by an international rating agency could have an adverse impact on our business.

Any adverse revision to the rating of India's domestic or international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such funding is available. This could have an adverse effect on our business and future financial performance, its ability to obtain financing for capital expenditures and the trading price of the Equity Shares.

68) Significant differences exist between Indian GAAP and other accounting principles, such as IFRS, which may be material to investors' assessments of our financial condition.

Our financial statements are prepared in conformity with Indian GAAP, consistently applied during the stated periods and no attempt has been made to reconcile any of the information given in this Red Herring Prospectus to IFRS or to base it on any other standards. Indian GAAP and Indian auditing standards may differ from accounting principles and auditing standards with which prospective investors may be familiar in other countries. Significant differences exist between Indian GAAP and IFRS which may be material to the financial information contained in this Red Herring Prospectus. In making an investment decision, investors must rely upon their own examination of us, the terms of the offering and the financial information contained in the Red Herring Prospectus. All public companies in India, including us, will be required to prepare annual and interim financial statements under IFRS from the fiscal period beginning April 1, 2011. There is currently a lack of clarity as to how the adoption of IFRS will be implemented and applied. As such, we have not yet determined with certainty the impact of the adoption of IFRS on our financial reporting. In our transition to IFRS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. There can be no assurance that our financial condition, results of operations, cash flows or changes in shareholders equity will not appear materially different under IFRS than under Indian GAAP or that our adoption of IFRS will not adversely affect our reported results of operations or financial condition. Any failure to successfully adopt IFRS by April 2011 could have an adverse effect on the price of our Equity Shares.

69) Volatility in political, economic and social developments in India could adversely affect our business.

The central and state governments serve multiple roles in the Indian economy, including producers, consumers and regulators, which have significant influence on the surface transportation infrastructure industry and us. Economic liberalization policies have encouraged private investment in the surface transportation infrastructure sector, and changes in these governmental policies could have a significant impact on the business and economic conditions in India in general and the surface transportation sector in particular, which in turn could adversely affect our business, future financial condition and results of operations. In addition, the leadership of India has undergone multiple changes since 1996. Any political instability in India may adversely affect the Indian securities markets in general, which could also adversely affect the trading price of our Equity Shares.

70) A slowdown in economic growth in India could adversely affect our results of operations and financial condition.

Our performance, quality, and growth of our business is dependent on the health of the overall Indian economy. There have been periods of slowdown in the economic growth of India during the 1990s. In the past, economic slowdowns have harmed industries including the surface transportation infrastructure sector. Any future slowdown in the Indian economy could harm our results of operations and financial condition.

71) Financial instability in Indian financial markets could adversely affect our results of operations and financial condition.

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in Asian emerging market countries. Financial turmoil in global economy in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition.

72) The extent and reliability of Indian infrastructure, to the extent insufficient, could adversely impact our results of operations and financial condition.

India's physical infrastructure is less developed than that of many developed nations. Any congestion or disruption with its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our business operations, which could have adverse effect on our results of operations and financial condition.

73) Demand for our road infrastructure development and construction services depends on economic growth and the level of investment and activity in the sector.

Demand for our road infrastructure development and construction services is primarily dependent on sustained economic development in the regions that we operate in and government policies relating to road infrastructure development. Our performance and growth are dependent on the health of the Indian economy. It is also significantly dependent on budgetary allocations made by the Government of India for this sector as well as funding provided by international and multilateral development finance institutions for road infrastructure projects. Investment by the private sector in road infrastructure projects is dependent on the potential returns from such projects and is therefore linked to government policies relating to private sector participation and sharing of risks and returns from such projects. A reduction of capital investment in the road infrastructure sector due to these factors or for any other reason could have an adverse effect on our business prospects and results of operations.

74) Significant increases in the price of or shortages in the supply of crude oil could adversely affect the volume of traffic on our project roads and the Indian economy in general, including the surface transportation infrastructure sector, which could have an adverse effect our business and results of operations.

India relies significantly on imports to meet its requirements of crude oil. Crude oil prices are volatile and are subject to a number of factors, including the level of global production and political factors, such as war and other conflicts, particularly in the Middle East, where a substantial proportion of the world's oil reserves are located. Any significant increase in the price of or shortages in the supply of crude oil could adversely affect the Indian economy in general, including the surface transportation sector affecting the volume of traffic on our BOT toll roads and consequently an adverse effect on our business and results of operations.

75) Terrorist attacks, civil disturbances, regional conflicts and other acts of violence in India and abroad may disrupt or otherwise adversely affect the Indian economy, the health of which our Company's business depends on.

Certain events that are beyond the control of our Company, such as terrorist attacks and other acts of violence or war, including those involving India, the United Kingdom, the United States or other countries, may adversely affect worldwide financial markets and could potentially lead to a severe economic recession, which could adversely affect our business, results of operations, financial condition and cash flows, and more generally, any of these events could lower confidence in India's economy. Southern Asia has, from time to time, experienced instances of civil unrest and political tensions and hostilities among neighboring countries. India recently witnessed a major terrorist attack in Mumbai on November 26, 2008, which led to an escalation of political tensions. Political tensions could create a perception that there is a risk of disruption of services provided by India-based companies, which could have an adverse effect on our business, future financial performance and price of the Equity Shares. Furthermore, if India were to become engaged in armed hostilities, particularly hostilities that are protracted or involve the threat or use of nuclear weapons, the Indian economy and consequently Company's operations might be significantly affected. India has from time to time experienced social and civil unrest and hostilities, including riots, regional conflicts and other acts of violence. Events of this nature in the future could have an adverse effect on our ability to develop our business. As a result, our business, results of operations and financial condition may be adversely affected.

76) Investors may have difficulty enforcing foreign judgments against our Company or its management.

The Company is a limited liability company incorporated under the laws of India. All Directors and key management personnel are residents of India and a substantial portion of our assets and such persons, are located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons outside India, or to enforce judgments obtained against such parties outside India.

Recognition and enforcement of foreign judgments is provided for under Section 13 of the Code of Civil Procedure, 1908, of India (the "**Civil Code**") on a statutory basis. Section 13 of the Civil Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the Civil Code, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside India which the Government has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees not being of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalties.

The United Kingdom has been declared by the Central Government to be a reciprocating territory for the purposes of Section 44A but the United States has not been so declared. A judgment of a court of a country which is not a reciprocating territory may be enforced only by a suit upon the judgment and not by proceedings in execution. Such a suit has to be filed in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. Generally, there are considerable delays in the disposal of suits by Indian courts. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action was brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy. A party seeking to enforce a foreign judgment in India is required to obtain approval from RBI to execute such a judgment or to repatriate outside India any amount recovered. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law.

Prominent Notes

- The average cost of acquisition of Equity Shares by our Promoter is Rs. 30.56 which has been calculated on the basis of the average of amounts paid by it to acquire the Equity Shares currently held by it.

- The Net Worth of our Company was Rs. 10,170.58 million and Rs. 8,727.73 million as per the restated consolidated financial statements and the restated standalone financial statements of our Company as at September 30, 2009, respectively.

- The NAV/book value per Equity Share, on a consolidated basis, was Rs. 59.33 and on a stand alone basis was Rs. 50.92 as at September 30, 2009, as per the restated consolidated financial statements and the restated stand alone financial statements of our Company, respectively, included in this Red Herring Prospectus.

- Our Company has entered into 'call option' agreements with ITCL, in its capacity as the trustee of IRIT and IL&FS, pursuant to which, IL&FS or our Company or IL&FS Infrastructure Equity Fund ("**IIEF**"), as the case may be, have provided an irrevocable option to IRIT to purchase, at its sole discretion, certain equity shares held by IL&FS or our Company or IIEF, as the case may be, in each of APEL and NKEL. IL&FS has also entered into agreements with our Company and SPVs, namely WGEL, APEL and NKEL, pursuant to which our Company exercises rights conferred upon it under such agreements. Details of such call option and other agreements have been provided in the section titled "History and Certain Corporate Matters – Material Corporate Agreements" on page 175. Further, our Company has been sanctioned loan facilities aggregating Rs. 3,250 million from IL&FS pursuant to which we are required to pay interest amounts as prescribed in the respective facility documentations. For further details in relation to such loan facilities, see the section titled "Financial Indebtedness" on page 327. Also, the premises where our Registered and Corporate Office is located has been leased to us by our Promoter and certain lease rent payments are made by our Company to IL&FS.

Except as stated in the sections titled "Our Business", "Objects of the Issue", "History and Certain Corporate Matters", "Financial Indebtedness" and "Related Party Transactions" on pages 70, 40, 145, 324 and 298, respectively, IL&FS, does not have any interest in our Company other than as a promoter.

Except as disclosed in the sections titled "Financial Statements" and "Our Promoter and Promoter Group" on pages F-1 and 217, respectively, none of the ventures promoted by our Promoter are interested in our Company.

- Our Company was incorporated under the Companies Act, 1956 on November 29, 2000 as "Consolidated Toll Network India Private Limited". The name of our Company was changed to "Consolidated Toll Network India Limited" pursuant to change in the status of our Company to a public limited company. The word "private" was deleted from the name of our Company pursuant to a special resolution of the shareholders of our Company dated March 28, 2002. The fresh certificate of incorporation consequent to change of name was issued by the RoC on July 22, 2002. The name of our Company was further changed to "Consolidated Transportation Networks Limited", indicating the growing business profile of our Company, pursuant to a special resolution of the shareholders of our Company dated July 5, 2004 and a fresh certificate of incorporation was granted to our Company by the RoC on September 24, 2004. Subsequently, the name of our Company was changed to "IL&FS Transportation Networks Limited" pursuant to a special resolution of the shareholders of our Company dated September 29, 2005 and a fresh certificate of incorporation was granted to our Company by the RoC on October 18, 2005. The said change of the name of our Company was intended to avail the benefit of the 'IL&FS' brand, its goodwill in the surface transport sector and to establish affiliation with the IL&FS group. The 'objects clause' of our Memorandum, however, was not required to be amended pursuant to the change in our name. For further details, see the section titled "History and Certain Corporate Matters" on page 147.

- The details in relation to transactions with the Group Companies and subsidiary companies during Fiscal 2009 (on a consolidated basis) and the nature of such transactions are provided in the table below:

(Rs. million)

Transaction details	Fiscal 2009
Transaction during the year	
Expenses allocated to related parties	-
Operating Income (including income from advisory and management fees, lenders' engineer and supervision fees, operation and maintenance income, toll revenue, finance income, license fees, other operating income, income from securities and traded products-sales)	474.85
Interest	
Interest Income	118.33
Interest Expenses	294.67
Fixed Assets	
Sale of Fixed Assets	-
Purchase of Fixed Assets	-
Loans & Advances	
Loan/ Advances Given	5,410.51
Loans/ advances received back during the period/ year	4,700.08
Unsecured Loans	
Loans/ Advances Taken	5,940.00
Loans/ Advances Paid Back	5,881.93
Other expenses	186.14
Corporate guarantees	

Corporate guarantees given to banks for loans availed by	-
Corporate Guarantee Received for Loans Taken	-
Personal Guarantee Received for Loans Taken	-
Investments	-
Investments Made during the period/ year	250.00
Investment Sold during the period/ year	498.79
Share Capital	
Share Application Money Given	-
Subscription of Shares Capital	-
Securities Premium Received	-
Dividend paid	270.00
Payable on current account	0.25

For further details pertaining to our related party transactions, refer to the notes on related party transactions in the section titled "Financial Statements" on page F-43.

- During the period of six months immediately preceding the date of filing of the Draft Red Herring Prospectus, no financing arrangements existed whereby the Promoter Group, the Directors of our Promoter, IL&FS, our Directors and their relatives may have financed the purchase of Equity Shares by any other person, other than in the normal course of the business of such financing entity.

- Any clarification or information relating to this Issue shall be made available by the Book Running Lead Managers, the Co-Book Running Lead Managers and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever. The Book Running Lead Managers and the Co-Book Running Lead Managers shall be obliged to provide any information or clarification relating to this Issue to any investor. Investors may contact the Syndicate Members for any complaints or comments pertaining to this Issue. The Syndicate Members undertake to attend to the same expeditiously and satisfactorily.

  All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for Bid Amount blocked, ASBA Account number and the Designated Branch of the SCSB where the ASBA Form was submitted by the ASBA Bidders.

- This is a public issue of [●] Equity Shares for cash at a price of Rs. [●] per Equity Share (including a share premium of Rs. [●] per Equity Share) aggregating up to Rs. 7,000 million consisting of a fresh issue of [●] Equity Shares and an offer for sale of 4,278,844 Equity Shares by the Selling Shareholder. This Issue would constitute [●]% of the post Issue paid-up capital of our Company.

  The Company and the Selling Shareholder may, in consultation with the Book Running Lead Managers and the Co-Book Running Lead Managers, allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Price in accordance with the SEBI Regulations. At least one-third of the Anchor Investor Portion shall be available for allocation to domestic Mutual Funds only. Allocation to Anchor Investors shall be on a discretionary basis subject to minimum number of two Anchor Investors. An Anchor Investor shall make a minimum Bid of such number of Equity Shares that the Bid Amount is at least Rs. 100 million. Further, Anchor Investors shall pay the Anchor Investor Margin Amount at the time of submission of the Bid cum Application Form to the Book Running Lead Managers and the Co-Book Running Lead Managers and the balance within the Pay-in Date which shall be a date no later than two days of the Bid/Issue Closing Date.

- Pursuant to Rule 19(2)(b) of the SCRR read with Regulation 41(1) of the SEBI Regulations, this being an Issue for less than 25% of the post-Issue equity share capital, is being made through a 100% Book Building Process wherein at least 60% of the Issue shall be Allotted to QIBs. If at least 60% of the Issue cannot be Allotted to QIBs, then the entire application money will be refunded forthwith.

Our Company and the Selling Shareholder may, in consultation with the Book Running Lead Managers and the Co- Book Running Lead Managers, allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Price on a discretionary basis, out of which at least one-third will be available for allocation to domestic Mutual Funds only. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIBs in proportion to their Bids.

Further, not less than 10% of the Issue shall be available for allocation on a proportionate basis to Non- Institutional Bidders and not less than 30% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received from them at or above the Issue Price.

- Under-subscription, if any, in the Non-Institutional Portion and Retail Portion would be met with spill-over from any other category, at the sole discretion of our Company and the Selling Shareholder, in consultation with Book Running Lead Managers and the Co-Book Running Lead Managers.

- In the event of an oversubscription in the Net QIB Portion, all QIBs bidding in the Net QIB Portion who have submitted Bids above the Issue Price shall be allocated Equity Shares on a proportionate basis for up to 95% of the Net QIB Portion. In the event of an oversubscription in the Non-Institutional Portion and Retail Portion, allocation shall be made on a proportionate basis.

- Except as disclosed in this section and in sections titled "Our Promoter and Promoter Group" and "Our Management" on pages 217 and 200, respectively, none of our Promoter, Directors or key managerial personnel have any interest in our Company except to the extent of remuneration, reimbursement of expenses and other benefits provided to them by our Company and to the extent of the Equity Shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as directors, members, partners or trustees and to the extent of the benefits arising out of such shareholding, if any, in our Company. For further details in relation to the interests of our Directors and key managerial personnel, see the section titled "Our Management" on page 207.

- During the period of six months immediately preceding the date of filing of the Draft Red Herring Prospectus, no financing arrangements existed whereby the Promoter Group, the Directors of our Promoter, IL&FS, our Directors and their relatives may have financed the purchase of Equity Shares by any other person, other than in the normal course of the business of such financing entity.

- Our Promoter does not have any common pursuits or is engaged in businesses similar to those carried out by our Company, except the fact that IL&FS is involved in certain infrastructure projects being undertaken by our Company or certain of our SPVs and is a party to certain agreements in relation to some of our projects. Further, our Promoter, IL&FS, is currently in the process of acquiring control over a company, which may be engaged, among other businesses, in the same line of business as our Company.

  Some of our Group Companies are permitted under their respective objects' clauses to undertake activities which are similar to those being undertaken or intended to be undertaken by us and may be considered to be in the same line of business as we are, which may result in a conflict of interest with respect to our business strategies. While such entities carry on certain activities, which under certain circumstances be in conflict with the activities carried on by our Company in the respective States in which they operate, however, presently they do not carry on and nor do they intend to undertake activities which may be directly in conflict with our business. We shall adopt the necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise.

For further details, see the sections titled “Risk Factors”, “Our Promoter and Promoter Group – Common Pursuits of our Promoter” and “Our Group Companies - Common pursuits of our Group Companies and Conflict of Interest” on pages xviii, 220 and 296, respectively.

- For details of transactions in the securities of our Company by our Promoter, directors of our Promoter, members of our Promoter Group, our Group Companies and our Directors in the last six months, see the section titled “Capital Structure – Notes to the Capital Structure” on page 30.

- Our Company has not issued any Equity Shares for consideration other than cash.

- Our Company has not made any loans and advances to any person(s)/ company in which the Directors are interested, except as disclosed in the sections titled “Financial Statements” and “Related Party Transactions” on pages F-43 and 298, respectively.

- Trading in Equity Shares for all investors shall be in dematerialised form only. For further details, see the section titled “Issue Procedure” on page 417.

- Investors are advised to also refer to the section titled “Basis for Issue Price” on page 48.

SECTION III – INTRODUCTION

SUMMARY OF INDUSTRY

INFRASTRUCTURE IN INDIA AND PRIVATE PARTICIPATION

According to the Planning Commission, Government of India, inadequate infrastructure constitutes a significant constraint in India's growth potential and improvement in physical infrastructure has emerged as a high priority area. Increased private participation would be necessary for mobilizing the resources needed to bridge the infrastructure deficit. The Eleventh Five Year Plan (2007-2012) the ("**Eleventh Plan**"), therefore, recognizes that adequate, cost-effective and quality infrastructure is a pre-requisite for sustaining the growth momentum and that investment in physical infrastructure would have to be increased from approximately 5.0 percent of GDP during the Tenth Plan (2002-07) (the "**Tenth Plan**") to 9.0 percent of GDP by the end of the Eleventh Plan.

The investment in infrastructure during the Tenth Plan was Rs. 8,877,940.00 million which constituted 5.07 percent of GDP. This included Rs. 1,752,030.00 million of investment by the private sector.

To overcome the infrastructure deficit, the Eleventh Plan projects an investment of Rs. 20,561,500.00 million which would imply an investment of 7.6 percent of GDP during the Eleventh Plan and 9.0 percent of GDP in the terminal year of the Eleventh Plan (2011-12). This includes public sector investment of Rs. 7,656,220.00 million in the Central Government projects and Rs. 6,709,370.00 million in the State Government projects, leaving the remaining Rs. 6,195,910.00 million, to be invested by the private sector. Private capital is thus expected to fund approximately 30 percent of the total investment during the Eleventh Plan, as compared to 20 percent realized during the Tenth Plan.

(Source: Private Participation in Infrastructure, Planning Commission Report, June 2009)

ROAD SECTOR IN INDIA

India's road and highway network of approximately 3.3 million kilometers provides a relatively dense network by international standards.

The Government of India has launched the National Highway Development Programme ("**NHDP**") involving a total investment of US$ 54,100.00 million by 2012. In 2008-09, NHAI infused US$ 4,000 million in the NHDP. It has also started the Bharat Nirman Programme that aims to cover villages with a population of over 1,000 (or over 500 in hilly and tribal areas) with all-weather roads. For the roads and bridges sector, the Eleventh Plan envisages a total investment of approximately US$ 78,500.00 million over the five-year period starting from 2007-08.

As part of a larger plan to improve the country's infrastructure, the Government has given the nod to 10 road projects which will be built on a PPP basis at an estimated cost of US$ 2,480.00 million. The projects are aimed at four-laning of national highways in eight states. Additionally, under the Special Accelerated Road Development Programme in the North East ("**SARDP-NE**"), the Cabinet Committee on Economic Affairs ("**CCEA**") has agreed to the modifications to Phase A of the SARDP-NE, to facilitate road linkage to Sittwe port of Myanmar, with an investment of US$ 1,240.00 million.

(Source: India Brand Equity Foundation, www.ibef.org accessed on September 20, 2009)

Government Policy Initiatives

Set forth below is a summary of some of the key initiatives taken by the Government of India to promote the development of road projects:

- Allowing 100 per cent FDI under the automatic route in all road development projects.
- Investors in identified highway projects permitted to recover investment by way of collection of tolls for specified sections and periods.
- The government has also announced an increase from US$ 100 million to US$ 500 million in the overseas borrowing amount for the infrastructure sectors.

- The Committee on Infrastructure ("**CoI**"), under the Chairmanship of the Prime Minister, was constituted on 31st August, 2004 which has been substituted by the Cabinet Committee on Infrastructure ("**CCI**") on July 6, 2009 under the chairmanship of Prime Minister. CCI will approve and review policies and projects across infrastructure sectors.
- NHAI / GOI to provide capital grant up to 40% of project cost to enhance viability on a case to case basis.
- 100% tax exemption for 5 years and 30% relief for next 5 years, which may be availed of in 20 years.
- Entrepreneurs are allowed to collect and retain tolls in BOT projects.
- Duty free import of specified modern high capacity equipment for highway construction.

(Source: India Brand Equity Foundation, www.ibef.org, www.infrastructure.gov.in and www.nhai.org, accessed on September 20, 2009)

RAILWAYS

The Indian Railways ("**IR**") is a critical component of India's transport network. With a total route length of 63,221 km, IR holds the distinction of being the world's second largest rail network under a single management and the principal mode of transportation for bulk freight and long distance passenger traffic. IR is expected to carry about 1,100 million tones of freight traffic annually by the end of the Eleventh Plan.

(*Source: Private Participation in Infrastructure, Planning Commission Report, Government of India, June 2009*)

Government Initiatives

Set forth below is a summary of some of the key initiatives taken by the Government of India to promote the development of railway projects:

- Railways investment outlays have been stepped up from US$ 2,700.00 million in Fiscal 2004 to US$ 7,300.00 million in Fiscal 2009. Railways would be completing the work of 4900 km of gauge conversion, 1,800 km of doubling and laying 1100 km of new lines, over five years.
- The Annual Plan for 2009-10 envisages investment of US$ 7,600.00 million.

An investment of approximately US$ 45,900.00 million is expected to be made in the Indian Railways under the 11th Five Year Plan.

(Source: India Brand Equity Foundation, www.ibef.org accessed on September 20, 2009)

AIRPORTS

India has 125 operational airports; of these 11 are designated as international airports. Currently, most of these 125 airports are owned and operated by the Airports Authority of India ("**AAI**"). The Government aims to attract private investment in the aviation infrastructure. Privatization of the Delhi and Mumbai airports is currently in progress and concessions have already been awarded.

(Source: www.infrastructure.gov.in accessed on September 20, 2009)

With a growth rate of 18 per cent per annum, the Indian aviation industry is one of the fastest growing aviation industries in the world. India has jumped to 9th position in world's aviation market from 12th in 2006. The scheduled domestic air services are now available from 82 airports as against 75 in 2006.

(Source: India Brand Equity Foundation, www.ibef.org accessed on September 20, 2009)

Policy/Government Initiatives

Set forth below is a summary of some of the key initiatives taken by the Government of India to promote the development of airports and its supporting infrastructure projects:

- 100% FDI is permissible for existing airports; FIPB approval is required for FDI beyond 74%.
- 100% FDI under automatic route is permissible for greenfield airports.

- 100% tax exemption for airport projects for a period of 10 years.
- Private developers allowed to set up captive airstrips and general airports 150 km away from existing airports.
- Airport Economic Regulatory Authority is planned to be set up to provide a level playing field to all the players and a chairperson for the same has already been appointed.
- The government's open sky policy has led to many overseas players entering the market.

(Source: India Brand Equity Foundation, www.ibef.org accessed on September 20, 2009)

SUMMARY OF BUSINESS

We are an established surface transportation infrastructure company and we believe we are one of the largest private sector BOT road operators in India. We are a developer, operator and facilitator of surface transportation infrastructure projects, taking projects from conceptualization through commissioning to operations and maintenance. We were incorporated in 2000 by IL&FS, an infrastructure development and finance company, in order to consolidate their existing road infrastructure projects and to pursue various new project initiatives in the area of surface transportation infrastructure. In March 2008, we commenced our international operations through the acquisition of Elsamex S.A. ("**Elsamex**"), a provider of maintenance services primarily for highways and roads in Spain and other countries.

Since inception, we have been involved in the development, operation and maintenance of national and state highways, roads (including urban roads), flyovers and bridges in Andhra Pradesh, Delhi, Gujarat, Maharashtra, Karnataka, Uttar Pradesh, Kerala, Jharkhand and Rajasthan. We have a pan-India presence in the BOT road sector and have interests in a diverse project portfolio consisting of 17 road projects, comprising approximately 9,397 Lane kms, which includes 4,086 Lane kms under operation and maintenance and 5,311 Lane kms under development (of which 1,244 Lane kms under construction). We believe that we are the lowest/preferred bidder for a project comprising 2,100 Lane kms. Our projects are designed and developed with regard to international standards in terms of technology and facilities.

Since our incorporation, we have created a geographically widespread presence in India. Eight of our projects have commenced operations — the North Karnataka Expressway (from Belgaum in the States of Karnataka to Maharashtra Border), the West Gujarat Expressway (connecting Jetpur to Rajkot in the State of Gujarat), the NOIDA Toll Bridge (connecting Delhi to NOIDA, in the States of Delhi and Uttar Pradesh), the Vadodara Halol Toll Road (connecting Vadodara to Halol in the State of Gujarat), the Ahmedabad Mehsana Toll Road (connecting Ahmedabad to Mehsana in the State of Gujarat), Andhra Pradesh Expressway (Kotakatta to Kurnool in the state of Andhra Pradesh) and Ramky Elsamex Hyderabad Ring Road (Tukkugudu to Shamshabad section of Hyderabad Outer Ring Road), as well as the Mega Highways Road Project (comprising five stretches of road from "Phalodi to Ramji-ki-Gol", "Hanumangarh to Kishangarh", "Alwar to Sikandra", Baran to Jhalawar" and "Laslot to Kota", all in the state of Rajasthan) and Thiruvananthapuram City Roads projects which have both operational and developmental phases. Notably, NOIDA Toll Bridge Company Limited, which is our associate and also the implementing company for the NOIDA Toll Bridge project, was the first Indian toll road company to have been listed both on the national and international stock exchanges; and the Vadodara Halol Toll Road was designated by the World Bank as a "best practices" example for its environment risk mitigation and social rehabilitation plan in India. (*Source: India – Review of the Effectiveness of Environmental Assessments in World Bank-Assisted Projects, Fiscal 1990-97, Name of Publication: Environment Sector Management Unit, South Asia Region, the World Bank, Authors: L. Paneer Selnam, Sonia Kapoor, Prasad Modak and Radha Gopalan, Date of Publication: September 1999, Hyperlink:* : http://www-wds.worldbank.org/external/default/main?pagePK=64193027&piPK=64187937&theSitePK=523679&menuPK=64187510&searchMenuPK=64187283&siteName=WDS&entityID=000094946_03010704154241). In addition, we are currently developing 11 road projects (including the Mega Highways and Thiruvananthapuram City Roads projects) in the States of Andhra Pradesh, Chhattisgarh, Jharkhand, Kerala, Rajasthan, Uttar Pradesh and Maharashtra in India and Madrid in Spain. Out of these 11 projects, five projects are currently in the construction phase and the remaining six projects are in the pre-construction phase of development.

We are also developing capabilities in other transportation infrastructure sub-sectors such as mass rapid transport systems and urban transportation infrastructure systems. We have been selected for the development of the 4.9 km track of elevated metro rail link project in Gurgaon (Haryana) and are also operating and maintaining the Nagpur city bus services on a BOT basis.

With respect to our international operations, we acquired Elsamex in order to (i) complement our BOT road operations with Elsamex's maintenance capabilities and (ii) to facilitate our entry into international markets such as Spain, Portugal and Latin America. Elsamex's primary business is the maintenance of roads, buildings and petrol stations, mainly in Spain, with additional operations in Portugal in Europe and Columbia and Mexico in South America. Elsamex also provides consulting services for roads and water supply projects in the areas of quality control, safety, health and environment. Additionally, Elsamex conducts research and development for road maintenance projects, with a particular focus on bitumen technology.

We believe we benefit significantly from our affiliation with IL&FS, which has an established track record in promoting and financing a range of public infrastructure projects in India for over 22 years. IL&FS was incorporated in 1987 and its shareholders include Life Insurance Corporation of India, Central Bank of India, State Bank of India, Housing and Development Finance Corporation Limited, Abu Dhabi Investment Authority and Orix Corporation of Japan.

We believe that in view of our strong parentage, experience gained in implementing the above-mentioned projects and the capabilities being developed by us, we are well positioned to benefit from expected growth in vehicular traffic in India and demand for additional surface transportation infrastructure in India and other countries where we have presence.

We generate revenues primarily from Elsamex's maintenance business and from annuity receipts, toll collection, operation and maintenance activities and advisory and project management fees from BOT road projects. In addition, we auction the toll receipts for certain of our toll road projects to third parties for twelve-month periods in exchange for a fixed fee in order to mitigate the risk of volatility of toll revenues. For the six months ended September 30, 2009, our consolidated revenue and total profit after tax amounted to Rs. 9,795.55 million and Rs. 1,182.27 million respectively. For the year ended March 31, 2009, our consolidated revenue and total profit after tax amounted to Rs. 13,320.08 million and Rs. 278.78 million, respectively, compared to consolidated revenue and total profit after tax of Rs. 4,374.54 million and Rs. 932.55 million, respectively, for the year ended March 31, 2008.

Key Competitive Strengths

- *Strong track record*
- *Diversified road project portfolio and revenue base*
- *Strong support from our Promoter*
- *Experienced management team*
- *Extensive and advanced execution capabilities*

Business Strategy

- *Maintain our market position in the Indian BOT road infrastructure sector*
- *Improve performance and enhance returns from our core business*
- *Leverage IL&FS's track record in expanding our business within and outside India*
- *Expand into new sub-sectors within the surface transportation infrastructure industry*
- *Expand our business outside India*

For details in relation to risks faced by our Company in its business, see the section titled “Risk Factors” on page xii.

THE ISSUE

The following table summarizes the Issue details:

Public Issue aggregating up to Rs. 7,000 million	[●] Equity Shares
Of which:	
Offer for Sale by Trinity Capital (Two) Limited	4,278,844 Equity Shares
Fresh Issue by our Company	[●] Equity Shares
QIB Portion(2)	At least [●] Equity Shares*
Net QIB Portion	At least [●] Equity Shares*
Of which:	
Mutual Fund Portion	[●] Equity Shares*
Balance for all QIBs including Mutual Funds	[●] Equity Shares*
Non-Institutional Portion(1)	Not less than [●] Equity Shares*
Retail Portion(1)	Not less than [●] Equity Shares*
Pre and post-Issue Equity Shares	
Equity Shares outstanding prior to the Issue	171,414,794 Equity Shares
Equity Shares outstanding after the Issue	[●] Equity Shares
Use of proceeds of this Issue	
For details in relation to use of the Issue Proceeds, see the section titled "Objects of the Issue" on page 40. Our Company will not receive any proceeds of the Offer for Sale.	

* *In the event of over-subscription, allocation shall be made on a proportionate basis, subject to valid Bids being received at or above the Issue Price.*

(1) Under-subscription, if any, in the Non-Institutional Portion and the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories, at the sole discretion of our Company and the Selling Shareholder, in consultation with Book Running Lead Managers and the Co-Book Running Lead Managers.

(2) If at least 60% of the Issue cannot be allotted to QIBs, then the entire application money will be refunded forthwith. The Company and the Selling Shareholder may, in consultation with the Book Running Lead Managers and the Co-Book Running Lead Managers, allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Price on a discretionary basis, out of which at least one-third will be available for allocation to domestic Mutual Funds only. For further details, see the section titled "Issue Procedure" on page 417. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIBs in proportion to their Bids.

Further, attention of all QIBs bidding under the Net QIB Portion is specifically drawn to the following: (a) QIBs will not be allowed to withdraw their Bid cum Application Forms after 3.00 p.m. on the Bid/Issue Closing Date; and (b) each QIB, including a Mutual Fund is required to deposit a Margin Amount of at least 10% with its Bid cum Application Form.

SUMMARY FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from the restated audited unconsolidated financial statements of our Company Fiscals 2005, 2006, 2007, 2008, 2009 and half year ended September 30, 2009 and the restated audited consolidated financial statements of our Company for Fiscals 2007, 2008, 2009 and half year ended September 30, 2009, each prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations as described in the Auditors' report included in the section titled "Financial Statements" beginning on page F-1.

The summary financial information of our Company presented below should be read in conjunction with the respective financial statements and the notes (including accounting polices) thereto included in sections titled "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages F-1 and 300, respectively.

IL&FS TRANSPORTATION NETWORKS LIMITED

RESTATED STATEMENT OF PROFITS & LOSSES:

(Rs. Million)

Particulars	For the year /period ended					
	March 31, 2005	March 31, 2006	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
A. Income						
Income from Operations (net of service tax)	141.10	419.57	1,545.19	1,709.73	1,320.80	2,873.22
Other Income	25.49	12.25	103.95	788.98	570.10*	379.10
Foreign Exchange Fluctuations (net)	-	-	-	-	385.86	9.30
Total Income	**166.59**	**431.82**	**1,649.14**	**2,498.71**	**2,276.76**	**3,261.62**
B. Expenditure						
Cost of traded products	-	63.65	273.81	335.77	7.02	-
Sub-contracting charges	-	-	-	-	-	162.50
Staff Costs (Refer Note no.4 of Annexure - IV C)	21.80	49.25	107.55	164.60	173.05	86.34
Operation and Maintenance Expenses	22.68	18.58	61.94	76.70	178.44	61.78
Administrative and General Expenses	45.72	161.54	310.22	464.07	494.78	549.77
Interest and Finance Charges	41.13	48.82	70.50	180.56	596.45	496.85
Depreciation / Amortisation	3.08	4.74	9.01	20.20	26.81	16.02
Preliminary Expenses Written off	0.37	0.25	-	-	-	-
Total Expenditure	**134.78**	**346.83**	**833.03**	**1,241.90**	**1,476.55**	**1,373.26**
Net Profit / (Loss) before diminution and tax (A-B)	**31.81**	**84.99**	**816.11**	**1,256.81**	**800.21**	**1,888.36**
Less: Provision for diminution	-	-	(100.00)	(100.00)	(100.00)	-
Profit / (Loss) before tax	**31.81**	**84.99**	**716.11**	**1,156.81**	**700.21**	**1,888.36**
Less: Provision for Current Tax	(8.57)	(32.19)	(244.87)	(385.24)	(343.01)	(699.21)
Less: Deferred Tax credit /(charge) (net)	0.31	0.64	(3.88)	1.24	71.02	(45.66)
Less: Fringe Benefit Tax	-	(3.18)	(5.69)	(7.45)	(7.53)	-
Net Profit / (Loss) after tax, as Restated	**23.55**	**50.26**	**461.67**	**765.36**	**420.69**	**1,143.49**
Profit and Loss account at the beginning of the year	5.59	29.14	79.40	285.15	611.40	771.30
Balance available for appropriation	**29.14**	**79.40**	**541.07**	**1,050.51**	**1,032.09**	**1,914.79**
General reserve	-	-	(34.13)	(58.50)	(10.11)	-
Proposed dividend	-	-	(189.57)	(325.32)	(214.27)	-
Tax on dividend	-	-	(32.22)	(55.29)	(36.41)	-
BALANCE CARRIED FORWARD, AS RESTATED	**29.14**	**79.40**	**285.15**	**611.40**	**771.30**	**1,914.79**

The above statement should be read together with Significant Accounting Policies and Notes to Restated Financial information.

*The other income of our Company for Fiscal 2009 was Rs. 570.10 million on unconsolidated basis constituting 25.04% and of our total income of Rs. 2,276.76 million as per the restated uconsolidated financial statements of our Company comprising of interest income (Rs.395.51 million), profit on sale of investments (Rs.154.63 million) and balance on account of income from material testing and other miscellaneous income. Except for the profit on sale of investments, the other items of income included under this head are generally of a recurring nature. For further details refer to section titled Financial Statements on page F-1.

RESTATED STATEMENT OF ASSETS AND LIABILITIES

(Rs. Million)

Particulars	As at					
	March 31, 2005	**March 31, 2006**	**March 31, 2007**	**March 31, 2008**	**March 31, 2009**	**September 30, 2009**
A. FIXED ASSETS						
Gross Fixed Assets (Refer Note no.1 of Annexure - IV B)	13.86	21.77	102.20	168.40	201.30	208.15
Less: Depreciation	5.79	9.99	18.87	34.74	59.04	74.36
Net Block	**8.07**	**11.78**	**83.33**	**133.66**	**142.26**	**133.79**
Capital / Project work in progress	1.72	2.09	2.88	11.42	248.53	251.03
Total	**9.79**	**13.87**	**86.21**	**145.08**	**390.79**	**384.82**
B. Investments	**391.72**	**452.55**	**4,803.03**	**6,005.47**	**8,611.33**	**9,183.82**
C. Deferred Tax Asset (net) (Refer Note no.2 of Annexure - IV C)	**0.46**	**1.10**	**-**	**-**	**-**	**-**
D. Current Assets, Loans and Advances						
Inventories	-	-	438.00	-	-	-
Sundry Debtors	74.59	160.94	713.91	509.79	375.23	3,133.92
Cash and Bank Balances	112.27	45.25	576.15	193.84	25.56	31.30
Other Current Assets	-	3.01	222.92	839.61	827.89	674.35
Loans and Advances	633.15	1,361.12	1,465.90	4,839.39	6,026.86	6,731.68
Total	**820.01**	**1,570.32**	**3,416.88**	**6,382.63**	**7,255.54**	**10,571.25**
E. Liabilities and Provisions						
Secured Loans	2.11	0.95	340.66	-	-	-
Unsecured Loans	694.73	696.55	1,040.00	3,881.64	7,190.00	9,990.00
Current Liabilities and Provisions	64.52	229.21	682.72	838.29	950.71	1,416.80
Deferred Tax Liability (net) (Refer Note no.2 of Annexure - IV C)	-	-	2.78	1.54	1.52	5.36
Total	**761.36**	**926.71**	**2,066.16**	**4,721.47**	**8,142.23**	**11,412.16**
F. Net Worth (A+B+C+D-E)	**460.62**	**1,111.13**	**6,239.96**	**7,811.71**	**8,115.43**	**8,727.73**
Represented by						
Equity Share Capital	331.28	331.28	1,624.90	1,714.15	1,714.15	1,714.15
Share Application Money	100.45	250.45	-	-	-	-
Advance towards capital (Refer Note no.6 of Annexure - IV B)	-	450.00	450.00	450.00	450.00	-
Reserves and Surplus						
Securities Premium	-	-	3,845.77	4,943.52	4,943.52	4,943.52
General Reserve	-	-	34.14	92.64	102.74	102.74
Foreign Exchange Fluctuation Reserve	-	-	-	-	133.72	52.53
Profit & Loss A/c	29.14	79.40	285.15	611.40	771.30	1,914.79
Less:						
Miscellaneous Expenses to the extent not written off or adjusted	(0.25)	-	-	-	-	-
Net Reserves and Surplus	**28.89**	**79.40**	**4,165.06**	**5,647.56**	**5,951.28**	**7,013.58**
G. Net Worth	**460.62**	**1,111.13**	**6,239.96**	**7,811.71**	**8,115.43**	**8,727.73**

The above statement should be read together with Significant Accounting Policies and Notes to Restated Financial information on page F-12.

RESTATED STATEMENT OF CASH FLOWS

(Rs. Million)

Particulars	**March 31, 2005**	**March 31, 2006**	**March 31, 2007**	**March 31, 2008**	**March 31, 2009**	**September 30, 2009**
Cash Flow from Operating Activities						
Adjusted net profit before tax and extraordinary items	31.81	84.99	716.11	1,156.81	700.21	1,888.36
Adjustments for:						
Provision for compensated absences	0.11	0.55	1.29	9.42	3.96	(1.13)
Provision for gratuity	(0.70)	(1.56)	(1.29)	2.53	(2.57)	(2.01)
Excess provisions written back	-	-	-	(9.03)	(2.75)	(0.24)
Provision for income tax - written back	-	-	(7.73)	-	-	-
Interest on loans granted	(12.77)	(5.41)	(27.21)	(152.19)	(313.09)	(196.25)
Profit on sale of investment	(11.88)	(4.08)	(12.85)	(522.00)	(154.63)	-
Interest on bank deposits	(0.10)	(2.57)	(17.48)	(18.22)	(3.14)	(0.04)
Interest on debentures	-	-	(15.68)	(29.20)	(39.32)	(19.71)
Interest on call money	-	-	(29.31)	(29.44)	(20.91)	(9.05)
Interest on Non Convertible Debentures	-	-	-	(14.71)	(10.58)	-
Interest on Deep Discount Bonds	-	-	-	(10.92)	(8.47)	-
Interest & Finance charges	41.13	48.82	70.50	180.56	596.45	496.85
(Profit) / Loss on sale of fixed assets (net)	(0.14)	0.02	(0.04)	0.25	0.01	-
Depreciation/ Amortisation	3.08	4.74	9.01	20.20	26.81	16.02
Bad debts written off	4.31	0.55	0.29	-	-	0.04
Miscellaneous expenses written off	0.37	0.25	0.30	-	-	-
Dividend received	(0.35)	(0.12)	-	-	-	-
Foreign exchange difference	-	-	2.99	17.12	(385.85)	(6.96)
Provision for diminution	-	-	100.00	100.00	100.00	-
Operating Profit before working capital changes	**54.87**	**126.18**	**788.90**	**701.18**	**486.13**	**2,165.88**
Adjustments for changes in:						
(Increase) / decrease in debtors	(23.26)	(86.90)	(553.26)	204.12	134.55	(2,753.59)
(Increase) / decrease in inventories	-	-	(438.00)	438.00	-	-
(Increase) / decrease in loans and advances	(0.20)	(125.18)	(8.83)	(69.01)	(203.13)	(1,324.37)
Increase / (decrease) in current liabilities & provisions	15.23	130.17	68.90	(20.55)	1.66	541.66
Cash Generated from Operating Activities	**46.64**	**44.27**	**(142.29)**	**1,253.74**	**419.21**	**(1,370.42)**
Taxes paid						
Direct taxes refund / (paid) (net)	(5.38)	(32.22)	(284.41)	(486.69)	(445.05)	(317.40)
Net Cash (used in) / generated from Operations (A)	**41.26**	**12.05**	**(426.70)**	**767.05**	**(25.84)**	**(1,687.82)**
Cash flow from Investing Activities						
Purchase of Fixed Assets (Net)	(8.95)	(9.27)	(81.45)	(81.53)	(37.87)	(246.92)
Sale of fixed assets	0.19	0.18	0.14	2.84	1.53	0.68
Purchase of / advance towards investments	(427.55)	(955.27)	(4,637.52)	(2,990.36)	(1,405.01)	(355.19)
Proceeds from sale of investments	322.91	49.00	215.22	10.00	1,069.73	-
Short term loan (net of received)	(239.24)	248.28	(39.00)	(970.11)	680.17	(348.45)
Other loans given	-	-	-	(567.63)	(3,121.05)	(395.40)
Other loans received	-	-	-	-	258.83	1,193.08
Investment in call money	-	-	-	(22.58)	(187.42)	(7.50)
Dividend received	0.35	0.12	-	-	-	-
Interest income	12.87	4.97	59.72	163.17	261.80	190.02
Fixed deposits placed for periods exceeding 3 months	-	(0.10)	(501.61)	389.89	110.69	1.00
Net Cash (used in) / generated from Investing Activities (B)	**(339.42)**	**(662.09)**	**(4,984.50)**	**(4,066.31)**	**(2,368.60)**	**31.32**

Particulars	March 31, 2005	March 31, 2006	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
Cash Flow from Financing Activities						
Proceeds from Equity Share	-	-	1,293.62	89.25	-	-
Share Premium money received (Net of foreign currency gain of Rs. Nil, Rs. Nil, Rs.2.99, Rs. Nil, Rs. Nil & Rs. Nil)	-	-	3,842.79	1,097.75	-	-
Proceeds / (Refund) of Share Application Money	13.50	150.00	(250.45)	-	-	-
Proceeds from Borrowings	420.84	355.52	1,418.64	2,840.00	9,740.00	5,850.00
Repayment of Borrowings	(0.83)	(354.51)	(735.47)	(340.66)	(6,430.00)	(3,500.00)
Interest & Finance Charges	(25.31)	(18.09)	(128.64)	(157.71)	(592.56)	(436.07)
Dividend paid	-	-	-	(189.57)	(325.30)	(214.27)
Tax on Dividend	-	-	-	(32.22)	(55.29)	(36.41)
Advance towards capital	-	450.00	-	-	-	-
Net Cash (used in) / generated from Financing Activities (C)	**408.20**	**582.92**	**5,440.49**	**3,306.84**	**2,336.85**	**1,663.25**
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	110.04	(67.12)	29.29	7.58	(57.59)	6.75
Cash & cash equivalent at the beginning of the year / period	2.23	112.27	45.15	74.44	82.02	24.43
Cash & cash equivalent at the end of the year / period	**112.27**	**45.15**	**74.44**	**82.02**	**24.43**	**31.18**
Components of Cash & cash equivalent at the end of the year						
Cash balance on hand	-	0.02	0.21	0.14	0.18	10.53
Bank balances with Scheduled Bank						
- In Current Account	112.27	45.13	74.23	81.88	24.25	20.65
- In Fixed Deposit Account (maturity less than 3 months)	-	-	-	-	-	-
	112.27	45.15	74.44	82.02	24.43	31.18
Fixed deposits placed for periods exceeding 3 months	-	0.10	501.71	111.82	1.13	0.12
Cash and bank balances at the end of the year / period	**112.27**	**45.25**	**576.15**	**193.84**	**25.56**	**31.30**

The above statement should be read together with Significant Accounting Policies and Notes to Restated Financial Information.

RESTATED CONSOLIDATED STATEMENT OF PROFITS & LOSSES

(Rs. Million)

Particulars	For the year ended			For half year ended September 30, 2009
	March 31, 2007	March 31, 2008	March 31, 2009	
A. Income				
Income from Operations (net of service tax)	1,833.31	2,965.87	10,587.23	5,462.77
Construction Contract revenue	53.83	650.05	1,666.47	4,111.26
Foreign Exchange Fluctuations (net)	0.31	-	272.18	9.27
Other Income	94.04	758.62	794.20	212.25
Total Income	**1,981.49**	**4,374.54**	**13,320.08**	**9,795.55**
B. Expenditure				
Material Consumption	-	-	1,036.69	315.03
Cost of traded products	273.81	335.77	220.65	-
Construction contract cost	49.12	419.99	1,495.20	1,945.45
Staff Costs (Refer note 16 of annexure XXI-B)	128.16	203.73	2,994.63	1,775.79
Operation and Maintenance Expenses	72.09	106.20	2,644.63	1,127.69
Provision for Overlay (Refer note 21 of annexure XXI-B)	12.02	59.73	54.04	41.36
Administrative and General Expenses	383.51	660.13	1,874.36	1,008.24
Interest and Finance Charges	214.58	1,069.52	1,742.98	1,278.62
Depreciation / Amortisation	32.91	76.09	353.44	277.14
Preliminary Expenses Written off	2.92	0.05	-	0.32
Total Expenditure	**1,169.12**	**2,931.21**	**12,416.62**	**7,769.64**
Profit before diminution and tax (A-B)	**812.37**	**1,443.33**	**903.46**	**2,025.91**
Less: Provision for diminution	(100.00)	(100.00)	(100.00)	-
Profit before tax	**712.37**	**1,343.33**	**803.46**	**2,025.91**
Less: Provision for Current Tax	(244.91)	(402.19)	(407.78)	(739.90)
Less: Deferred Tax credit /(charge) (net)	(3.55)	(59.81)	(49.51)	(51.49)
Less: Fringe Benefit Tax	(6.13)	(8.58)	(8.82)	-
Profit after tax (before adjustment of minority interest)	**457.78**	**872.75**	**337.35**	**1,234.52**
Add / (Less): Share in loss / (profit) transferred to minority interest	1.03	(13.48)	(31.80)	(8.12)
Profit after tax (after adjustment of minority interest)	**458.81**	**859.27**	**305.55**	**1,226.40**
Add : Share in profit / (loss) of associates	55.01	73.28	(26.77)	(44.13)
Total profit after tax, as Restated	**513.82**	**932.55**	**278.78**	**1,182.27**
Profit and Loss account at the beginning of the year	222.02	687.75	1,171.04	1,164.15
Adjustment on amalgamation in Joint Venture (Refer note 3 of annexure XXI-B)	214.55	-	-	-
Adjustment for additional acquisition in Joint Venture	-	14.54	-	-
Balance available for appropriation	**950.39**	**1,634.84**	**1,449.82**	**2,346.42**
General reserve	(34.14)	(58.50)	(10.11)	-
Debenture redemption reserve	(0.43)	(5.75)	(6.00)	(0.63)
Premium on preference shares of a subsidiary	(3.49)	(16.19)	(16.14)	(8.09)
Proposed dividend	(189.57)	(325.32)	(214.27)	-
Tax on dividend	(32.22)	(55.29)	(36.41)	-
Tax on premium on preference shares of a subsidiary	(2.79)	(2.75)	(2.74)	(1.38)
BALANCE CARRIED FORWARD AS RESTATED	**687.75**	**1,171.04**	**1,164.15**	**2,336.32**

The above statement should be read in conjunction with Significant Accounting Policies and Notes to the Restated Summary Statements.

Our total income increased from Rs. 4,374.54 million in Fiscal 2008 to Rs. 13,320.08 million in Fiscal 2009 primarily due to the inclusion of the operations of Elsamex in Fiscal 2009 after its acquisition in March 2008. For further details refer to section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations–Overview of our Results of Operations – Year Ended March 31, 2009 Compared to Year Ended March 31, 2008" on page 309.

RESTATED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(Rs. Million)

Particulars	As at			
	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
A. FIXED ASSETS (Refer note 7 of annexure XXI-B)				
Gross Fixed Assets	6,566.36	10,393.55	11,163.79	16,061.22
Less: Depreciation	229.18	2,221.84	2,631.85	3,122.76
Net Block	**6,337.18**	**8,171.71**	**8,531.94**	**12,938.46**
Capital / Project work in progress	498.32	836.23	81.21	98.73
Total	**6,835.50**	**9,007.94**	**8,613.15**	**13,037.19**
B. Goodwill on Consolidation	**1,212.69**	**2,667.26**	**2,854.76**	**2,931.32**
C. Investments	**1,408.58**	**2,019.84**	**2,010.15**	**1,661.93**
D. Toll receivable account (Refer note 3 and 10 of annexure XXI-B)	**1,898.70**	**1,898.70**	**1,898.70**	**1,898.70**
E. Deferred Tax Asset (net) (Refer note 9 of annexure XXI-B)	**3.15**	**5.89**	**-**	**-**
F. Receivable under service concession arrangement	**6,238.33**	**6,469.26**	**7,317.62**	**8,515.80**
(Refer note 18 and 22 (ii) of annexure XXI-B)				
G. Current Assets, Loans and Advances				
Inventories	438.05	200.16	245.43	246.78
Sundry Debtors	706.59	8,177.11	7,873.05	7,729.95
Cash and Bank Balances	773.90	1,823.67	1,601.43	1,974.45
Other Current Assets (Refer note 13 of annexure XXI-B)	513.83	1,067.28	1,027.23	929.28
Loans and Advances	619.78	2,542.67	3,435.80	5,549.09
Total	**3,052.15**	**13,810.89**	**14,182.94**	**16,429.55**
H. Liabilities and Provisions				
Secured Loans	10,289.95	10,774.66	10,433.68	14,056.81
Unsecured Loans	106.38	5,362.71	8,108.25	10,114.46
Deferred Tax Liability (net) (Refer note 9 of annexure XXI-B)	410.94	523.32	647.06	722.61
Current Liabilities and Provisions	1,068.94	8,451.07	7,249.91	7,531.72
Total	**11,876.21**	**25,111.76**	**26,438.90**	**32,425.60**
I. Minority Interest	**592.04**	**762.36**	**773.70**	**1,078.31**
J. Preference shares issued by subsidiary (Refer note 4 of annexure XXI-B)	**350.00**	**350.00**	**350.00**	**350.00**
K. Advance towards capital (Refer note 8 of annexure XXI-B)	**450.00**	**499.00**	**453.75**	**450.00**
L. Net Worth (A+B+C+D+E+F+G-H-I-J-K)	**7,380.85**	**9,156.66**	**8,860.97**	**10,170.58**
Represented by				
Equity Share Capital	1,624.90	1,714.15	1,714.15	1,714.15
Reserves and Surplus				
Securities Premium	3,845.77	4,943.52	4,943.52	4,943.52
Capital Reserve on Consolidation	1,138.82	1,140.77	1,076.06	1,076.06
Capital Reserve (see note below)	48.99	73.49	88.18	1.27
Debenture Redemption Reserve	0.48	6.22	12.22	14.85
General Reserve	34.14	92.64	102.74	102.74
Foreign Exchange Fluctuation Reserve	-	14.83	(63.13)	166.41
Cash Flow Hedge Reserve	-	-	(176.92)	(184.74)
Profit & Loss A/c	687.75	1,171.04	1,164.15	2,336.32
Net Reserves & Surplus	**5,755.95**	**7,442.51**	**7,146.82**	**8,456.43**
M. Net Worth	**7,380.85**	**9,156.66**	**8,860.97**	**10,170.58**

Note : Capital Reserve comprises post acquisition share in capital reserve of an associate

The above statement should be read in conjunction with Significant Accounting Policies and Notes to the Restated Summary Statements.

Our gross fixed assets increased from Rs. 6566.36 million in Fiscal 2007 to Rs.10,393.55 million in Fiscal 2008 primarily due to the inclusion of the assets of Elsamex in Fiscal 2008 after its acquisition in March 2008. For further details refer to the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" under the heading "– Fixed Assets" on page 315.

Our Liabilities and Provisions increased in Fiscal 2008 primarily due to increase in unsecured loans raised for investment and loans and advances to subsidiaries and associates and increase in sundry creditors due to the inclusion of the liabilities of Elsamex in Fiscal 2008 after its acquisition in March 2008. For further details refer to Financial Statements on page 309.

CONSOLIDATED RESTATED STATEMENT OF CASH FLOWS

(Rs. Million)

Particulars	31-Mar-07	31-Mar-08	31-Mar-09	30-Sep-09
Cash Flow from Operating Activities				
Adjusted net profit before tax and extraordinary items	712.37	1,343.33	803.46	2,025.91
Adjustments for:				
Provision for doubtful debts	0.29	3.90	62.69	0.69
Provision for Compensated Absences	1.74	9.77	4.38	(0.24)
Excess provisions written back	(0.05)	(1.59)	(0.50)	-
Interest on loans granted	(21.70)	(113.75)	(162.48)	(98.29)
(Profit)/Loss on sale of investments	(3.30)	(523.80)	(387.76)	(0.20)
Interest on debentures	(15.68)	(29.20)	(39.32)	(19.71)
Interest on call money	(29.64)	(29.44)	(22.75)	(9.75)
Interest on short term deposit	(17.79)	(25.08)	(21.40)	(20.02)
Interest and finance expense	214.58	1,069.52	1,742.98	1,278.62
(Profit)/Loss on sale of fixed assets	(0.03)	(0.02)	(53.75)	-
Depreciation	32.91	76.09	353.44	277.14
Capital advances written off	-	1.41	-	-
Provision for overlay	12.02	60.43	38.67	43.49
Foreign exchange fluctuation reserve	-	11.76	(76.87)	226.52
Foreign exchange difference - P/L	2.99	18.45	(272.18)	(0.84)
Provision for diminution in value of investments	100.00	100.00	100.00	-
Operating Profit before working capital changes	**988.71**	**1,971.78**	**2,068.61**	**3,703.32**
Adjustments for changes in:				
(Increase) / decrease in inventories	(438.00)	437.60	(45.26)	(1.35)
(Increase) / decrease in debtors	(539.49)	208.83	241.36	124.29
(Increase) / decrease in loans and advances	426.82	(198.49)	(372.94)	(1,307.04)
Increase / (decrease) in current liabilities & provisions	189.95	174.24	(1,144.13)	(373.84)
Cash Generated from Operating Activities	**627.99**	**2,593.96**	**747.64**	**2,145.38**
Taxes paid				
Direct Taxes (paid) / receivable (Net)	(296.61)	(529.08)	(572.27)	(260.02)
Net Cash (used in) / generated from Operations (A)	**331.38**	**2,064.88**	**175.37**	**1,885.36**
Cash flow from Investing Activities				
Purchase of Fixed Assets	(555.53)	(630.76)	(214.28)	(1,843.94)
Proceeds from sale of fixed assets	0.74	3.73	552.24	0.68
Purchase of / advance towards investments	(627.21)	(506.46)	(730.86)	(56.41)
Acquisition of Subsidiary (net of cash and cash equivalents)	(2,580.44)	(766.54)	(69.76)	(75.86)
Proceeds from sale of investments	409.78	77.04	1,111.30	28.17
Loans (given) / refund/ paid	(39.00)	(985.48)	158.71	(717.54)
Investment in call money	-	(22.58)	(197.42)	(29.93)
(Increase) in Receivable under Service Concession Arrangement	(21.07)	(230.93)	(848.36)	(1,198.18)
Interest received	54.83	194.76	140.39	63.51
Fixed deposits for periods exceeding 3 months encashed /(placed)	(537.50)	304.29	(85.87)	(117.36)
Net Cash (used in) / generated from Investing Activities (B)	**(3,895.40)**	**(2,562.93)**	**(183.91)**	**(3,946.86)**
Cash Flow from Financing Activities				
Increase in equity capital	1,043.17	89.25	-	-
Share premium money received (net of exchange differences Rs. 2.99, Rs. Nil, Rs. Nil & Rs. Nil)	3,842.79	1,097.75	-	-
Proceeds from Borrowings	1,306.04	3,795.10	10,779.08	8,206.94
Repayment of Borrowings	(1,716.82)	(2,139.43)	(8,875.60)	(4,634.60)
Interest paid	(271.05)	(1,071.85)	(1,750.88)	(1,209.59)
Dividend paid	-	(189.57)	(325.32)	(214.27)
Tax on Dividend	-	(32.22)	(55.29)	(36.41)
Increase in Advance towards capital	(450.00)	49.00	(45.25)	(3.75)

Particulars	31-Mar-07	31-Mar-08	31-Mar-09	30-Sep-09
Contribution by minority	1.03	127.92	(26.29)	21.31
Net Cash (used in) / generated from Financing Activities (C)	**3,755.16**	**1,725.95**	**(299.56)**	**2,129.63**
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	191.14	1,227.90	(308.09)	68.13
Cash & cash equivalent at the beginning of the year	45.15	236.29	1,464.19	1,156.10
Cash & cash equivalent at the end of the year	**236.29**	**1,464.19**	**1,156.10**	**1,224.23**
Components of Cash & cash equivalent at the end of the year				
Cash balance on hand	0.71	29.78	46.21	70.58
Cheques on hand	-	-	-	12.11
Bank balances with Scheduled Bank	-	-	-	-
- In Current Account	120.54	1,420.85	830.32	680.63
- In Fixed Deposit Account (maturity less than 3 months)	115.04	13.56	279.57	460.91
	236.29	1,464.19	1,156.10	1,224.23
Fixed deposits placed for periods exceeding 3 months	537.60	359.48	445.33	750.22
Components of Cash & cash equivalent at the end of the year as per financials	**773.90**	**1,823.67**	**1,601.43**	**1,974.45**

GENERAL INFORMATION

Our Company was incorporated under the Companies Act, 1956 on November 29, 2000 as "Consolidated Toll Network India Private Limited". The name of our Company was changed to "Consolidated Toll Network India Limited" pursuant to a change in the status of our Company to a public limited company. The word "private" was deleted from the name of our Company pursuant to a special resolution of the shareholders of our Company dated March 28, 2002. The fresh certificate of incorporation consequent to the change of name was issued by the RoC on July 22, 2002. The name of our Company was further changed to "Consolidated Transportation Networks Limited", indicating the growing business profile of our Company, pursuant to a special resolution of the shareholders of our Company dated July 5, 2004 and a fresh certificate of incorporation was granted to our Company by the RoC on September 24, 2004. Subsequently, the name of our Company was changed to "IL&FS Transportation Networks Limited" pursuant to a special resolution of the shareholders of our Company dated September 29, 2005 and a fresh certificate of incorporation was granted to our Company by the RoC on October 18, 2005. The said change of the name of our Company was intended to avail the benefit of the 'IL&FS' brand, its goodwill in the surface transport sector and to establish affiliation with the IL&FS group.

Registered and Corporate Office

Our registered and corporate office is situated at 'The IL&FS Financial Centre', Plot No. C 22, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051, India.

Changes in our Registered Office

There has been no change in the registered office of our Company.

Registration Number: 129790

Corporate Identity Number: U45203MH2000PTC129790

Address of the RoC

The RoC is situated at the following address:

Registrar of Companies, Maharashtra
Everest, 100
Marine Drive
Mumbai 400 002, India
Telephone: +91 22 221 2639
Fascimile: +91 22 281 1977

Board of Directors

Our Board comprises the following:

Name, Designation and Occupation	Age (years)	DIN	Address
Mr. K. Ramchand *Managing Director* Executive Director Non-Independent Director *Occupation:* Service	55	00051769	3rd floor, Victoria Building E-23, Gajdhar Scheme Sarojini Naidu Road Santa Cruz Mumbai 400 054, India
Mr. Mukund Gajanan Sapre Executive Director Non-Independent Director *Occupation:* Service	50	00051841	B-3, Mangaldeep Society Behind Tagore Nagar, Old Padra Road, Baroda 390 015
Mr. Deepak Dasgupta *Chairman* Non-Executive Director Independent Director *Occupation:* Professional	67	00457925	C-604, Central Park Sector 42 Gurgaon 122 002, India
Mr. Ravi Parthasarathy	57	00002392	1201/1202 Vinayak Angan

Name, Designation and Occupation	Age (years)	DIN	Address
Non-Executive Director Non-Independent Director *Occupation:* Professional			Old Prabhadevi Road Prabhadevi Mumbai 400 025, India
Mr. Hari Sankaran Non-Executive Director Non-Independent Director *Occupation:* Professional	48	00002386	29-B, Kinara Ground Floor Carter Road Bandra (West) Mumbai 400 050, India
Mr. Arun K. Saha Non-Executive Director Non-Independent Director *Occupation:* Professional	56	00002377	601-602, Green Acres CHS Pali Hill, Bandra (West) Mumbai 400 050, India
Mr. Ramesh Chandra Sinha Non-Executive Director Independent Director *Occupation:* Professional	71	00051909	22, Buena Vista Gen J. Bhosale Marg Opposite Y. B. Chavan Institute Mumbai 400 021, India
Mr. H.P. Jamdar Non-Executive Director Independent Director *Occupation:* Professional	65	00062081	5, Vishwakarma Colony Behind Civil Hospital Shahibaug Ahmedabad 380 004, India
Mr. Pradeep Puri Non-Executive Director Non-Independent Director *Occupation:* Professional	53	00051987	A-30, West End New Delhi 110 021, India
Mr. Vibhav Kapoor Non-Executive Director Non-Independent Director *Occupation:* Professional	54	00027271	Woodlands, "A" Wing 1st Floor, Peddar Road Mumbai 400 026, India
Mr. Deepak Satwalekar Non-Executive Director Independent Director *Occupation:* Professional	61	00009627	9, Nutan Alka Cooperative Society Relief Road,Santacruz (West) Mumbai 400 054, India

For further details and profile of our Directors, see the section titled "Our Management" on page 204.

Company Secretary and Compliance Officer

Our Company Secretary and Compliance Officer is Mr. Krishna Ghag. His contact details are as follows:

Mr. Krishna Ghag
Associate Vice President & Company Secretary
'The IL&FS Financial Centre'
Plot No. C 22, G Block, Bandra-Kurla Complex
Bandra (East)
Mumbai 400 051, India
Telephone: + 91 22 2653 3333
Facsimile: + 91 22 2652 3979
E-mail: itnlinvestor@ilfsindia.com

Investors can contact the Compliance Officer or the Registrar to the Issue or the Book Running Lead Managers and Co-Book Running Lead Managers in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary account or refund orders.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, Bid Amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the ASBA Form was submitted by the ASBA Bidders.

For all Issue related queries and for redressal of complaints, investors may also write to the Book Running Lead Managers and the Co-Book Running Lead Managers. All complaints, queries or comments received by SEBI shall be forwarded to the Book Running Lead Managers and the Co-Book Running Lead Managers, who shall respond to the same.

Book Running Lead Managers

Enam Securities Private Limited	**Nomura Financial Advisory And Securities (India) Private Limited**
801/802, Dalamal Towers Nariman Point Mumbai 400 021, India Telephone: +91 22 6638 1800 Facsimile: +91 22 2284 6824 Email: itnlipo@enam.com Website: www.enam.com Investor Grievance ID: complaints@enam.com Contact Person: Ms. Kanika Sarawgi SEBI registration number: INM000006856	Ceejay House, Level 11 Dr. Annie Besant Road, Worli Mumbai 400 018, India. Telephone: +91 22 4037 4037 Facsimile : +91 22 4037 4111 Email id: itnl.ipo-in@nomura.com Website: http://www.nomura.com/asia/services/capital_raising/equity.shtml Investor Grievance ID: investorgrievances-in@nomura.com Contact Person: Mr. Shreyance Shah SEBI registration number: INM000011419

JM Financial Consultants Private Limited
141 Maker Chamber III Nariman Point Mumbai 400 021, India. Telephone: +91 22 6630 3030 Facsimile : +91 22 2204 7185 Email id: itnl.ipo@jmfinancial.in Website: www.jmfinancial.in Investor Grievance ID: grievance.ibd@jmfinancial.in Contact Person: Ms. Lakshmi Lakshmanan SEBI registration number: INM000010361

Co-Book Running Lead Managers

Avendus Capital Private Limited	**SBI Capital Markets Limited**
'IL&FS Financial Centre' B- Quadrant - 5th Floor Bandra-Kurla Complex, Bandra (East) Mumbai - 400 051, India. Telephone: +91 22 6648 0050 Facsimile: +91 22 6648 0040 Email ID: itnl.ipo@avendus.com Website: www.avendus.com Investor Grievance ID: investorgrievance@avendus.com Contact Person: Mr. Prashant Kothari SEBI registration number: INM000011021	202, Maker Towers 'E' Cuffe Parade Mumbai 400 005, India Telephone: +91 22 2217 8300 Fascimile: +91 22 2218 8332 Email ID: itnl.ipo@sbicaps.com Website: www.sbicaps.com Investor Grievance ID: investor.relations@sbicaps.com Contact Person: Ms. Nitya Venkatesh SEBI Registration: INM000003531

Syndicate Members

SBICap Securities Limited	**JM Financial Services Private Limited**
191, Maker Tower 'F' Cuffe Parade Mumbai 400 005 Maharashta, India Telephone: +91 22 3047 8589 Facsimile: +91 22 3046 8670 Email ID: prasad.chitnis@sbicapsec.com	Apeejay House 3, Dinshaw Waccha Road Churchgate Mumbai 400 021 Maharashtra, India Telephone: +91 22 6704 3184 Facsimile: +91 22 6654 1511

Website: http://www.sbicapsec.com/ Contact Person: Mr. Prasad Chitnis SEBI registration number: BSE: INB01105303, NSE: IN231052938	Email ID: deepak.vaidya@jmfinancial.in / tn.kumar@jmfinancial.in Website: www.jmfinancial.in Contact Person: Mr. Deepak Vaidya/ Mr. T. N. Kumar SEBI registration number: BSE: INB011054831, NSE: INB231054835
Reliance Securities Limited	
4th Floor, Parijat House 1076, Off Dr. E. Moses Road Manjrekar Lane, Worli Naka Mumbai 400 018 Maharashtra, India Telephone: +91 22 3046 2300 Facsimile: +91 22 3046 2532 Email ID: jithesh.naraynan@relianceada.com Website: www.reliancemoney.com Contact Person: Mr. Jithesh Narayanan SEBI registration number: BSE: INB011234839, NSE: INB231234833	

Legal Counsels

Legal Counsel to our Company

Luthra and Luthra Law Offices
103, Ashoka Estate
24, Barakhamba Road
New Delhi 110 001, India
Telephone: +91 11 4121 5100
Facsimile: +91 11 2372 3909

Legal Counsel to the Underwriters

Amarchand & Mangaldas & Suresh A. Shroff & Co.
Peninsula Chambers
Peninsula Corporate Park
Ganpatrao Kadam Marg
Lower Parel
Mumbai 400 013, India
Telephone: +91 22 2496 4455, 6660 4455
Facsimile: +91 11 2496 3666

International Legal Counsel to the Underwriters

CC Asia Limited
One George Street
19th Floor
Singapore 049145
Telephone: +65 6410 2200
Facsimile: +65 6410 2288

Registrar to the Issue

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg,
Bhandup (West),
Mumbai 400 078, India.
Tel: +91 22 2596 0320

Fax: +91 22 2596 0329
Email: itnl.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Mr. Sachin Achar
SEBI registration number: INR000004058

Bankers to the Issue/Escrow Collection Banks

Axis Bank Limited	**HDFC Bank Limited**
Western Zonal Office 3rd Floor, RNA Corporate Park Kalanagar, Bandra (East) Mumbai 400 051 Maharashtra, India Telephone: +91 22 6724 8001 Facsimile: +91 22 6724 8073 Email: vivek.singh@axisbank.com Website: www.axisbank.com Contact Person: Mr. Vivek Singh SEBI registration number: INBI00000017	FIG - OPS Department, - Lodha I Think Techno Campus O-3, Level , Next to Kanjurmarg Railway Station Kanjurmarg (East), Mumbai 400 042 Maharashtra, India Telephone: +91 22 3075 2928 Facsimile: +91 22 2579 9801 Email: deepak.rane@hdfcbank.com Website: www.hdfcbank.com Contact Person: Mr. Deepak Rane SEBI registration number: INBI00000063
Punjab National Bank Limited	**Kotak Mahindra Bank Limited**
Capital Market Services Branch 2nd Floor, PNB House, P. M. Road Fort, Mumbai.400 001 Maharashtra, India Telephone: +91 22 2262 1122 Facsimile: +91 22 2262 1124 Email: pnbcapsmumbai@pnb.co.in Website: www.pnbindia.com Contact Person: Mr. K. K. Khurana SEBI registration number: INBI00000084	Kotak Infiniti 6th Floor, Building No. 21 Infinity Park, Off Western Express Highway General A.K. Vaidya Marg, Malad (East) Mumbai 400 097 Maharashtra, India Telephone: +91 22 6605 6587 Facsimile: +91 22 6605 6642 Email: cmsipo@kotak.com Website: www.kotak.com Contact Person: Mr. Sanjay Sawant/ Mr. Mahendra Rao SEBI registration number: INBI00000927
Central Bank of India	**ABN AMRO Bank N.V**
Merchant Banking Division 9th Floor, Chander Mukhi Nariman Point Mumbai 400 021 Maharashtra, India Telephone: +91 22 6638 7756 Facsimile: +91 22 2282 0989 Email: cmmbd@centralbank.co.in Website: www.centralbankofindia.com Contact Person: Mr. Vivek Kumar SEBI registration number: INBI00000012	Brady House, 14 Veer Nariman Road Hornimon Circle, Fort Mumbai 400 001 Maharashtra, India Telephone: +91 22) 6658 5858 Facsimile: +91 22 2204 2673 Email: chaitali.nandi@in.abnamro.com; manish.bhatia@in.abnamro.com Website: www.abnamro.co.in Contact Person: Ms. Chaitali Nandi /Mr. Manish Bhatia SEBI registration number: INBI00000968
Yes Bank Limited	**Standard Chartered Bank**

2nd Floor, Tiecicon House Dr. E. Moses Road Mahalaxmi Mumbai 400 011 Maharashtra, India Telephone: +91 22 6622 9031 Facsimile: +91 22 2497 4875 Email: dlbtiservices@yesbank.in Website: www.yesbank.in Contact Person: Mr. Mahesh Shirali SEBI registration number: INBI00000935	270 D.N. Road Ground Floor, Fort Mumbai 400 001 Maharashtra, India Telephone: +91 22 2268 3955 Facsimile: +91 22 2209 6067 Email: joseph.george@sc.com Website: www.standardchartered.com Contact Person: Mr. Joseph George SEBI registration number: INBI00000885

Self Certified Syndicate Banks

The list of banks who have been notified by SEBI to act as SCSBs are provided at http://www.sebi.gov.in. For details on designated branches of SCSBs collecting the ASBA Form, please refer the above mentioned SEBI link.

Refund Banker

Axis Bank Limited
Western Zonal Office
3rd Floor, RNA Corporate Park
Kalanagar, Bandra (East)
Mumbai 400 051
Maharashtra, India
Telephone: +91 22 6724 8001
Facsimile: +91 22 6724 8073
Email: vivek.singh@axisbank.com
Website: www.axisbank.com
Contact Person: Mr. Vivek Singh
SEBI registration number: INBI00000017

Auditor to our Company

M/s Deloitte Haskins & Sells
Chartered Accountants
12, Dr. Annie Besant Road
Opp Shiv Sagar Estate, Worli
Mumbai 400 018
Maharashtra, India.
Telephone: +91 22 6667 9000
Facsimile: + 91 22 66679100
Email: spilgaonkar@deloitte.com
Contact Person: Mr. Sanjiv Pilgaonkar

Banker to our Company

Axis Bank Limited
Mangal Mahal, Turner Road
Bandra (West)
Mumbai 400 050
Maharashtra, India
Telephone: +91 22 2640 2863
Facsimile: + 91 22 2641 2989
Email: chaitanya.talwalkar@axisbank.com
Contact Person: Mr. Chaitanya Talwalkar

Statement of Responsibility of the Book Running Lead Managers and the Co-Book Running Lead Managers

The following table sets forth the *inter se* allocation of responsibilities for various activities in relation to this Issue among the Book Running Lead Managers and the Co-Book Running Lead Managers:

S. No.	Activity	Responsibility	Designated Coordinating Book Running Lead Manager
1.	Capital Structuring with relative components and formalities such as type of instruments., etc.	Enam Securities Private Limited ("**Enam**"), Nomura Financial Advisory and Securities (India) Private Limited ("**Nomura**"), JM Financial Consultants Private Limited ("**JM Financial**"), Avendus Capital Private Limited ("**Avendus**") and and SBI Capital Markets Limited ("**SBI Caps**")	Enam
2.	Due-diligence of the company including its operations/management/business plans/legal, etc. Drafting and design of the DRHP, RHP including memorandum containing salient features of the Prospectus. The Book Running Lead Managers shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, the RoC and SEBI, including finalisation of Prospectus and the RoC filing	Enam, Nomura, JM Financial, Avendus and SBI Caps	Enam
3.	Drafting and approving all statutory advertisements	Enam, Nomura, JM Financial, Avendus and SBI Caps	Enam
4.	Drafting and approving non-statutory advertisements including corporate advertisements	Enam, Nomura, JM Financial, Avendus and SBI Caps	Nomura
5.	Preparation and finalization of the road-show presentation and FAQs for the road-show team	Enam, Nomura, JM Financial, Avendus and SBI Caps	Nomura
6.	Appointment of intermediaries, *viz.*, Printer(s), and Bankers to the IPO	Enam, Nomura, JM Financial, Avendus and SBI Caps	Enam
7.	Appointment of Advertising Agency, Registrar and Bankers to the Issue.	Enam, Nomura, JM Financial, Avendus and SBI Caps	Enam
8.	Non-Institutional and Retail Marketing of the Issue, which will cover, *inter alia*, Formulating marketing strategies, preparation of publicity budget Finalize Media & PR strategy Finalizing centers for holding conferences for brokers, etc. Follow-up on distribution of publicity and Issuer material including application form, prospectus and deciding on the quantum of the Issue material Finalize collection centres	Enam, Nomura, JM Financial, Avendus and SBI Caps	Enam
9.	**International Institutional marketing** International Institutional marketing of the Issue, which will cover, *inter alia*, Institutional marketing strategy Finalizing the list and division of investors for	Enam, Nomura, JM Financial, Avendus and SBI Caps	Nomura

S. No.	Activity	Responsibility	Designated Coordinating Book Running Lead Manager
	one to one meetings, and Finalizing road show schedule and investor meeting schedules		
10.	**Domestic Institutional marketing** Domestic Institutional marketing of the Issue, which will cover, *inter alia*, Institutional marketing strategy Finalizing the list and division of investors for one to one meetings, and Finalizing road show schedule and investor meeting schedules	Enam, Nomura, JM Financial, Avendus and SBI Caps	Enam
11.	Co-ordination with Stock Exchanges for Book Building Process software, bidding terminals and mock trading	Enam, Nomura, JM Financial, Avendus and SBI caps	Nomura
12.	Managing the book and finalisation of pricing in consultation with the company	Enam, Nomura, JM Financial, Avendus and SBI Caps	Nomura
13.	Post bidding activities including management of escrow accounts, co-ordination of allocation, finalization of basis of allotment / weeding out of multiple applications, intimation of allocation and dispatch of refunds to bidders, dealing with the various agencies connected with the work such as registrars to the issue, bankers to the issue, Self Certified Syndicate Banks and the bank handling refund business etc. The merchant banker shall be responsible for ensuring that these agencies fulfill their functions and enable it to discharge this responsibility through suitable agreements with the company	Enam, Nomura, JM Financial, Avendus and SBI Caps	JM Financial

Even if any of these activities are being handled by other intermediaries, the Book Running Lead Managers and the Co-Book Running Lead Managers shall be responsible for ensuring that these agencies fulfil their functions and enable it to discharge this responsibility through suitable agreements with our Company.

IPO Grading Agencies

Fitch Ratings India Private Limited Office No.1, 2nd Floor Gokul Arcade 2 Sardar Patel Road Adyar, Chennai 600 020 Tamil Nadu, India. Telephone: +91 44 4340 1700 Facsimile: +91 44 4340 1701 E-mail: r.venkataraman@fitchratings.com Website: www.fitchindia.com Contact Person: Mr. R. Venkataraman	**Credit Analysis and Research Limited** 4th Floor, Godrej Coliseum Somaiya Hospital Road Off Eastern Express Highway, Sion (East) Mumbai 400 022 Maharshtra, India Telephone: +91 22 6754 3456 Facsimile: +91 22 6754 3457 E-mail: rajashree.murkute@careratings.com Website: www.careratings.com Contact Person: Ms. Rajashree Murkute

IPO Grading

This Issue has been graded by Fitch Ratings India Private Limited and has been assigned a grade of “4(ind)” out of a maximum of ‘5(ind)’, indicating above-average fundamentals, through its letter dated February 3, 2010. The IPO grading is assigned on a five point scale from 1 to 5 wherein an “IPO Grade

5” indicates strong fundamentals and “IPO Grade 1” indicates poor fundamentals.

Further, this Issue has been graded by Credit Analysis and Research Limited and has been assigned a grade of “CARE IPO Grade 4” out of a maximum of “CARE IPO Grade 5”, indicating above average fundamentals, through its letter dated January 25, 2010, which is valid for a period of two months. The IPO grading is assigned on a five point scale from 1 to 5 wherein an “CARE IPO Grade 5” indicates strong fundamentals and “CARE IPO Grade 1” indicates poor fundamentals.

Copies of the reports provided by Fitch Ratings India Private Limited and Credit Analysis and Research Limited, furnishing the rationale for their grading have been annexed to this Red Herring Prospectus and will be made available for inspection at our Registered and Corporate Office from 10.00 a.m. to 4.00 p.m. on Working Days from the date of this Red Herring Prospectus until the Bid/Issue Closing Date. For details of summary of rationale for the grading assigned by the IPO Grading Agencies, see the section titled “Other Regulatory and Statutory Disclosures” on page 405.

Monitoring Agency

Our Company has appointed a monitoring agency in compliance with Regulation 16 of the SEBI Regulations.

Axis Bank Limited
Maker Towers
‘F’, 6th Floor
Cufe Parade
Colaba, Mumbai 400 005
Maharashtra, India.
Telephone: +91 22 6707 4407
Facsimile: +91 22 2218 2574
E-mail: kulkarni.makarand@axisbank.com
Website: www.axisbank.com
Contact Person: Mr. Makarand Kulkarni

Expert

Except for the reports provided by the IPO Grading Agencies (copies of which reports have been annexed to this Red Herring Prospectus), furnishing the rationale for their grading which will be provided to the Designated Stock Exchange and updated at the time of filing of this Red Herring Prospectus with the RoC, pursuant to the SEBI Regulations, we have not obtained any other expert opinions.

Project Appraisal

None of the objects of this Issue have been appraised.

Book Building Process

“Book building” refers to the process of collection of Bids from investors on the basis of this Red Herring Prospectus, the Bid cum Application Forms and the ASBA Forms. The Issue Price shall be determined by our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers and the Co-Book Running Lead Managers, after the Bid/Issue Closing Date. The principal parties involved in the Book Building Process are:

(1) our Company;
(2) the Selling Shareholder;
(3) the Book Running Lead Managers;
(4) the Co-Book Running Lead Managers;
(5) Syndicate Members who are intermediaries registered with SEBI or registered as brokers with any of the Stock Exchanges and eligible to act as underwriters;
(6) Registrar to the Issue;
(7) Escrow Collection Banks; and

(8) SCSBs.

Pursuant to Rule 19(2)(b) of the SCRR read with Regulation 41(1) of the SEBI Regulations, this being an Issue for less than 25% of the post-Issue equity share capital, is being made through a 100% Book Building Process wherein at least 60% of the Issue shall be Allotted to QIBs. If at least 60% of the Issue cannot be Allotted to QIBs, then the entire application money will be refunded forthwith.

The Company and the Selling Shareholder may, in consultation with the Book Running Lead Managers and the Co-Book Running Lead Managers, allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Price in accordance with the SEBI Regulations. At least one-third of the Anchor Investor Portion shall be available for allocation to Mutual Funds only. Allocation to Anchor Investors shall be on a discretionary basis subject to minimum number of two Anchor Investors. An Anchor Investor shall make a minimum Bid of such number of Equity Shares that the Bid Amount is at least Rs. 100 million. Further, Anchor Investors shall pay the Anchor Investor Margin Amount at the time of submission of the Bid cum Application Form to the Book Running Lead Managers and the Co-Book Running Lead Managers and the balance within the Pay-in Date which shall be a date no later than two days of the Bid/Issue Closing Date.

In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIBs in proportion to their Bids.

Further, not less than 10% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received from them at or above the Issue Price.

In accordance with the SEBI Regulations, QIBs bidding in the Net QIB Portion are not allowed to withdraw their Bids after the Bid/Issue Closing Date. In addition, QIBs bidding in the Net QIB Portion are required to pay a Margin Amount of at least 10% upon submission of their Bid and allocation to QIBs will be on a proportionate basis. For further details, see the sections titled "Terms of the Issue" and "Issue Procedure" on pages 409 and 417, respectively.

Our Company and the Selling Shareholder will comply with the SEBI Regulations and any other ancillary directions issued by SEBI for this Issue. In this regard, our Company and the Selling Shareholder have appointed the Book Running Lead Managers and the Co-Book Running Lead Managers to manage this Issue and procure subscriptions to this Issue.

The Book Building Process is subject to change. Investors are advised to make their own judgment about an investment through this process prior to submitting a Bid.

Steps to be taken by the Bidders for making a Bid or application in this Issue:

1. Check eligibility for making a Bid. For further details, see the section titled "Issue Procedure" on page 417. Specific attention of ASBA Bidders is invited to the section titled "Issue Procedure – Issue Procedure for ASBA Bidders" on page 451;
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form or the ASBA Form, as the case may be;
3. Ensure that the Bid cum Application Form or ASBA Form is duly completed as per the instructions given in this Red Herring Prospectus and in the respective forms;
4. Ensure that you have mentioned your PAN in the Bid cum Application Form or ASBA Form (see the section titled "Issue Procedure" on page 417);
5. Ensure the correctness of your Demographic Details (as defined in the section titled "Issue Procedure – Bidder's Depository Account and Bank Details" on page 429), given in the Bid cum Application Form or ASBA Form, with the details recorded with your Depository Participant;

6. Bids by ASBA Bidders will only have to be submitted to the SCSBs at the Designated Branches. ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSB to ensure that their ASBA Form is not rejected; and
7. Bids by QIBs will only have to be submitted to members of the Syndicate.

Illustration of Book Building Process and the Price Discovery Process

(Investors should note that the following is solely for the purpose of illustration and is not specific to this Issue)

Bidders (including ASBA Bidders) can bid at any price within the Price Band. For instance, assuming a price band of Rs. 20 to Rs. 24 per share, an issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the bidding period. The illustrative book as shown below indicates the demand for the shares of the issuer company at various prices and is collated from bids from various investors.

Bid Quantity	Bid Price (Rs.)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, i.e., Rs. 22 in the above example. The issuer, in consultation with Book Running Lead Managers and the Co-Book Running Lead Managers, will finalise the issue price at or below such cut-off, i.e., at or below Rs. 22. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Withdrawal of this Issue

Our Company and the Selling Shareholder, in consultation with Book Running Lead Managers and the Co-Book Running Lead Managers, reserve the right not to proceed with this Issue within a period of two days after the Bid/Issue Closing Date. In the event of withdrawal of this Issue, the reasons therefor shall be disclosed in a public notice which shall be published within two days of the Bid/Issue Closing Date in English and Hindi national newspapers, (i.e., [●] edition of [●] and [●] edition of [●]) and one regional newspaper (i.e., [●] edition of [●]), each with wide circulation and the Stock Exchanges shall be informed promptly. The Book Running Lead Managers and the Co-Book Running Lead Managers, through the Registrar to the Issue shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one day from the date of receipt of such notification. Further, in the event of withdrawal of the Issue and subsequently, plans of an IPO by our Company, a draft red herring prospectus will be submitted again for observations by SEBI.

Notwithstanding the foregoing, this Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and the final RoC approval of the Prospectus after it is filed with the RoC.

In terms of the SEBI Regulations, QIBs bidding in the Net QIB Portion shall not be allowed to withdraw their Bids after the Bid/Issue Closing Date.

Bid/Issue Programme

Bidding Period

BID/ISSUE OPENING DATE	**THURSDAY, MARCH 11, 2010**
BID/ISSUE CLOSING DATE	**MONDAY, MARCH 15, 2010**

The Company and the Selling Shareholder, in consultation with the Book Running Lead Managers and the Co-Book Running Lead Managers, may allocate up to 30% of the QIB Portion, i.e. [●] Equity Shares, to Anchor Investors on a discretionary basis in accordance with the SEBI Regulations. The Anchor Investor Bid/ Issue Period shall be one day prior to the Bid/ Issue Opening Date and shall be completed on the same day. For further details, see the section titled "Issue Procedure" on page 417.

Except in relation to the Bids received from the Anchor Investors, Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 3.00 p.m.** (Indian Standard Time) during the Bidding Period as mentioned above at the Bidding Centres mentioned on the Bid cum Application Form or, in case of Bids submitted through ASBA, the Designated Branches of the SCSBs **except that on the Bid/Issue Closing Date, Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time)** and uploaded until (i) 4.00 p.m. in case of Bids by QIBs bidding in the Net QIB Portion, Non-Institutional Bidders where the Bid Amount is in excess of Rs. 100,000 and (ii) until 5.00 p.m in case of Bids by Retail Individual Bidders, where the Bid Amount is up to Rs. 100,000 which may be extended up to such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by Book Running Lead Managers and the Co-Book Running Lead Managers to the Stock Exchanges within half an hour of such closure. Due to limitation of the time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders, except Anchor Investors, are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. Bidders other than Anchor Investors are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings in India, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under this Issue. Bids will only be accepted on Working Days.

In the event of a discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid form, for a particular Bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of Allotment. In the event of a discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical or electronic ASBA Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask the relevant SCSB for rectified data.

On the Bid/Issue Closing Date, extension of time may be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders after taking into account the total number of Bids received up to the closure of timings for acceptance of Bid cum Application Forms and ASBA Form as stated herein and reported by the Book Running Lead Managers and the Co-Book Running Lead Managers to the Stock Exchange within half an hour of such closure.

Our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers and the Co-Book Running Lead Managers, reserve the right to revise the Price Band during the Bidding Period in accordance with the SEBI Regulations provided that the Cap Price should not be more than 120% of the Floor Price. Subject to compliance with the above mentioned condition, the Floor Price can move up or down to the extent of 20% of the Floor Price advertised at least two Working Days before the Bid/Issue Opening Date.

In case of revision in the Price Band, the Bidding Period will be extended for three additional Working Days after revision of Price Band subject to the Bidding Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bidding Period, if applicable, will be widely disseminated by notification to the SCSBs and the Stock Exchanges, by issuing a press release, and also by indicating the change on the website of the Book Running Lead Managers, the Co-Book Running Lead Managers and at the terminals of the Syndicate Members.

Underwriting Agreement

After the determination of the Issue Price, but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholder intend to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through this Issue, except such Equity Shares as are required to be compulsorily Allotted to QIBs under the QIB Portion. It is proposed that pursuant to the terms of the Underwriting Agreement, the Underwriters shall be responsible for bringing in the amount devolved to fulfil their underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions to closing, as specified therein.

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be completed before filing of the Prospectus with the RoC.)

Details of the Underwriters	Indicated Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. million)
[●]	[●]	[●]
[●]	[●]	[●]
Total	[●]	[●]

The above-mentioned amount is indicative and will be finalised after determination of the Issue Price and finalization of the 'Basis of Allocation'.

In the opinion of our Board (based on a certificate given by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. Our Board, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in the proportion of their underwriting commitments. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriters, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure/subscribe for Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.

In case of under-subscription in the Issue, the Book Running Lead Manager and the Co-Book Running Lead Managers as described in the section titled "General Information – Statement of Responsibility of the Book Running Lead Managers and the Co-Book Running Lead Managers" on page 22, responsible for underwriting arrangements shall be responsible for invoking underwriting obligations and ensuring that the notice for devolvement containing the obligations of the Underwriters is issued in terms of the SEBI Regulations.

CAPITAL STRUCTURE

The equity share capital of our Company, as of the date of this Red Herring Prospectus, before and after the proposed Issue, is set forth below:

(In Rs. million, except share data)

		Aggregate Value at nominal value	Aggregate Value at Issue Price
A)	**AUTHORISED SHARE CAPITAL**[(a)]		
	250,000,000 Equity Shares	2,500.00	
B)	**ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL BEFORE THE ISSUE**		
	171,414,794 Equity Shares	1,714.15	
C)	**PRESENT ISSUE IN TERMS OF THIS RED HERRING PROSPECTUS** [(b)]		
	Public Issue of [●] Equity Shares aggregating up to Rs. 7,000 million	[●]	[●]
	Which comprises		
	(a) Fresh Issue of [●] Equity Shares[(b)]	[●]	
	(b) Offer for Sale of 4,278,844 Equity Shares by Trinity Capital (Two) Limited [(c)]	42.79	
	QIB Portion of at least [●] Equity Shares[(d)], of which the:	[●]	
	Mutual Fund Portion is [●] Equity Shares*		
	Other QIBs, including Mutual Funds is [●] Equity Shares*		
	Non-Institutional Portion of not less than [●] Equity Shares*[(e)]	[●]	
	Retail Portion of not less than [●] Equity Shares*[(e)]	[●]	
D)	**PAID-UP EQUITY CAPITAL AFTER THE ISSUE**		
	[●] Equity Shares	[●]	[●]
E)	**SECURITIES PREMIUM ACCOUNT**		
	Before the Issue	4,943.52	
	After the Issue**	[●]	

* *Available for allocation on a proportionate basis, subject to valid Bids being received at or above the Issue Price.*

***The securities premium account will be determined after completion of the Book Building Process and determination of the Issue Price.*

(a) The authorized share capital of our Company was increased from Rs. 20 million consisting of 2,000,000 Equity Shares to Rs. 250 million consisting of 25,000,000 Equity Shares, through a resolution of the shareholders of our Company dated January 6, 2001.

Further, the authorized share capital of our Company was increased from Rs. 250 million consisting of 25,000,000 Equity Shares to Rs. 350 million consisting of 35,000,000 Equity Shares, through a resolution of the shareholders of our Company dated December 27, 2003.

Further, the authorized share capital of our Company was increased from Rs. 350 million consisting of 35,000,000 Equity Shares to Rs. 1,250 million consisting of 125,000,000 Equity Shares, through a resolution of the shareholders of our Company dated September 29, 2005.

Further, the authorized share capital of our Company was increased from Rs. 1,250 million consisting of 125,000,000 Equity Shares to Rs. 1,700 million consisting of 170,000,000 Equity Shares, through a resolution of the shareholders of our Company dated September 20, 2006.

Further, the authorized share capital of our Company was increased from Rs. 1,700 million consisting of 170,000,000 Equity Shares to Rs. 2,500 million consisting of 250,000,000 Equity Shares, through a resolution of the shareholders of our Company dated September 12, 2007.

(b) This Issue has been authorized by resolutions of our Board dated June 30, 2009, and by a special resolution passed pursuant to Section 81(1A) of the Companies Act, at the EGM of the shareholders of our Company held on August 4, 2009.

(c) Trinity Capital (Two) Limited is authorised to transfer 4,278,844 Equity Shares as the Offer for Sale, pursuant to a board resolution dated August 20, 2009.

The Equity Shares constituting the Offer for Sale have been held by the Selling Shareholder for a period of at least one year as on the date of filing of the Draft Red Herring Prospectus with SEBI and hence are eligible for being offered for sale in this Issue.

The RBI has, pursuant to its letter (FE.CO.FID. No. 15858/10.21.168/2009-10) dated December 21, 2009, accorded its 'no-objection' for the transfer of 4278844 Equity Shares by Selling Shareholder pursuant to the Offer for Sale, subject to compliance with the terms and conditions stipulated in the A.P (Dir) Series Circular No. 16 dated October 4, 2004 issued by the RBI.

(d) 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIBs in proportion to their Bids. Further, attention of all QIBs bidding under the Net QIB Portion is specifically drawn to the following: (a) QIBs will not be allowed to withdraw their Bid cum Application Forms after 3.00 p.m. on the Bid/Issue Closing Date; and (b) each QIB, including a Mutual Fund is required to deposit a Margin Amount of at least 10% with its Bid cum Application Form. In the event of under-subscription in the Mutual Fund Portion, the unsubscribed portion would be added to the balance of the Net QIB Portion for allocation on a proportionate basis to the QIBs bidding in the Net QIB Portion.

(e) Under-subscription, if any, in the Non-Institutional Portion and the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories, at the sole discretion of our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers and the Co-Book Running Lead Managers.

Notes to the Capital Structure

1. Share Capital History

History of equity share capital of our Company

Date of allotment	Number of Equity Shares	Issue Price (Rs.)	Nature of Consideration	Reasons for allotment	Cumulative number of Equity Shares	Cumulative share capital (Rs.)	Cumulative share premium (Rs.)
January 6, 2001	5	10	Cash	Initial subscription(1)	5	50	Nil
May 28, 2001	2,250,000	10	Cash	Further issue(2)	2,250,005	22,500,050	Nil
October 12, 2001	3	10	Cash	Further issue(3)	2,250,008	22,500,080	Nil
March 30, 2002	1,500,000	10	Cash	Further issue(4)	3,750,008	37,500,080	Nil
March 30, 2002	3,749,992	10	Cash	Further issue(4)	7,500,000	75,000,000	Nil
March 31, 2003	5,689,000	10	Cash	Further issue(5)	13,189,000	131,890,000	Nil
March 31, 2003	4,189,000	10	Cash	Further issue(5)	17,378,000	173,780,000	Nil
December 27, 2003	7,250,000	10	Cash	Further issue(6)	24,628,000	246,280,000	Nil
December 27, 2003	8,500,000	10	Cash	Further issue(6)	33,128,000	331,280,000	Nil
September 7, 2006	25,032,000	10	Cash	Preferential allotment(7)	58,160,000	581,600,000	Nil
September 29, 2006	76,840,000	45.42(12)	Cash	Preferential allotment(8)	135,000,000	1,350,000,000	2,721,672,800
September 29, 2006	15,000,000	10(12)	Cash	Preferential allotment(8)	150,000,000	1,500,000,000	2,721,672,800
December 22, 2006	4,160,000	100(12)	Cash	Preferential allotment(9)	154,160,000	1,541,600,000	3,096,072,800
March 28, 2007	8,330,000	100(12)	Cash	Preferential allotment(10)	162,490,000	1,624,900,000	3,845,772,800
March 25, 2008	118,844	133(12)	Cash	Preferential allotment(11)	162,608,844	1,626,088,440	3,860,390,612
March 25,	237,975	133(12)	Cash	Preferential	162,846,819	1,628,468,190	3,889,661,537

Date of allotment	Number of Equity Shares	Issue Price (Rs.)	Nature of Consideration	Reasons for allotment	Cumulative number of Equity Shares	Cumulative share capital (Rs.)	Cumulative share premium (Rs.)
2008				allotment[11]			
March 25, 2008	8,567,975	133[12]	Cash	Preferential allotment[11]	171,414,794	1,714,147,940	4,943,522,462

[1] Initial allotment of one Equity Share each in favour of Mr. Hari Sankaran, Mr. Pradeep Singh, Mr. Avinash Bagul, Mr. K. Ramchand and Ms. Shaivali Parekh. On December 1, 2005, the Equity Share held by Ms. Shaivali Parekh was transferred to Mr. Manu Kochhar. On December 16, 2005, one Equity Share each held by Mr. Hari Sankaran, Mr. Avinash Bagul, Mr. Manu Kochhar and Mr. K. Ramchand, were transferred to IL&FS to hold their respective Equity Shares jointly with them. On July 23, 2003, Mr Pradeep Singh, transferred the Equity Share held by him to Mr. Ajay Menon. On December 16, 2005, the Equity Share held by Mr. Ajay Menon was transferred to IL&FS to hold the said Equity Share jointly with him.

[2] Further issue of 2,250,000 Equity Shares in favour of IL&FS. On July 23, 2003, IL&FS transferred 300,000 Equity Shares to ITCL (as trustee to IL&FS Infrastructure Equity Fund). On December 21, 2005, ITCL (as trustee to IL&FS Infrastructure Equity Fund) transferred 300,000 Equity Shares to IL&FS.

[3] Further issue of one Equity Share each in favour of Mr. Vilas Munagekar, Mr. M. M. Wagle and Mr. Narendra Gangan. On February 24, 2004, the Equity Share held by Mr. Vilas Munagekar was transmitted to Ms. Rajashri Munagekar and the said Equity Share was transferred to Mr. Manu Trivedi on the said date. On December 16, 2005, one Equity Share each held by Mr. M. M. Wagle and Mr. Manu Trivedi were transferred to IL&FS to hold their respective Equity Shares jointly with them. On December 1, 2005, the Equity Share held by Mr. Narendra Gangan was transferred to Ms. Hina Chhatbar. The said Equity Share held by Ms. Hina Chhatbar was transferred to IL&FS to hold the said Equity Share jointly with her. On June 8, 2006, the Equity Share held by IL&FS jointly with Ms. Hina Chhatbar, was transferred to IL&FS to hold the said Equity Share jointly with Mr. Naresh Sasanwar. On December 29, 2009, the Equity Share held by IL&FS jointly with Mr. Manu Trivedi was transferred in favour of IL&FS to hold jointly with Mr. Krishna Ghag. Further, on December 29, 2009, the Equity Share held by IL&FS jointly with Mr. Naresh Sasanwar was transferred in favour of IL&FS to hold jointly with Mr. Krishna Ghag.

[4] Further issue of 1,500,000 Equity Shares and 3,749,992 Equity Shares was made in favour of IL&FS Infrastructure Development Corporation Limited (formerly, IL&FS Project Development Corporation Limited) and ORIX Auto & Business Solutions Limited (formerly, ORIX Auto Finance (India) Limited), respectively. On May 10, 2004, the Equity Shares held by IL&FS Infrastructure Development Corporation Limited were transferred to IL&FS.

[5] Further issue of 5,689,000 Equity Shares and 4,189,000 Equity Shares was made in favour of IL&FS and ORIX Auto & Business Solutions Limited, respectively.

[6] Further issue of 7,250,000 Equity Shares and 8,500,000 Equity Shares was made in favour of IL&FS and ORIX Auto & Business Solutions Limited, respectively. On March 29, 2004, 7,938,992 Equity Shares held by ORIX Auto & Business Solutions Limited were transferred to ITCL (as trustee to IL&FS Infrastructure Equity Fund). On December 16, 2005, the remaining 8,500,000 Equity Shares held by ORIX Auto & Business Solutions Limited were transferred to IL&FS. On December 21, 2005, 7,938,992 Equity Shares held by ITCL (as trustee to IL&FS Infrastructure Equity Fund) were transferred to IL&FS.

[7] Preferential allotment of 25,032,000 Equity Shares in favour of IL&FS.

[8] Preferential allotment of 76,840,000 Equity Shares and 15,000,000 Equity Shares was made in favour of IL&FS (at a premium of Rs. 35.42 per Equity Share) and IL&FS EWT, respectively. In order to provide funds to our Company for acquiring interests in such special purpose vehicles, new Equity Shares were issued at a price of Rs. 45.42 per Equity Share to our Promoter, IL&FS, at a premium of Rs. 35.42 per Equity Share. Further, all forms of employee participation in the IL&FS group are domiciled in IL&FS EWT and are carried out through IL&FS EWT. In order to provide a framework for employee participation in the Company, IL&FS EWT was issued Equity Shares at par value, which was at a discount to the price at which the Promoter, IL&FS was issued Equity Shares on the same date. Pursuant to a share purchase agreement dated September 22, 2009 entered into between IL&FS EWT (through its board of trustees), our Company and Bessemer India Capital Holdings II Limited, IL&FS EWT has transferred 4,132,231 Equity Shares to BessemerIndia Capital Holdings II Limited at a price of Rs. 242 per Equity Share. For further details in relation to the said share purchase agreement dated September 22, 2009, see the section titled "History and Certain Corporate Matters—Material Corporate Agreements"on page 175.

The transfer of Equity Shares from IL&FS EWT to Bessemer is in compliance with the provisions of the Companies Act, the Indian Trust Act, 1882 and other relevant provisions of applicable law. Regulation 10A(b) of the FEMA Regulations provides that the transfer by way of sale of shares or convertible debentures of an Indian company engaged in the activities listed within Annexure B to Schedule I of the FEMA Regulations, other than item Nos. 1, 2 and 3 provided thereunder, from a person resident in India to a person resident outside India, shall not require prior permission of the RBI, provided, inter alia, that the concerned parties adhere to pricing guidelines, documentation and reporting requirements for such transfers as may be specified by the RBI, from time to time. Further, as per the RBI circular no. A.P. (DIR Series) Circular No. 16 dated October 4, 2004 ("**Transfer Clarification**"), the RBI has granted general permission in relation to transfer of shares by a person resident in India to a person resident outside India, pursuant to a private arrangement, subject to adherence to the guidelines prescribed under the Transfer Clarification. As per the Transfer Clarification, the price of shares transferred by way of sale by resident to a non-resident shall not be less than the fair valuation of shares done by a Chartered Accountant as per the CCI Guidelines in case of such shares not being listed on a recognized stock exchange. Thus, the proposed transfer of Equity Shares by way of sale in favour of the Bessemer by IL&FS EWT, does not require prior approval of the RBI or any other regulatory authority, subject to adherence to the pricing guidelines prescribed under the Transfer Clarification. All necessary regulatory filings with the RBI, including filing of the duly executed form FC-TRS have been completed.

[9] Preferential allotment of 4,160,000 Equity Shares in favour of Trinity Capital (Two) Limited.

[10] Preferential allotment of 8,330,000 Equity Shares in favour of GS Strategic Investments Limited.

[11] Preferential allotment of 118,844 Equity Shares, 237,975 Equity Shares and 8,567,975 Equity Shares was made in favour of Trinity Capital (Two) Limited, GS Strategic Investments Limited and ITCL (as trustee to SCB Asian Infrastructure Fund), respectively. On March 5, 2009, 8,567,975 Equity Shares held by ITCL (as trustee to SCB Asian Infrastructure Fund) were transferred to Standard Chartered IL&FS Asia Infrastructure Growth Fund Company Pte Limited.

[12] Reasons and justification for differences, if any in allotment price of shares and valuation reports are as provided hereinbelow:

Details of allotment	Issue Price (Rs.)	Reason for differences in allotment price	Valuation Report (Yes/ No)
Preferential allotment of 76,840,000 Equity Shares in favour of IL&FS on September 29, 2006	45.42	Our Company was incorporated in 2000 by IL&FS, an infrastructure development and finance company, in order to consolidate their existing road infrastructure projects and to pursue various new project initiatives in the area of surface transportation infrastructure. In furtherance of this objective, our Promoter, IL&FS, decided to transfer its investments in certain special purpose vehicles set up for implementing certain projects in the surface transportation infrastructure sector in our Company, with a view to consolidate all its road sector investments in one legal entity. In order to provide funds to our Company for acquiring interests in such special purpose vehicles, new Equity Shares were issued at a price of Rs. 45.42 per Equity Share to our Promoter, IL&FS, at a premium of Rs. 35.42 per Equity Share.	No valuation report was prepared as there was no requirement under applicable law to do so.
Preferential allotment of 15,000,000 Equity Shares in favour of IL&FS EWT on September 29, 2006	10		
Preferential allotment of 4,160,000 Equity Shares in favour of Trinity Capital (Two) Limited on December 22, 2006	100	Allottees in each case conducted their own due diligence prior to their investment in our Company and the allotment price was a result of the perceived valuation of the allottees in each case. Further, the allotments were made in different financial years and consequently, there were differences in the 'net asset value', 'profit earning capacity' and 'average profit after tax' in each financial year, on the basis of which the allotment price was determined by the allottee in each case, in consultation with our Company.	The Foreign Exchange Management (Transfer or Issue of Security to Persons resident outside India) Regulations, 2000 dated May 3, 2000 (as amended from time to time) stipulate that the issuance of equity shares or instruments convertible into equity shares to a person resident outside India by an unlisted Indian company will have to be at a price equal to or above the fair valuation of shares done by a Chartered Accountant as per guidelines issued by the Controller of Capital Issues. As the allottees were all non-residents, valuation reports were prepared by a Chartered Accountant for the purpose of regulatory filings such as Form FC-GPR with the RBI. No other valuation report was prepared for such allotments.
Preferential allotment of 8,330,000 Equity Shares in favour of GS Strategic Investments Limited on March 28, 2007	100		
Preferential allotment of 118,844 Equity Shares in favour of Trinity Capital (Two) Limited on March 25, 2008	133		
Preferential allotment of 237,975 Equity Shares in favour of GS Strategic Investments Limited on March 25, 2008	133		
Preferential allotment of 8,567,975 Equity Shares in favour of IL&FS Trust Company Limited (as trustee to SCB Asian Infrastructure Fund) on March 25, 2008	133		

Other than as mentioned in the table above, our Company has not made any issue of Equity Shares during the preceding one year from the date of this Red Herring Prospectus. Further, none of the Equity Shares have been issued for consideration other than cash.

2. Build up, Contribution and Lock-in of Promoter and Promoter Group

All Equity Shares, which are being locked-in are eligible for computation of promoter's contribution and are being locked in accordance with the SEBI Regulations.

a) Promoter's Shareholding:

Set forth below are the details of the build up of our Promoter's shareholding:

Name of the Promoter	Date of allotment/ transfer or when the Equity Shares were made fully paid up*	No. of Equity Shares	Issue/ Acquisition Price per Equity Share (Rs.)**	% of pre-Issue Capital	% of post-Issue Capital	Nature of Consideration	Nature of Transaction
IL&FS	May 28, 2001	2,250,000	10	1.31	[●]	Cash	Fresh issue of Equity Shares
	March 31, 2003	5,689,000	10	3.32	[●]	Cash	Fresh issue of Equity Shares
	July 23, 2003	(300,000)	12.39	(0.18)	[●]	Cash	Transfer(1)
	December 27, 2003	7,250,000	10	4.23	[●]	Cash	Fresh issue of Equity Shares
	May 10, 2004	1,500,000	12.39	0.88	[●]	Cash	Transfer from IL&FS Infrastructure Development Corporation Limited
	December 16, 2005	8,500,000	13	4.96	[●]	Cash	Transfer from ORIX Auto & Business Solutions Limited
	December 16, 2005	1	10	*Negligible*	[●]	Cash	Transfer from Mr. Hari Sankaran(2)
	December 16, 2005	1	10	*Negligible*	[●]	Cash	Transfer from Mr. Avinash Bagul(2)
	December 16, 2005	1	10	*Negligible*	[●]	Cash	Transfer from Mr. K. Ramchand(2)
	December 16, 2005	1	10	*Negligible*	[●]	Cash	Transfer from Mr. Manu Kochhar(2)
	December 16, 2005	1	10	*Negligible*	[●]	Cash	Transfer from Mr. Ajay Menon(2)
	December 16, 2005	1	10	*Negligible*	[●]	Cash	Transfer from Mr. M. M. Wagle(2)
	December 16, 2005	1	10	*Negligible*	[●]	Cash	Transfer from Ms. Hina Chhatbar(2)
	December 16, 2005	1	10	*Negligible*	[●]	Cash	Transfer from Mr. Manu Trivedi(2)
	December 21, 2005	8,238,992	13	4.81	[●]	Cash	Transfer from ITCL (as trustee to IL&FS Infrastructure Equity Fund)
	June 8, 2006	(1)	10	*(Negligible)*	[●]	Cash	Transfer(3)
	June 8, 2006	1	10	*Negligible*	[●]	Cash	Transfer from IL&FS, holding the Equity Share jointly with Ms. Hina Chhatbar
	September 7, 2006	25,032,000	10	14.60	[●]	Cash	Preferential allotment
	September 29, 2006	76,840,000	45.42	44.82	[●]	Cash	Preferential allotment
	Total	**135,000,000**		**78.75**	[●]		

* *The Equity Shares were fully paid on the date of their allotment.*

** *The cost of acquisition excludes the stamp duty paid.*

(1) *Transfer of 300,000 Equity Shares to ITCL (as trustee to IL&FS Infrastructure Equity Fund)*

(2) *On December 16, 2005, one Equity Share held by each of Mr. Hari Sankaran, Mr. Avinash Bagul, Mr. K. Ramchand, Mr. M. M. Wagle, Mr. Ajay Menon, Mr. Manu Trivedi, Mr. Manu Kochhar and Ms. Hina Chhatbar were transferred to IL&FS, to hold their respective Equity Shares jointly with them. On December 29, 2009, the Equity Share held by IL&FS jointly with Mr. Manu Trivedi was transferred in favour of IL&FS to hold jointly with Mr. Krishna Ghag.*

(3) *Transfer of one Equity Share held by IL&FS jointly with Ms. Hina Chhatbar to IL&FS, to hold jointly with Mr. Naresh Sasanwar. On December 29, 2009, the Equity Share held by IL&FS jointly with Mr. Naresh Sasanwar was transferred in favour of IL&FS to hold jointly with Mr. Krishna Ghag.*

Post listing of the Equity Shares, in the event the shareholding of the Promoter exceeds 75% of our Company's post-Issue paid up capital, our Company shall comply with all applicable laws, including the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended, and the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, as amended.

b) Details of Promoter's Contribution locked-in for three years:

IL&FS has, by a written undertaking dated September 22, 2009, granted its consent to include such number of Equity Shares held by it, as may constitute 20%of the post-Issue equity share capital of our Company, to be considered as promoter's contribution and locked-in for a period of three years from the date of Allotment ("**Promoter's Contribution**").

Except six Equity Shares held jointly by IL&FS with each of Mr. Hari Sankaran, Mr. Avinash Bagul, Mr. K. Ramchand, Mr. M. M. Wagle, Mr. Ajay Menon and Mr. Manu Kochhar, and two Equity Shares held by jointly by IL&FS with Mr. Krishna Ghag, all the Equity Shares held by IL&FS are held in dematerialised form.

The lock-in for Equity Shares towards Promoter's Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchanges, before listing of the Equity Shares. IL&FS has, pursuant to its undertaking dated September 22, 2009 agreed not to sell or transfer or pledge or otherwise dispose off in any manner, the Promoter's Contribution from the date of filing of the Draft Red Herring Prospectus until the commencement of the lock-in period specified above. Details of Equity Shares locked-in pursuant to Promoter's Contribution are as provided below:

Name of the Promoter	No. of Equity Shares locked-in	% of pre-Issue Capital	% of post-Issue Capital
IL&FS	[●]*	[●]	20

* *The Equity Shares held by IL&FS and locked-in for three years do not include an aggregate of eight Equity Shares, six Equity Shares, one Equity Share held jointly by IL&FS with each of Mr. Hari Sankaran, Mr. Avinash Bagul, Mr. K. Ramchand, Mr. M. M. Wagle, Mr. Ajay Menon and Mr. Manu Kochhar, and two Equity Shares held jointly by IL&FS with Mr. Krishna Ghag, which are in physical form.*

The Promoter's Contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as 'Promoters' under the SEBI Regulations.

All Equity Shares which are to be locked-in are eligible for computation of 'Promoter's contribution', in accordance with the SEBI Regulations. The Equity Shares proposed to be included as part of the minimum Promoter's Contribution:

(a) have not been subject to pledge or any other form of encumbrance; or
(b) have not been issued out of revaluation reserves or capitalization of intangible assets and have not been issued against shares, which are otherwise ineligible for promoter's contribution; or
(c) have not been acquired for consideration other than cash and revaluation of assets; or
(d) are not arising out of securities acquired during the preceding one year, at a price lower than the price at which Equity Shares are being offered to the public in the Issue; or
(e) are not acquired by the Promoter during the period of one year immediately preceding the date of filing of the Draft Red Herring Prospectus at a price lower than the Issue Price.

The minimum Promoter's Contribution can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions, in the event the pledge of the Equity Shares is one of the terms of the sanction of the loan. The Promoter's Contribution may be pledged only if in addition to the above stated, the loan has been granted by such banks or financial institutions for the purpose of financing one or more of the objectives of this Issue. For further details regarding the objects of this Issue, see the section titled "Objects of the Issue" on page 40.

The Equity Shares held by IL&FS may be transferred to and among the Promoter Group or to new promoters or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code, as applicable.

c) *Details of build up of shareholding of Promoter Group*

Name of the Promoter Group entity	Date of allotment/ transfer or when the Equity Shares were made fully paid up*	Consideration	No. of Equity Shares*	Issue/ Acquisition Price (Rs. per Equity Share)**	% of pre-Issue Capital	% of Post-Issue paid-up Capital	Nature of Transaction
IL&FS EWT	September 29, 2006	Cash	15,000,000	10	8.75	[●]	Preferential allotment
	October 20, 2009	Cash	(4,132,231) #	242	2.41	[●]	Transfer to Bessemer India Capital Holdings II Limited#
Total			10,867,769		6.34	[●]	

* *The Equity Shares were fully paid on the date of their allotment.*
** *The cost of acquisition excludes the stamp duty paid.*
\# *The said transfer of 4,132,231 Equity Shares to Bessemer India Capital Holdings II Limited was pursuant to the terms of a share purchase agreement dated September 22, 2009 entered into between IL&FS EWT (through its board of trustees), our Company and Bessemer India Capital Holdings II Limited. For further details in relation to the said share purchase agreement, see the section titled "History and Certain Corporate Matters – Material Corporate Agreements" on page 175.*

3. Details of share capital locked in for one year

In addition to the lock-in of the Promoter's Contribution and other than those Equity Shares which are proposed to be transferred under the Offer for Sale, the remaining pre-Issue equity share capital of our Company, comprising of [●] Equity Shares (including those held by our Promoter, IL&FS), shall be locked in for a period of one year from the date of Allotment.

The Equity Shares subject to lock-in will be transferable subject to compliance with the SEBI Regulations, as amended from time to time. Any Equity Shares allotted to Anchor Investors in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

4. Our shareholding pattern

The table below represents the shareholding pattern of our Company, before the proposed Issue and as adjusted for this Issue:

	Pre-Issue		Post-Issue	
	No. of Equity Shares	%	No. of Equity Shares	%
A. Promoter				
IL&FS	135,000,000*	78.75	135,000,000**	[●]
B. Promoter Group				
IL&FS EWT	10,867,769	6.34	10,867,769**	[●]
Sub-Total (A+B)	*145,867,769*	*85.09*	*145,867,769***	*[●]*
C. Others				
GS Strategic Investments Limited	8,567,975	5.00	8,567,975**	[●]
Standard Chartered IL&FS Asia Infrastructure Growth Fund Company Pte Limited	8,567,975	5.00	8,567,975**	[●]
Trinity Capital (Two) Limited	4,278,844	2.50	0***	0.00***
Bessemer India Capital Holdings II Limited	4,132,231	2.41	4,132,231**	[●]
Sub-Total (C)	*25,547,025*	*12.50*	*25,547,025***	[●]
D. Issue to Public	--	--	[●]	[●]

	Pre-Issue		Post-Issue	
	No. of Equity Shares	%	No. of Equity Shares	%
Total (A+B+C+D)	**171,414,794**	**100.00**	[●]	**100.00**

* *Includes an aggregate of eight Equity Shares, six Equity Shares, one Equity Share held jointly by IL&FS with each of Mr. Hari Sankaran, Mr. Avinash Bagul, Mr. K. Ramchand, Mr. M. M. Wagle, Mr. Ajay Menon and Mr. Manu Kochhar, and two Equity Shares held jointly by IL&FS with Mr. Krishna Ghag.*
** *Based on the assumption that such shareholders shall continue to hold the same number of Equity Shares after this Issue. This does not include any Equity Shares that such shareholders (excluding Promoter and Promoter Group) may Bid for and be Allotted.*
*** *Based on the assumption that all Equity Shares held by Trinity Capital (Two) Limited and are being offered as part of the Offer for Sale portion in the Issue are Allotted.*

5. Except as set forth below, none of our Directors or key managerial personnel holds Equity Shares:

S. No.	Name of shareholder	Number of Equity Shares held	Pre Issue %	Post Issue %*
1.	Mr. Hari Sankaran**	1	*Negligible*	*Negligible*
2.	Mr. K. Ramchand**	1	*Negligible*	*Negligible*
3.	Mr. Krishna Ghag**	2	*Negligible*	*Negligible*
	Total	**4**	***Negligible***	***Negligible***

**Assuming that the Director/ key managerial personnel does not Bid in this Issue.*
** *Holding jointly with IL&FS (IL&FS being the first holder).*

6. Top ten shareholders

As on the date of this Red Herring Prospectus, our Company has 13 shareholders. The list of the principal shareholders of our Company and the number of Equity Shares held by them is provided below:

(a) Our shareholders and the number of Equity Shares held by them, as on the date of filing this Red Herring Prospectus, are as follows:

	Pre-Issue		Post-Issue	
	No. of Equity Shares	%	No. of Equity Shares	%
A. Promoter				
IL&FS	135,000,000*	78.75	135,000,000**	[●]
B. Promoter Group				
IL&FS EWT	10,867,769	6.34	10,867,769**	[●]
Sub-Total (A+B)	*145,867,769*	*85.09*	*145,867,769***	*[●]*
C. Others				
GS Strategic Investments Limited	8,567,975	5.00	8,567,975**	[●]
Standard Chartered IL&FS Asia Infrastructure Growth Fund Company Pte Limited	8,567,975	5.00	8,567,975**	[●]
Trinity Capital (Two) Limited	4,278,844	2.50	0***	0.00***
Bessemer India Capital Holdings II Limited	4,132,231	2.41	4,132,231**	[●]
Sub-Total (C)	*25,547,025*	*12.50*	*25,547,025***	[●]
D. Issue to Public	--	--	[●]	[●]
Total (A+B+C+D)	**171,414,794**	**100.00**	[●]	**100.00**

* *Includes an aggregate of eight Equity Shares, six Equity Shares, one Equity Share held jointly by IL&FS with each of Mr. Hari Sankaran, Mr. Avinash Bagul, Mr. K. Ramchand, Mr. M. M. Wagle, Mr. Ajay Menon and Mr. Manu Kochhar, and two Equity Shares held jointly by IL&FS with Mr. Krishna Ghag.*
** *Based on the assumption that such shareholders shall continue to hold the same number of Equity Shares after this Issue. This does not include any Equity Shares that such shareholders (excluding Promoter and Promoter Group) may Bid for and be Allotted.*

*** *Based on the assumption that all Equity Shares held by Trinity Capital (Two) Limited and are being offered as part of the Offer for Sale portion in the Issue are Allotted.*

(b) Our shareholders and the number of Equity Shares held by them ten days prior to filing of this Red Herring Prospectus were as follows:

S. No.	Shareholder	No. of Equity Shares Held	Pre Issue %
1.	IL&FS	135,000,000*	78.75
2.	IL&FS EWT	10,867,769	6.34
3.	GS Strategic Investments Limited	8,567,975	5.00
4.	Standard Chartered IL&FS Asia Infrastructure Growth Fund Company Pte Limited	8,567,975	5.00
5.	Trinity Capital (Two) Limited	4,278,844	2.50
6.	Bessemer India Capital Holdings II Limited	4,132,231	2.41
	Total	**171,414,794**	**100.00**

* *Includes an aggregate of eight Equity Shares, six Equity Shares, one Equity Share held jointly by IL&FS with each of Mr. Hari Sankaran, Mr. Avinash Bagul, Mr. K. Ramchand, Mr. M. M. Wagle, Mr. Ajay Menon and Mr. Manu Kochhar, and two Equity Shares held jointly by IL&FS with Mr. Krishna Ghag.*

(c) As of two years prior to the filing of this Red Herring Prospectus, our Company had 12 shareholders. Such shareholders and the number of Equity Shares held by them as of two years prior to filing this Red Herring Prospectus were as follows:

S. No.	Shareholder	No. of Equity Shares Held	Percentage holding
1.	IL&FS	135,000,000*	83.08
2.	IL&FS EWT	15,000,000	9.23
3.	GS Strategic Investments Limited	8,330,000	5.13
4.	Trinity Capital (Two) Limited	4,160,000	2.56
	Total	**162,490,000**	**100.00**

* *Includes eight Equity Shares held jointly by IL&FS with each of Mr. Hari Sankaran, Mr. Avinash Bagul, Mr. K. Ramchand, Mr. M. M. Wagle, Mr. Ajay Menon, Mr. Manu Trivedi, Mr. Manu Kochhar and Mr. Naresh Sasanwar.*

7. Our Company, the Selling Shareholder, our Directors, the Book Running Lead Managers and the Co-Book Running Lead Managers have not entered into any buy-back and/or standby and/or any other similar arrangements for the purchase of Equity Shares being offered through this Issue.

8. None of the Book Running Lead Managers or the Co-Book Running Lead Managers held any Equity Shares as on the date of filing of this Red Herring Prospectus.

9. Our Company has not issued any Equity Shares at a price less than the Issue Price in the last one year preceding the date of filing of this Red Herring Prospectus.

10. There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of this Red Herring Prospectus with SEBI until the Equity Shares have been listed.

11. Except as mentioned in the section titled "Objects of the Issue" on page 40, our Company has not raised any bridge loans against the Net Proceeds.

12. Our Company has not issued any Equity Shares out of its revaluation reserves, if any.

13. Our Company has not issued any Equity Shares for consideration other than cash.

14. Our Company does not have any scheme of employee stock option or employee stock purchase.

15. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into the Equity Shares.

16. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing this Red Herring Prospectus.

17. Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.

18. Our Company does not have any intention, proposal, negotiations or consideration to alter its capital structure by way of split /consolidation of the denomination of the Equity Shares, or issue of Equity Shares on a preferential basis or issue of bonus or rights or further public issue of shares or any other securities, within a period of six months from the Bid/Issue Opening Date.

19. Our Company will not, without the prior written consent of the Book Running Lead Managers and the Co-Book Running Lead Managers, during the period ending 180 calendar days after the date of listing and commencement of trading of the Equity Shares, alter our capital structure in any manner including by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares or any securities convertible into or exchangeable, directly or indirectly, for the Equity Shares. If we enter into acquisitions or joint ventures for the purposes of our business, we may, subject to necessary approvals and consents, consider raising additional capital to fund such activities or use the Equity Shares as currency for acquisition or participation in such joint ventures.

20. There are certain restrictive covenants in certain facility agreements entered into by our Company with certain lenders. For details, see the section titled "Financial Indebtedness" on page 329. Further to the facility agreements, the following lenders have consented to this Issue: South Indian Bank pursuant to its letter dated January 28, 2010, the Karur Vysya Bank Limited pursuant to its letter dated January 23, 2010, Bank of India pursuant to its letter dated January 28, 2010, Indian Overseas Bank pursuant to its letter dated January 30, 2010, Bank of Maharashtra pursuant to its letter dated January 23, 2010, Lakshmi Vilas Bank pursuant to its letter dated February 5, 2010, United Bank of India pursuant to its letter dated January 27, 2010, Allahabad Bank pursuant to its letter dated January 29, 2010, Canara Bank pursuant to its letter dated January 29, 2010 and IL&FS pursuant to its letter dated September 21, 2009.

21. As per the information available with our Company in its books and records, none of our Directors, IL&FS, or the members of our Promoter Group, our Group Companies or the directors of our Promoter have purchased or sold any securities of our Company during a period of six months preceding the date of filing the Draft Red Herring Prospectus with the SEBI.

22. During the period of six months immediately preceding the date of filing of the Draft Red Herring Prospectus, no financing arrangements existed whereby the Promoter Group, the Directors of our Promoter, IL&FS, our Directors and their relatives may have financed the purchase of Equity Shares by any other person, other than in the normal course of the business of such financing entity.

23. Other than two Equity Shares held by IL&FS jointly with each of Mr. Hari Sankaran and Mr. K. Ramchand, none of our Directors hold Equity Shares. Further, other than three Equity Shares, one Equity Share held by IL&FS jointly with each of Mr. K. Ramchand and two Equity Shares held by IL&FS jointly with Mr. Krishna Ghag, none of our key managerial personnel holds any Equity Shares.

24. Our Promoter, members of our Promoter Group and Group Companies will not participate in this Issue.

25. Pursuant to Rule 19(2)(b) of the SCRR read with Regulation 41(1) of the SEBI Regulations, this being an Issue for less than 25% of the post-Issue equity share capital, is being made through a 100% Book Building Process wherein at least 60% of the Issue shall be Allotted to QIBs. If at least 60% of the Issue cannot be Allotted to QIBs, then the entire application money will be refunded forthwith.

The Company may allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Price on a discretionary basis, out of which at least one-third will be available for allocation to domestic Mutual Funds only. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIBs in proportion to their Bids.

Further, not less than 10% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

26. Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Retail Portion or the Non-Institutional Portion would be met with spill-over from other categories or combination of categories, at the sole discretion of our Company and the Selling Shareholder, in consultation with Book Running Lead Managers and the Co-Book Running Lead Managers. Such inter-se spill-over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines.

27. Any oversubscription to the extent of 10% of this Issue can be retained for the purpose of rounding off and making allotments in minimum lots, while finalising the 'Basis of Allocation'. Consequently, the Allotment may increase by a maximum of 10% of this Issue, as a result of which the post-Issue paid-up capital would also increase by the excess amount of Allotment so made. In such an event, the Equity Shares to be locked-in towards the Promoter's Contribution shall be suitably increased, so as to ensure that 20% of the post-Issue paid-up capital is locked in.

28. An investor cannot make a Bid for more than the number of Equity Shares offered through the Net Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.

29. The Equity Shares issued pursuant to this Issue shall be fully paid-up at the time of Allotment, failing which no Allotment shall be made.

30. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

31. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

OBJECTS OF THE ISSUE

The Issue comprises the Fresh Issue and the Offer for Sale.

Offer for Sale

Our Company will not receive any proceeds from the Offer for Sale.

Object of the Fresh Issue

The activities for which funds are being raised by our Company through the Fresh Issue are:

(a) Funding pre-payment and repayment of a portion of debt availed by our Company; and
(b) General corporate purposes (collectively, referred to herein as the "**Objects**").

In addition, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges.

The main objects clause of our Memorandum enables our Company to undertake the existing activities of our Company and the activities for which funds are being raised by our Company through this Issue. The activities which have been carried out until now by our Company are valid in terms of the objects clause of our Memorandum.

Issue Proceeds and Net Proceeds

The details of the proceeds of the Fresh Issue are summarized below:

Particular	Estimated Amount (Rs. million)
Gross proceeds to be raised through the Fresh Issue ("**Issue Proceeds**")*	[●]
Issue related expenses*	[●]
Net proceeds of the Issue after deducting the Issue related expenses from the Issue Proceeds ("**Net Proceeds**")*	[●]

* *Will be incorporated after finalization of the Issue Price*

Utilization of Net Proceeds and Deployment of Funds

Our Company intends to utilize the Net Proceeds for financing the above mentioned Objects. On the basis of our current business plans, the details of our requirement of funds, the expenditure incurred towards the Objects and the proposed schedule of deployment of the Net Proceeds are set forth in the table below:

(Rs. million)

S. No.	Particulars	Total Estimated Cost	Expenditure incurred as of January 21, 2010	Proposed Schedule for deployment of the Net Proceeds (Rs. million)	
				Fiscal 2010	Fiscal 2011
1.	Funding pre-payment and repayment of a portion of debt availed by our Company	5,000.00	Nil	1,500.00**	3,5 00.00**
2	General corporate purposes*	[●]	[●]	[●]	[●]
	Total*	**[●]**	**[●]**	**[●]**	**[●]**

* *Will be incorporated upon finalization of Issue Price.*
** *Based on the applicable repayment schedules and subject to receipt of Net Proceeds in accordance with applicable law, we intend to repay loans obtained from Canara Bank and United Bank of India in Fiscal 2010, within 13 days and 15 days, respectively, from the Bid/Issue Closing Date and the loans obtained from United Bank of India, Bank of India, Bank of Maharashtra and IL&FS Securities Services Limited in Fiscal 2011, within 380 days (in four monthly installments, each installment payable within 170 days, 200 days and 231 days, respectively, from the date of disbursement), 261 days, 289 days and 169 days, respectively, from the Bid/Issue Closing Date.*

We operate in a competitive and dynamic sector. We may have to revise our estimates from time to time on account of modifications in the terms of the debt facilities availed by us and intended to be pre-paid or re-paid from the Net Proceeds depending on a number of factors which may not be in the control of our management, including variations in interest rate structures, repayment of certain debt facilities mentioned herein, changes in the financial condition and the prevailing economic/ commercial conditions. This may also include rescheduling the proposed utilization of Net Proceeds within the "Objects of the Issue". However, any changes in "Objects of the Issue", other than those specified herein, post-listing of the Equity Shares shall be subject to compliance with the Companies Act and such regulatory and other approvals and disclosures, as may be applicable.

Shortfall of Net Proceeds

In case of any shortfall of Net Proceeds for the Objects, we intend to meet the same through a range of options including utilizing our internal accruals or raising equity capital, subject to necessary consents and approvals, as required. Further, we may choose not to repay/pre-pay the loans identified in the event of any shortfall of Net Proceeds. In the event that estimated utilization out of the Net Proceeds in a Fiscal is not completely met, the same shall be utilized in the next Fiscal.

Means of Finance

The total fund requirement for the above-stated Objects as estimated by our Company is Rs. [●] million. No funds have been deployed by us towards the Objects as of January 21, 2010.

We propose to meet all the requirement of funds for the Objects entirely from the Net Proceeds. Other than such amounts as may be required to pay any 'pre-payment penalties' and applicable interest payments, which we intend to finance out of the internal accruals, no amount is required to be raised through means other than this Issue for financing the Objects.

Accordingly, the requirement of firm arrangements of finance through verifiable means for 75% of the stated means of finance excluding the Issue Proceeds does not arise.

Details of the activities to be financed from the Net Proceeds

1. Funding pre-payment and repayment of a portion of debt availed by our Company

Pursuant to expansion of our business, we have grown from a company incorporated to consolidate the then existing road infrastructure projects of our Promoter, IL&FS, to an established surface transportation infrastructure company and a private sector BOT road operator in India. Our portfolio of assets primarily consists of a mix of road projects which are in different stages of development and construction and road projects which are completed or are in operation.

In order to meet a portion of the funds required for our activities and operations, our Company has obtained certain 'unsecured' loan facilities from various banks and financial institutions, including our Group Company, IL&FS Securities Services Limited ("**ISSL**"), for the purposes mentioned below, including for investments in our projects and to meet our working capital requirements.

Our Company presently intends to utilize the Net Proceeds up to Rs. 5,000.00 million towards prepayment/repayment of the loans during Fiscal 2010 (subject to receipt of the Net Proceeds in accordance with applicable law) and Fiscal 2011. Prepayment/ repayment of the abovementioned loan facilities shall reduce the debt to equity ratio of our Company and will enhance our debt leveraging capacity to fund our future projects. As of January 21, 2010, no funds have been deployed by us towards repayment/pre-payment of such debt and the amount outstanding towards the abovementioned loan facilities is Rs. 5,000.00 million, as certified by A.P. Shah & Associates, Chartered Accountants through their letter dated January 22, 2010.

Under the terms and conditions of the above mentioned debt, prepayment of such debt, in part or whole anytime during their respective tenure may attract certain prepayment penalties or premiums in certain cases. Payment of such prepayment penalty or premium, if any, shall be made by our Company out of its internal accruals.

Brief details of the terms of such loan facilities are as provided herein below:

Name of Bank /Financial Institution	Bank of India	Canara Bank	Bank of Maharashtra	United Bank of India	ISSL
Nature of loan facility	Short Term loan (A/c No. 002865310000066)	Short Term loan (A/c No. 2624741000005)	Short Term loan (A/c No. 60036724129)	Short Term loan (A/c No. 028430092205)	Inter-Corporate deposits
Amount (Rs. million) of Sanctioned Facility	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Amount (Rs. million) Disbursed	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Amount Outstanding as on January 21, 2010 (Rs. million)	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Date of Sanction letter/loan agreement	November 30, 2009	March 28, 2009	December 29, 2009	March 30, 2009	August 31, 2009
Date of Disbursement	December 2, 2009	March 29, 2009	December 30, 2009	March 31, 2009	August 31, 2009
Tenor (years)	1	1	1	2	1
Rate of Interest	9.50% (fixed)	13.50% for the entire tenor	2.50% less than the 'prime lending rate' of the lender, currently 12.25% (i.e., 9.75% p.a.)	12.00%, which interest shall be paid with monthly rests	16.00%
Interest Reset	--	The interest may be reset at the end of six months, which amount shall be paid on the last day of the respective month	--	The interest rate shall be renegotiated with a variation of (+/-) 1.00%. at the end of six months from the date of first disbursement and every six months thereafter	--
Repayment Schedule	Four monthly instalments of Rs. 250 million commencing nine months from the date of first disbursement.	Bullet payment at the end of one year from the date of disbursement.	Bullet repayment at the end of one year from the date of first disbursement.	Two annual equal instalments from the date of disbursement	Facility to be repaid along with interest within one year from the date of drawdown
End use and further break-up	The loan was utilised towards the following purposes:				
	(a) Repayment of loan availed from ISSL of an amount of Rs. 1,000 million. The said loan was used for investments in the following: (i) repayment of loan availed from United Bank of India on 31.12.2008. The loan availed from United bank of India is utilised for : (a) Repayment of Loan availed from ISSL for up to Rs.640 million.	(a) Repayment of loan availed from ISSL of an amount of Rs. 640 million. The said loan was used for investments in the following: (i) non-convertible debentures of GRICL of an amount of Rs. 200 million, (ii) deep discount bonds of GRICL of an amount of Rs. 100 million, out of which Rs. 60 million was met from	(a) Repayment of loans availed from Allahabad Bank up to an extent of Rs. 500 million, as per the specified repayment schedule. The said loan of Rs. 1,000 million was used for investments in the following: (i) equity capital infusion in Elsamex S.A of an amount of Rs. 710 million; (ii) equity capital of VNIPL of an	(a) Refinancing of existing debts taken from IL&FS of an amount of Rs. 1,000 million. The said loan was used for investments in the following: (i) meeting working capital requirements of an amount of Rs. 250 million, (ii) providing a loan to RIDCOR of an amount of Rs. 250 million, (iii) providing a loan to IRIDCL of an	(a) Refinancing of existing debts taken from IL&FS of an amount of Rs. 1,000 million. The said loan was used for investments in meeting working capital requirements (towards providing security in the form of bonds for bids for certain projects) of an amount of Rs. 1,000 million.

Name of Bank /Financial Institution	Bank of India	Canara Bank	Bank of Maharashtra	United Bank of India	ISSL
	The said loan availed from ISSL was used for investments in the following: (i) Investments in Elsamex S.A. of an amount of Rs. 419 million and (ii) meeting working capital requirement of an amount of Rs. 221 million (b) Meeting working capital of an amount of Rs.360 million.	internal accruals (iii) equity capital of IMoPL for up to Rs. 199 million, and (iv) meeting working capital requirements of an amount of Rs. 201 million.	amount of Rs. 40 million; and (iii) subscription to covered warrants issued by IL&FS for RIDCOR of an amount of Rs. 250 million.	amount of Rs. 100 million, and (iv) investments in the equity capital of IRIDCL of an amount of Rs. 400 million.	
		(b) providing a loan to APEL of an amount of Rs. 200 million.	(b) providing loans to RIDCOR and APEL to an extent of Rs. 170 million and Rs. 70 million, respectively.		
		(c) meeting working capital requirements of an amount of Rs. 160 million.	(c) meeting working capital requirements of an amount of Rs. 260 million.		

Until January 21, 2010, we had deployed such loans towards the purposes for which they had been sanctioned in accordance with the respective loans agreements, as certified by A.P. Shah & Associates, Chartered Accountants, through its certificate dated January 22, 2010. The concerned banks and financial institutions which have granted loan facilities to our Company for the purposes of investments in our projects, have not appraised such projects for which the facilities have been granted.

For further details in relation to the terms and conditions under such loan agreements as well as restrictive covenants in relation to such loan arrangements, see the section titled "Financial Indebtedness" on page 329. For details of risks in relation to restrictive covenants under such arrangements, see the section titled "Risk Factors – Our Company is subject to certain restrictive covenants under its financing arrangements" on page xxiv.

The material terms of loans such as tenor, interest rate, repayment schedule, pre-payment penalties, if any and restrictive covenants, if any, of the loans obtained from the Promoter, members of the Promoter Group and Group Companies, which have been repaid or pre-paid utilizing the above mentioned loans, which are intended to be repaid or pre-paid out of the Net Proceeds are disclosed below:

Facility Documentation	Terms and conditions	End utilization of the facility	Facility used to repay the loan	Restrictive Covenants

Facility Documentation	Terms and conditions	End utilization of the facility	Facility used to repay the loan	Restrictive Covenants
Sanction letter dated July 15, 2009 issued by IL&FS to the Company for grant of a 'line of credit' of Rs. 1,000 million Line of credit agreement dated July 23, 2009 between the Company and IL&FS Letter dated September 10, 2009 issued by IL&FS to the Company whereunder, the line of credit facility is permitted as a 'revolving line of credit'	Tenor: 12 months from the date of disbursement Interest rate: 16% p.a., plus interest tax thereon, if applicable Repayment schedule: to be repaid within 12 months from the date of first disbursement IL&FS may, at any time, during the tenor of the revolving line of credit facility, call for repayment in whole or in part. Amounts repaid by the Company on such a 'call notice' shall not be permitted to be re-borrowed.	To meet the working capital requirements and other general corporate purposes	Inter-corporate deposit availed from ISSL for Rs. 1,000 million	The proceeds of the facility shall not be utilized directly or indirectly for speculative purposes or for the purposes of circular trading, insider trading or for any other purposes which are prohibited under law. In the case of revolving line of credit, the amounts voluntarily pre-paid under the revolving line of credit facility are permitted to be re-borrowed, subject to the condition that the aggregate borrowing under the revolving line of credit shall not exceed Rs. 1,000 million and provided that all borrowings under the revolving line of credit facility shall be repaid will all accrued interest and all other monies due and payable within 12 months from the date of first disbursement; and in the case of Short-term loans, the Company may voluntary repay the short term loan, in whole or in part at anytime during the tenor of the short term loan, without any prepayment premium/ charges. All payments shall be with payment of accrued interest on the amounts. Further, the amount pre-paid cannot be re-borrowed. The Company cannot, without the prior consent of IL&FS (i) amend its Memorandum or Articles or alter its capital structure, (ii) undertake guarantee obligations on behalf of any third party or any other company, firm, organization or entity, provided that such transaction will take place at arm's length basis at fair market value and on transparent basis, (iii) enter into any borrowing arrangement, either secured or unsecured with any bank or financial institution, (iv) acquire any subsidiary or effect the disposal or dilution of its interest, directly or indirectly, create any subsidiary or permit any company to become its subsidiary
Sanction letter dated November 17, 2008 issued by IL&FS for grant of a short term loan of Rs. 1,300 million Short term loan agreement dated November 17, 2008 between the Company and IL&FS	Tenor: Six months from the date of first disbursement Interest rate: 18% p.a., plus interest tax thereon, if applicable Repayment schedule: To be repaid within six months from the date of first disbursement	To meet the working capital requirements	Up to Rs. 150 million repaid from the proceeds of short term loan dated March 31, 2009 of Rs. 1,000 million availed from United Bank of India.	
Sanction letter dated March 10, 2009 issued by IL&FS to the Company for grant of a short term loan of Rs. 1,750 million Short term loan agreement dated March 26, 2009	Tenor: 12 months from the date of first disbursement Interest rate: 16% p.a., plus interest tax thereon, if applicable Repayment schedule: To be repaid within 12 months from the date of first disbursement	To meet the working capital requirements	Up to Rs. 850 million repaid from the proceeds of short term loan March 31, 2009 of Rs. 1,000 million availed from United Bank of India.	

Facility Documentation	Terms and conditions	End utilization of the facility	Facility used to repay the loan	Restrictive Covenants
Letter dated April 13, 2008 issued by ISSL to the Company for renewal of a short term loan of Rs. 200 million	Tenor: April 13, 2008 to July 12, 2008 Interest rate: 12.00% p.a.	-	Repaid from the proceeds of short term loan of Rs. 1,000 million availed from Canara Bank.	-
Letter dated May 4, 2008 issued by ISSL to the Company for renewal of a short term loan of Rs. 240 million	Tenor: May 4, 2008 to August 2, 2008 Interest rate: 12.00% p.a.	-	Repaid from the proceeds of short term loan of Rs. 1,000 million availed from Canara Bank.	-
Letter dated March 23, 2008 issued by ISSL to the Company sanctioning a short term loan of Rs. 200 million	Tenor: March 23, 2008 to June 21, 2008 Interest rate: 11.00% p.a	-	Repaid from the proceeds of short term loan of Rs. 1,000 million availed from Canara Bank.	-
Letter dated November 19, 2009 issued by ISSL to the Company sanctioning a short term loan of Rs. 1,000 million	Tenor: 14 days from the date of first disbursement Interest rate: 16% p.a.,	Repayment of loan availed from United Bank of India on December 31, 2008.	Repaid from the proceeds of short term loan of Rs. 1,000 million availed from Bank of India.	-

Copies of the inter-corporate deposit agreement entered into with our Group Company, ISSL as well as loan agreements/ sanction letters entered into with other lenders mentioned above, and intended to be pre-paid/ repaid through a portion of the Net Proceeds will be made available for inspection at our Registered Office from 10.00 am to 4.00 pm on Working Days from the date of filing of this Red Herring Prospectus with the RoC until the date of closure of this Issue.

2. General Corporate Purposes

The Net Proceeds will be first utilized towards the Objects mentioned above. The balance is proposed to be utilized for general corporate purposes, including strategic initiatives, brand building exercises and strengthening of our marketing capabilities, subject to compliance with the necessary provisions of the Companies Act. Our management, in accordance with the policies of the Board, will have flexibility in utilizing any surplus amounts.

Interim use of funds

The management of our Company, in accordance with the policies established by our Board from time to time, will have flexibility in deploying the Net Proceeds. Pending utilization for the purposes described above, our Company intends to invest the funds in high quality interest bearing liquid instruments including money market Mutual Funds, deposits with banks for the necessary duration or for reducing overdrafts. Such investments would be in accordance with investment policies approved by our Board from time to time. Our Company confirms that, pending utilization of the Net Proceeds, it shall not use the funds for any investments in the equity markets.

Issue Related Expenses

The expenses for this Issue forming part of Issue Proceeds include lead management fees, co-lead management fees, underwriting commission, brokerage and selling commission, registrar’s fees, advertisement and marketing expenses, printing and distribution expenses, IPO Grading expenses, legal fees, SEBI filing fees, bidding software expenses, depository charges and listing fees to the Stock Exchanges.

The estimated Issue related expenses are as under:

Activity	Amount (Rs. million)	% of the Issue Expenses	% of total Issue Size
Lead management fees*	[●]	[●]	[●]
Underwriting commission and selling commission (including commission to SCSBs for ASBA applications) *	[●]	[●]	[●]
Registrar's fees*	[●]	[●]	[●]
Advertisement and marketing expenses*	[●]	[●]	[●]
Printing and distribution expenses*	[●]	[●]	[●]
Advisors*	[●]	[●]	[●]
Bankers to the Issue*	[●]	[●]	[●]
IPO grading expenses*	[●]	[●]	[●]
Others (SEBI filing fees, bidding software expenses, depository charges, listing fees, etc.) *	[●]	[●]	[●]
Total	**[●]**	**[●]**	**[●]**

**Will be incorporated at the time of filing of the Prospectus.*

Except for the listing fee and advertisement and marketing expenses which will be borne only by our Company, expenses relating to the Issue as mentioned above will be borne by our Company and the Selling Shareholder in proportion to the Equity Shares contributed to the Issue.

Appraisal

None of the Objects have been appraised by any bank or financial institution or any other independent third party organization. The funding requirements of our Company and the deployment of the Net Proceeds are currently based on management estimates. The funding requirements of our Company are dependent on a number of factors which may not be in the control of our management, including variations in interest rate structures, changes in our financial condition and current commercial conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

Bridge Financing Facilities

Our Company has not raised any bridge loan against the proceeds of this Issue.

Working Capital Requirement

The Net Proceeds will not be used to meet our working capital requirements. We expect to meet our working capital requirements in the future through internal accruals, drawdown from our existing debt facilities or availing new lines of credit.

Monitoring Utilization of Funds

Our Company has appointed Axis Bank Limited as the monitoring agency in compliance with Regulation 16 of the SEBI Regulations to monitor the utilization of the Net Proceeds. Our Company, in accordance with the listing agreements entered into with the Stock Exchanges, undertakes to place the report(s) of the Monitoring Agency, on receipt, before the Audit Committee without any delay. Our Company shall disclose to the Audit Committee, the utilization of the Net Proceeds, on a quarterly basis, as part of its quarterly declaration of financial results. Further, on an annual basis, our Company shall prepare a statement of funds utilized for purposes other than those stated in this Red Herring Prospectus and place it before the Audit Committee. Such statements shall be certified by our statutory auditors. The Audit Committee shall make appropriate recommendations to our Board to take such steps as it may deem fit.

Our Company will disclose the details of the utilization of the Net Proceeds, including interim use, under a separate heading in our financial statements for Fiscals 2010 and 2011, specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements of our listing agreements with the Stock Exchanges. Our Company shall furnish, on a quarterly basis, a statement to the Stock Exchanges, indicating the variations between indicated utilisation of funds made in this Red Herring Prospectus and the actual utilisation of funds. Such intimation shall be given for each of the Fiscals for which indications have been provided in this Red Herring Prospectus, which intimation shall also be published in newspapers, simultaneously with the unaudited or audited financial results, as required under the listing agreement. Further, in the event there are material variations between the indicated and the actual utilization of the Net Proceeds, our Company shall furnish an explanation therefore in the advertisement and shall also provide the same in the Directors' report.

Other confirmations

Except for as stated above in this section wherein up to Rs. 1,000.00 million out of the Net Proceeds is proposed to be paid to ISSL, a Group Company, no part of the Net Proceeds is intended to be paid by our Company as consideration to our Promoter, our Directors, key managerial personnel.

Except as mentioned in this section, there are no material existing or anticipated transactions with our Promoter, Directors, the members of our Promoter Group, Group Companies or Key Managerial Personnel in relation to the utilisation of the Net Proceeds.

No funds have been brought in as Promoter's contributions.

BASIS FOR THE ISSUE PRICE

The Issue Price of Rs. [●] per Equity Share will be determined by our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers and the Co-Book Running Lead Manager on the basis of assessment of market demand for the Equity Shares offered by the Book Building Process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Shares is Rs. 10 and the Issue Price is [●] times the face value at the Floor Price and [●] times the face value at the Cap Price.

Specific attention of the investors is drawn to the sections titled "Risk Factors" and "Financial Statements" on pages xii and F-1, respectively, to have a more informed view about the investment proposition.

Qualitative Factors

We believe the following business strengths allow us to successfully compete in the surface transport infrastructure sector:

- Strong track record
- Diversified road project portfolio and revenue base
- Strong support from our promoter
- Experienced management team
- Extensive and advanced execution capabilities

For further details, see the section "Our Business – Key Competitive Strengths" on page 73.

Quantitative Factors

Information presented in this section is derived from our standalone and consolidated restated financial statements prepared in accordance with Indian GAAP.

1. Earnings per Share (EPS) on consolidated basis

Year ended	EPS based on Restated Financial Statements (Rs.)		Weight
	Basic	Diluted	
March 31, 2007	5.35	5.35	1
March 31, 2008	5.62	5.62	2
March 31, 2009	1.52	1.52	3
Weighted Average	3.52	3.52	

For the six months period ending September 30, 2009 (not annualised): Rs.6.84

Earnings per Share (EPS) on standalone basis

Year ended	EPS based on Restated Financial Statements (Rs.)		Weight
	Basic	Diluted	
March 31, 2007	4.87	4.87	1
March 31, 2008	4.71	4.71	2
March 31, 2009	2.45	2.45	3
Weighted Average	3.61	3.61	

For the six months period ending September 30, 2009 (not annualised): Rs.6.67

Notes

1. Basic EPS has been calculated as per the following formula:
   (Net profit/ (loss) after tax, as restated, attributable to Equity Shareholders)/ (Weighted average number of Equity Shares outstanding during the year)
2. Diluted EPS has been calculated as per the following formula:

(Net profit/(loss) after tax, as restated, attributable to Equity Shareholders)/ (Weighted average number of diluted Equity Shares outstanding during the year)

3. Net profit/(loss), as appearing in the restated summary statement of profits and losses for the respective years, have been considered for the purpose of computing the above ratios.
4. Earnings per share calculations are in accordance with Accounting Standard 20 "Earnings per Share" issued by the Institute of Chartered Accountants of India.
5. The face value of each Equity Share is Rs. 10.

2. Price Earning Ratio (P/E) in relation to the Issue Price of Rs. [●] per share of Rs. 10 each

S. No.	Particulars	Standalone	Consolidated
a.	P/E ratio based on diluted EPS for the year ended March 31, 2009:	[●]	[●]
b.	P/E ratio based on weighted average EPS:	[●]	[●]
c.	Industry P/E*		
	Highest	--	
	Lowest	--	
	Industry Composite	152.5	

** As we have only one Company i.e.IRB Infrastructure Developers Limited in the same line of business, the Industry P/E is the P/E of IRB Infrastructure Developers Limited*
Source: *Capital Market, Volume XXIV/24 Jan 25 – Feb 07, 2010 (Industry-Construction)*

3. Weighted Average Return on Net Worth

Year ended	Return on Net Worth (%)		Weight
	Consolidated	Standalone	
March 31, 2007	6.88	7.40	1
March 31, 2008	9.98	9.80	2
March 31, 2009	2.93	5.18	3
Weighted Average	5.94	7.09	

For the six months period ending September 30, 2009 (not annualised) (Consolidated): 11.62%
For the six months period ending September 30, 2009 (not annualised) (Standalone): 13.10%
Note: Return on Net worth has been calculated as per the following formula:
Net profit after tax, as restated, / Net worth including share application money and advance towards capital at the end of the year

4. Minimum Return on Total Net Worth after issue needed to maintain pre-Issue standalone EPS of Rs. [●] is [●] and pre-Issue consolidated EPS of Rs. [●] is [●].

5. Net Asset Value (NAV)

	NAV (Rs.)	
	Standalone	Consolidated
NAV as at March 31, 2008	45.57	53.42
NAV as at March 31, 2009	47.34	51.69
NAV as at September 30, 2009	50.92	59.33
NAV after the Issue*	[●]	[●]
Issue Price	[●]	

Note: Net Asset Value has been calculated as per the following formula:
Net worth including share application money and advance towards capital at the end of the year/ Total No. of Equity shares outstanding at the end of the year plus potential no. of Equity shares

6. Comparison with other listed companies

	EPS (Rs.) for Fiscal 2009	P/E	RoNW for Fiscal 2009 (%)	NAV for Fiscal 2009 (Rs.)
IL&FS Transportation Networks Limited	2.45	--	5.18	47.34
Peer Group				
IRB Infrastructure Developers Limited	1.7	152.5	4.2	41.1

Source: Capital Market, Volume XXIV/24 Jan 25 – Feb 07, 2010 (Industry-Construction)
Note: Figures are on standalone basis.

On the basis of the above qualitative and quantitative parameters, we and the BRLMs are of the opinion that the Issue Price of Rs. [•] per Equity Share is justified.

STATEMENT OF TAX BENEFITS

The Board of Directors
IL&FS Transportation Networks Limited
The IL&FS Financial Centre
Plot C-22, G-Block
Bandra Kurla Complex
Bandra (E), Mumbai-400051.

Dear Sirs,

We hereby report that the enclosed annexure states the possible Direct Tax benefits available to IL&FS Transportation Networks Limited (the "Company") and its shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which is based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed annexure are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

We do not express any opinion or provide any assurance as to whether:

- the Company or its shareholders will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits have been/would be met with.

The contents of the enclosed annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

No assurance is given that the revenue authorities/ Courts will concur with the views expressed herein. Our views are based on existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume any responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We are not liable to any other person in respect of this statement.

This certificate is provided solely for the purpose of assisting the addressee Company in discharging its responsibilities under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

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

SANJIV V. PILGAONKAR
Partner
(Membership No:. 39826)

Place: Mumbai
Date: 18th February, 2010

SPECIAL TAX BENEFITS TO THE COMPANY

The Company is engaged in the business of conceptualising, setting up, developing and maintaining infrastructure facility as defined under Explanation to Section 80IA(4)(i) of Income Tax Act, 1961 in India and outside India. The individual identified projects are domiciled into Special Purpose Vehicles and the Company acquires stake in the said Special Purpose Vehicles. The Special Purpose Vehicles are entitled to deductions under the provisions of Section 80IA of Income Tax Act, 1961 depending upon the nature of business carried on by them subject to fulfillment of conditions prescribed therein. As the income of Special Purpose Vehicles will be eligible for deduction u/s 80IA, the company could derive indirect benefit.

I. GENERAL TAX BENEFITS TO THE COMPANY

1. In accordance with section 10(34), dividend income (referred to in Section 115-O) declared, distributed or paid will be exempt from tax.
2. The depreciation rates in respect of Plant and Machinery is 15%, of Motor Cars is 15%,of Furniture & Fittings is 10%, of Intangible assets is 25%, of Computers is 60%, of Buildings (Residential) is 5% and of Buildings (Others) is 10%.
3. The amount of tax paid under Section 115JB by the company for any assessment year beginning on or after 1st April 2006 will be available as credit for ten years succeeding the Assessment Year in which MAT credit becomes allowable in accordance with the provisions of Section 115JAA.
4. In case of loss under the head "Profit and Gains from Business or Profession", it can be set-off against other income under Section 71 and the excess loss after set-off can be carried forward for set-off against business income of the next eight Assessment Years under Section 72.
5. The unabsorbed depreciation, if any, can be adjusted against any other income and can be carried forward indefinitely for set-off against the income of future years under Section 32(2) of Income Tax Act, 1961.
6. If the company invests in the equity shares of another company, as per the provisions of Section 10(38), any income arising from transfer of a long term capital asset being an equity share in a company is not includible in the total income, if the transaction is chargeable to Securities Transaction Tax ("STT").
   Provided that, income by way of long term capital gain of a company shall be taken into account while computing book profit and income tax payable under Section 115JB.
7. Income received in respect of the units of mutual fund specified under clause 10(23D) or income received in respect of units from administrator of the specified undertakings or income received in respect of units from the specified company is exempt from tax in the hand of the Company, under section 10(35) of Income Tax Act, 1961.
8. In accordance with section 112, the tax on capital gains on transfer of listed shares, where the transaction is not chargeable to STT, held as long term capital assets will be the lower of:
   (a) 20 per cent (plus applicable surcharge and 'Education cess and Secondary Higher Education Cess') of the capital gains as computed after indexation of the cost. or
   (b) 10 per cent (plus applicable surcharge and 'Education cess and Secondary Higher Education Cess') of the capital gains as computed without indexation.
9. In accordance with Section 111A capital gains arising from the transfer of a short term asset being an equity share in a company and such transaction is chargeable to STT, the tax payable on the total income shall be the aggregate of (i) the amount of income-tax calculated on such short term capital gains at the rate of 15% (plus applicable surcharge and 'Education cess and Secondary Higher Education Cess') and (ii) the amount of income-tax payable on the balance amount of the total income as if such balance amount were the total income. If the provisions of Section 111A are not applicable to the short term capital gains then the tax will be charged at the applicable normal rates plus applicable Education cess and Secondary Higher Education Cess.

II. Tax on distributed profits of domestic companies ("DDT") - Section 115-O.

1) The tax rate is 15%, the surcharge on Income tax is at 10%, and the Education cess and Secondary Higher Education Cess is 3%.
2) As per Section 115O(1A) the domestic company will be allowed to set-off the dividend received from its subsidiary company during the financial year against the dividend distributed by it while computing the DDT if:
   - the dividend is received from its subsidiary.
   - the subsidiary has paid the DDT on the dividend distributed
   - the domestic company is not a subsidiary of any other company

Provided that the same amount of dividend shall not be taken into account for reduction more than once.

For the purpose of this sub-section a company shall be a subsidiary of another company if such other company holds more than half in nominal value of the equity share capital of the company.

III. Tax Rates

The tax rate is 30%.

The surcharge on Income tax is 10%, only if the total income exceeds Rs. 1 Crore. Education cess and Secondary Higher Education Cess is 3%.

GENERAL TAX BENEFITS TO THE SHAREHOLDERS OF THE COMPANY

(I) Under the Income-tax Act

A) Residents

1. In accordance with section 10(34), dividend income declared, distributed or paid by the Company (referred to in section 115-O) will be exempt from tax.
2. Shares of the company held as capital asset for a period of more than twelve months preceding the date of transfer will be treated as a long term capital asset.
3. In accordance with section 10(38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income, if the transaction is chargeable to STT including equity shares offered for Sale under this issue which is subject to STT at the time of sale by the shareholders.
4. As per the provision of Section 71, if there is a loss under the head "Capital Gains", it cannot be set-off with the income under any other head. Section 74 provides that the short term capital loss can be set-off against both Short term and Long term capital gain. But Long term capital loss cannot be set-off against short term capital gain. The unabsorbed short term and long term capital loss can be carried forward for next eight assessment years and can be set off against the respective capital gains in subsequent years.
5. In accordance with section 112, the tax on capital gains on transfer of listed shares, where the transaction is not chargeable to STT, held as long term capital assets will be the lower of:
   (a) 20 per cent (plus applicable 'Education cess and Secondary Higher Education Cess') of the capital gains as computed after indexation of the cost, or
   (b) 10 per cent (plus applicable 'Education cess and Secondary Higher Education Cess') of the capital gains as computed without indexation.
6. In accordance with Section 111A capital gains arising from the transfer of a short term asset being an equity share in a company and such transaction is chargeable to STT, the tax payable on the total income shall be the aggregate of (i) the amount of income-tax calculated on such short term capital gains at the rate of 15% (plus applicable 'Education cess and Secondary Higher Education Cess') and (ii) the amount of income-tax payable on the balance amount of the total income as if such balance amount were the total income. If the provisions of Section 111A are not applicable to the short term capital gains, then the tax will be charged at the applicable normal rates plus applicable Education cess and Secondary Higher Education Cess.

7. In accordance with section 54EC, long-term capital gains arising on transfer of the shares of the Company and on which STT is not payable, the tax payable on the capital gains shall be exempt from tax, if the capital gains are invested within six months from the date of transfer in the purchase of a long-term specified asset. The long-term specified assets for the purpose of investment made on or after 1 April 2007 are bonds of :
   (a) National Highways Authority of India ("NHAI") constituted under section 3 of National Highways Authority of India Act, 1988 and notified by the Central Government in the Official Gazette for the purpose of this section; or
   (b) Rural Electrification Corporation Ltd. ("RECL"); a company formed and registered under the Companies Act and notified by the Central Government in the Official Gazette for the purpose of this section;

   As per the proviso to section 54EC (1), bonds will be issued to a person, up to a maximum limit of Rs. 50 lakhs during any financial year.

   If only a part of the capital gain is so invested, the exemption would be limited to the amount of the capital gain so invested.

   If the specified asset is transferred or converted into money at any time within a period of three years from the date of acquisition, the amount of capital gains on which tax was not charged earlier shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the specified asset is transferred.

8. In accordance with section 54F, long-term capital gains arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family on which STT is not payable, shall be exempt from capital gains tax, if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a new residential house, or for construction of a residential house within three years. Such benefit will not be available if the individual or Hindu Undivided Family-
   - owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or
   - purchases another residential house within a period of one year after the date of transfer of the shares; or
   - constructs another residential house within a period of three years after the date of transfer of the shares; and
   - the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head "Income from house property".

   If only a part of the net consideration is so invested, so much of the capital gains as bears to the whole of the capital gain the same proportion as the cost of the new residential house bears to the net consideration shall be exempt.

   If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the residential house is transferred.

Tax Rates:

For Individuals, HUFs, BOl and Association of Persons:

Slab of income (Rs.)	Rate of tax (%)
0 – 160,000	Nil
160,001 – 300,000	10%
300,001 – 5,00,000	20%
500,001 and above	30%

Notes:

(i) In respect of women residents below the age of 65 years, the basic exemption limit is Rs. 190,000.
(ii) In respect of senior citizens resident in India, the basic exemption limit is Rs. 240,000.
(iii) Education Cess will be levied at the rate of 2% of Income Tax.
(iv) Secondary and Higher Education Cess will be levied at the rate of 1% of Income Tax (not including Education Cess).

B) Non-Residents

1. In accordance with section 10(34), dividend income declared, distributed or paid by the company (referred to in section 115-O) will be exempt from tax.
2. In accordance with section 10(38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income, if the transaction is chargeable to STT.
3. In accordance with section 48, capital gains arising out of transfer of capital assets being shares in the company shall be computed by converting the cost of acquisition, expenditure in connection with such transfer and the full value of the consideration received or accruing as a result of the transfer into the same foreign currency as was initially utilised in the purchase of the shares and the capital gains computed in such foreign currency shall be reconverted into Indian currency, such that the aforesaid manner of computation of capital gains shall be applicable in respect of capital gains accruing/arising from every reinvestment thereafter in, and sale of, shares and debentures of, an Indian company including the Company.
4. Section 74 provides that the Short term capital loss can be set-off against both Short term and Long term capital gain. But Long term capital loss cannot be set-off against short term capital gain. The unabsorbed short term and long term capital loss can be carried forward for next eight assessment years and can be set off against the respective capital gains in subsequent years.
5. As per the provisions of Section 90, the Non Resident shareholder has an option to be governed by the provisions of the tax treaty, if they are more beneficial than the domestic law wherever India has entered into Double Taxation Avoidance Agreement ("DTAA") with the relevant country for avoidance of double taxation of income.
6. In accordance with section 112, the tax on capital gains on transfer of listed shares, where the transaction is not chargeable to STT, held as long term capital assets will be at the rate of 20% (plus applicable 'Education cess and Secondary Higher Education Cess'). A non-resident will not be eligible for adopting the indexed cost of acquisition and the indexed cost of improvement for the purpose of computation of long-term capital gain on sale of shares.

   However, a view is possible based on the proviso to section 112 and recent rulings that in case of listed securities or units, such gains could be taxed at 10% (plus applicable 'Education cess and Secondary Higher Education Cess'), without indexation benefit.

7. In accordance with Section 111A capital gains arising from the transfer of a short term asset being an equity share in a company and such transaction is chargeable to STT, the tax payable on the total income shall be the aggregate of (i) the amount of income-tax calculated on such short term capital gains at the rate of 15% (plus applicable 'Education cess and Secondary Higher Education Cess') and (ii) the amount of income-tax payable on the balance amount of the total income as if such balance amount were the total income. If the provisions of Section 111A are not applicable to the short term capital gains then the tax will be charged at the applicable normal rates plus applicable Education cess and Secondary Higher Education Cess.
8. In accordance with section 54EC, long-term capital gains arising on transfer of the shares of the Company and on which STT is not payable, the tax payable on the capital gains shall be exempt from tax, if the capital gains are invested within six months from the date of transfer in the purchase of a long-term specified asset. The long-term

specified assets for the purpose of investment made on or after 1 April 2007 are bonds of :

(a) National Highways Authority of India ("NHAI") constituted under section 3 of National Highways Authority of India Act, 1988 and notified by the Central Government in the Official Gazette for the purpose of this section; or

(b) Rural Electrification Corporation Ltd. ("RECL"); a company formed and registered under the Companies Act and notified by the Central Government in the Official Gazette for the purpose of this section;

As per the proviso to section 54EC (1), bonds will be issued to a person, up to a maximum limit of Rs. 50 lakhs during any financial year.

If only a part of the capital gain is so invested, the exemption would be limited to the amount of the capital gain so invested.

If the specified asset is transferred or converted into money at any time within a period of three years from the date of acquisition, the amount of capital gains on which tax was not charged earlier shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the specified asset is transferred.

9. In accordance with section 54F, long-term capital gains arising on the transfer of the shares of the Company held by an individual and on which STT is not payable, shall be exempt from capital gains tax if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a new residential house, or for construction of a residential house within three years. Such benefit will not be available if the individual -

- owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or
- purchases another residential house within a period of one year after the date of transfer of the shares; or
- constructs another residential house within a period of three years after the date of transfer of the shares; and
- the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head "Income from house property".

If only a part of the net consideration is so invested, so much of the capital gains as bears to the whole of the capital gain the same proportion as the cost of the new residential house bears to the net consideration shall be exempt.

If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the residential house is transferred.

C) Non-Resident Indians

Further, a Non-Resident Indian has the option to be governed by the provisions of Chapter XII-A of the Income Tax Act, 1961 which reads as under:

1. In accordance with section 115E, income from investment or income from long-term capital gains on transfer of assets other than specified asset shall be taxable at the rate of 20% (plus "Education cess and Secondary Higher Education Cess"). Income by way of long term capital gains in respect of a specified asset (as defined in Section 115C(f) of the Income Tax Act, 1961), shall be chargeable at 10% (plus "Education cess and Secondary Higher Education Cess").

   However, a view is possible based on the proviso to section 112 and recent rulings that in case of listed securities or units, such gains could be taxed at 10% (plus applicable 'Education cess and Secondary Higher Education Cess'), without indexation benefit.

2. In accordance with section 115F, subject to the conditions and to the extent specified therein, long-term capital gains arising from transfer of shares of the company acquired out of convertible foreign exchange, and on which STT is not payable, shall be exempt from capital gains tax, if the net consideration is invested within six months of the date of transfer in any specified new asset.
3. In accordance with section 115G, it is not necessary for a Non-Resident Indian to file a return of income under section 139(1), if his total income consists only of investment income earned on shares of the company acquired out of convertible foreign exchange or income by way of long-term capital gains earned on transfer of shares of the company acquired out of convertible foreign exchange or both, and the tax deducted has been deducted at source from such income under the provisions of Chapter XVII-B of the Income Tax Act, 1961.
4. Under section 115H of the Income Tax Act, 1961, where Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under section 139 to the effect that the provisions of the Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.
5. In accordance with section 115-I, where a Non-Resident Indian opts not to be governed by the provisions of Chapter XII-A for any assessment year, his total income for that assessment year (including income arising from investment in the company) will be computed and tax will be charged according to the other provisions of the Income Tax Act, 1961.
6. As per the provisions of Section 90, the NRI shareholder has an option to be governed by the provisions of the tax treaty, if they are more beneficial than the domestic law wherever India has entered into DTAA with the relevant country for avoidance of double taxation of income.
7. In accordance with section 10(38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income, if the transaction is chargeable to STT.
8. In accordance with section 10(34), dividend income declared, distributed or paid by the Company (referred to in section 115-O) will be exempt from tax.
9. In accordance with Section 111A capital gains arising from the transfer of a short term asset being an equity share in a company and such transaction is chargeable to STT, the tax payable on the total income shall be the aggregate of (i) the amount of income-tax calculated on such short term capital gains at the rate of 15% (plus applicable 'Education cess and Secondary Higher Education Cess') and (ii) the amount of income-tax payable on the balance amount of the total income as if such balance amount were the total income. If the provisions of Section 111A are not applicable to the short term capital gains then the tax will be charged at the applicable normal rate plus applicable Education cess and Secondary Higher Education Cess.
10. In accordance with section 54EC, long-term capital gains arising on transfer of the shares of the Company and on which STT is not payable, the tax payable on the capital gains shall be exempt from tax, if the capital gains are invested within six months from the date of transfer in the purchase of a long-term specified asset. The long-term specified assets for the purpose of investment made on or after 1 April 2007 are bonds of :

    (a) National Highways Authority of India ("NHAI") constituted under section 3 of National Highways Authority of India Act, 1988 and notified by the Central Government in the Official Gazette for the purpose of this section; or
    (b) Rural Electrification Corporation Ltd. ("RECL"); a company formed and registered under the Companies Act and notified by the Central Government in the Official Gazette for the purpose of this section;

    As per the proviso to section 54EC (1), bonds will be issued to a person, up to a maximum limit of Rs. 50 lakhs during any financial year.

    If only a part of the capital gain is so invested, the exemption would be limited to the amount of the capital gain so invested.

If the specified asset is transferred or converted into money at any time within a period of three years from the date of acquisition, the amount of capital gains on which tax was not charged earlier shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the specified asset is transferred.

11. In accordance with section 54F, long-term capital gains arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family on which STT is not payable, shall be exempt from capital gains tax if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a new residential house, or for construction of a residential house within three years. Such benefit will not be available if the individual or Hindu Undivided Family-

- owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or
- purchases another residential house within a period of one year after the date of transfer of the shares; or
- constructs another residential house within a period of three years after the date of transfer of the shares; and
- the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head "Income from house property".

If only a past of the net consideration is so invested, so much of the capital gains as bears to the whole of the capital gain the same proportion as the cost of the new residential house bears to the net consideration shall be exempt.

If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the residential house is transferred.

D*)* ***Foreign Institutional Investors ("FIIs")***

1. In accordance with section 10(34), dividend income declared, distributed or paid by the Company (referred to in section 115-O) will be exempt from tax in the hands of FIIs.
2. In accordance with section 115AD, FIIs will be taxed at 10% (plus applicable surcharge and 'Education cess and Secondary Higher Education Cess') on long-term capital gains, if STT is not payable on the transfer of the shares and at 15% (plus applicable surcharge and 'Education cess and Secondary Higher Education Cess') in accordance with section 111A on short-term capital gains arising on the sale of the shares of the Company which is subject to STT. If the provisions of Section 111A are not applicable to the short term capital gains, then the tax will be charged at 30% (plus applicable surcharge and Education cess and Secondary Higher Education cess).
3. As per the provisions of Section 90, the Non Resident shareholder has an option to be governed by the provisions of the tax treaty, if they are more beneficial than the domestic law wherever India has entered into DTAA with the relevant country for avoidance of double taxation of income.
4. In accordance with section 10(38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income, if the transaction is chargeable to STT.
5. Under section 196D (2) of the Income Tax Act, 1961 no deduction of tax at source will be made in respect of income by way of capital gain arising from the transfer of securities referred to in section 115AD.
6. In accordance with section 54EC, long-term capital gains arising on transfer of the shares of the Company and on which STT is not payable, the tax payable on the capital gains shall be exempt from tax, if the capital gains are invested within six months from the date of transfer in the purchase of a long-term specified asset. The long-term specified assets for the purpose of investment made on or after 1 April 2007 are bonds of:

(a) National Highways Authority of India ("NHAI") constituted under section 3 of National Highways Authority of India Act, 1988 and notified by the Central Government in the Official Gazette for the purpose of this section; or

(b) Rural Electrification Corporation Ltd. ("RECL"); a company formed and registered under the Companies Act and notified by the Central Government in the Official Gazette for the purpose of this section;

As per the proviso to section 54EC (1), bonds will be issued to a person, up to a maximum limit of Rs. 50 lakhs during any financial year.

If only a part of the capital gain is so invested, the exemption would be limited to the amount of the capital gain so invested.

If the specified asset is transferred or converted into money at any time within a period of three years from the date of acquisition, the amount of capital gains on which tax was not charged earlier shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the specified asset is transferred.

E*)* ***Persons carrying on business or profession in shares and securities.***

In accordance with the insertion of new Section 36(1)(xv) in the Finance Act 2008, STT paid in respect of taxable securities transaction entered during the course of business will be available as deduction while computing the taxable business income. The income arising on transfer of shares of the company will be treated as business income and subjected to normal rate of tax as per the provisions of Income Tax Act, 1961.

F*)* ***Mutual Funds***

In accordance with section 10(23D), any income of:

(i) a Mutual Fund registered under the Securities and Exchange Board of India Act 1992 or regulations made there under;

(ii) such other Mutual Fund set up by a public sector bank or a public financial institution or authorised by the Reserve Bank of India subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf, will be exempt from income-tax.

(II) Under the Wealth Tax and Gift Tax Acts

1) 'Asset' as defined under section 2(ea) of the Wealth-tax Act, 1957 does not include shares held in a Company and hence, these are not liable to wealth tax.

2) Gift tax is not leviable in respect of any gifts made on or after October 1, 1998. Any gifts of shares of the Company are not liable to gift-tax. However, in the hands of the Donee the same will be treated as income unless the gift is from a relative as defined under Explanation to Section 56 (2) (vii) on or after 01 October 2009 of Income Tax Act, 1961.

SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

Unless otherwise indicated, the information in this section is derived from a combination of various publicly available materials and sources of information and other industry sources. It has not been independently verified by the Company, the Book Running Lead Mangers and Co-Book Running Lead Managers or their respective legal or financial advisors, and no representations are made as to the accuracy of this information, which may be inconsistent with information available or compiled from other sources. Industry sources and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, completeness, underlying assumptions and reliability cannot be assured. Accordingly, investment decisions should not be based on such information. Unless otherwise indicated, the figures and amounts in USD hereinbelow have been reproduced and derived from the relevant industry sources.

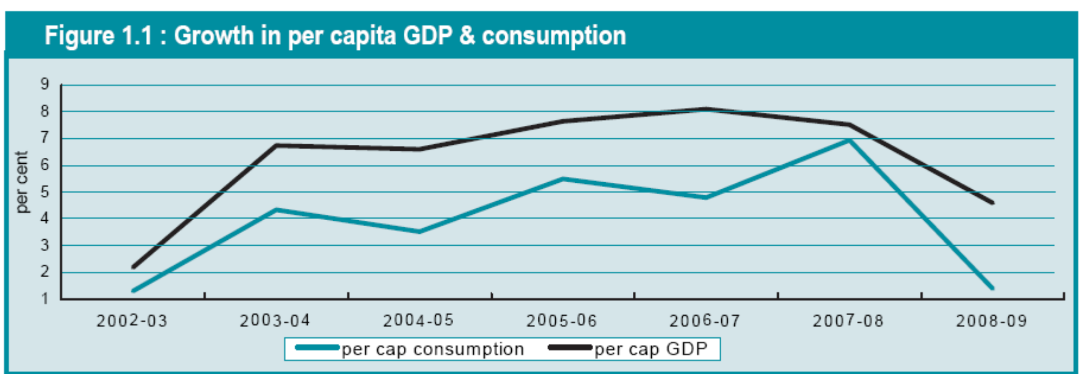
INDIAN ECONOMY

The structure of the Indian economy has undergone considerable changes in the last decade. These include increasing importance of external trade and of external capital flows. The services sector has become a major part of the economy with GDP share of over 50 per cent and the country becoming an important hub for exporting IT services. The share of merchandise trade to GDP increased to over 35 per cent in 2007-08 from 23.7 per cent in 2003-04. If the trade in services is included, the trade ratio is 47 per cent of GDP for 2007-08.

The global financial meltdown and consequent economic recession in developed economies has also been a major factor in India's economic slowdown in 2008.

The per capita income in 2008-09, measured in terms of gross domestic product at constant 1999-2000 market prices, was Rs. 31,278. In 2007- 08 this stood at Rs. 29,901. Per capita consumption in 2008-09 was Rs. 17,344 as against a level of Rs. 17,097 in 2007- 08.

The growth in per capital GDP and consumption for the period 2002-03 to 2008-09 is represented in the graph below:



(*Source: Economic Survey 2008-2009, www.indiabudget.nic.in*)

Current Economic Scenario

- India's foreign exchange reserves increased by US$ 4,200 million to US$ 255,900 million for the week ended May 8, 2009, according to figures released in the Reserve Bank of India's (RBI) weekly statistical supplement
- FDI inflows during April 2008-January 2009 stood at US$ 23,900 million compared with US$ 14,400 million in the corresponding period of the previous fiscal, witnessing a growth of 65 per cent, according to the Department of Industrial Policy & Promotion.
- Since October 2008, the RBI has cut the cash reserve ratio (CRR) and the repo rate by 400 basis points each. Also, the reverse repo rate has been lowered by 200 basis points. Till April 7, 2009,

the CRR had further been lowered by 50 basis points, while the repo and reverse repo rates had been lowered by 150 basis points each.

(*Source: India Brand Equity Foundation, www.ibef.org accessed on September 20, 2009)*

Estimates

According to the pre-Budget Economic Survey 2008-09, - a report on India's economy - tabled in Parliament on July 2, 2009 by Finance Minister Pranab Mukherjee, India could grow upto 7.5 per cent in 2009-10 up from 6.7 per cent in 2008-09, provided the global economic slowdown bottomed out by September and the government was able to implement significant economic policy reforms.
The Economic Survey estimates:

- GDP to grow to 7.5 per cent in 2009-10.
- The production of food grains in 2008-09 to be 229.85 million tonnes as per the third advance estimates.
- The production of rice during 2008-09 to be 99.37 million tonnes and that of wheat 77.63 million tonnes. The estimates for rice production are 2.68 million tonnes higher than the final estimates for 2007-08.
- A rise in multi-brand retail foreign direct investment (FDI) cap.

The main highlights of the survey are:

- The overall growth of GDP at factor cost at constant prices in 2008-09, as per revised estimates released by the Central Statistical Organisation (CSO) (May 29, 2009) was 6.7 per cent.
- Despite the slowdown in growth, investment remained relatively buoyant, growing at a rate higher than that of GDP.
- The performance of six core industries comprising crude oil, petroleum refinery products, coal, electricity, cement and finished steel (carbon) grew at 2.7 per cent as compared to 5.9 per cent in 2007-08.
- The index of industrial production for the year 2008-09 points towards a sharp slowdown with growth being placed at 2.4 per cent.

(Source: India Brand Equity Foundation, www.ibef.org accessed on September 20, 2009)

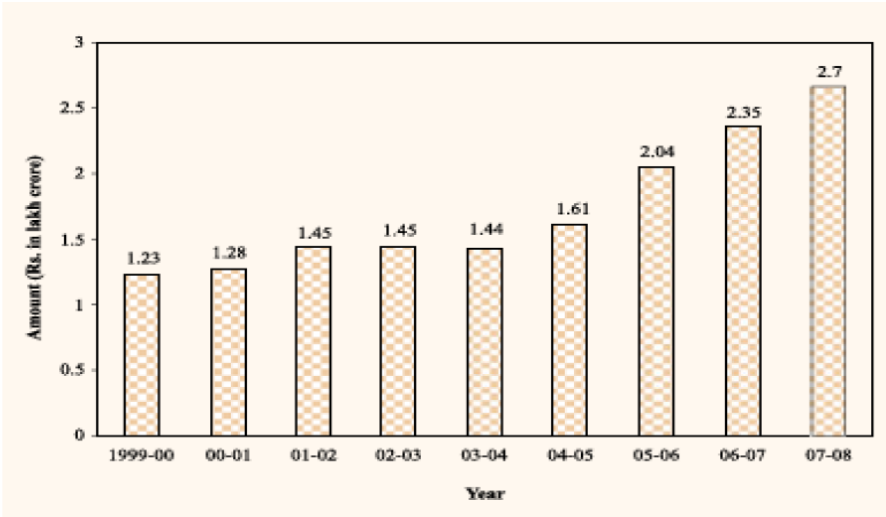
INFRASTRUCTURE IN INDIA AND PRIVATE PARTICIPATION

According to the Planning Commission, Government of India, inadequate infrastructure constitutes a significant constraint in India's growth potential and improvement in physical infrastructure has emerged as a high priority area. Increased private participation would be necessary for mobilizing the resources needed to bridge the infrastructure deficit. The Eleventh Five Year Plan (2007-2012) the ("**Eleventh Plan**"), therefore, recognizes that adequate, cost-effective and quality infrastructure is a pre-requisite for sustaining the growth momentum and that investment in physical infrastructure would have to be increased from approximately 5.0 percent of GDP during the Tenth Plan (2002-07) (the "**Tenth Plan**") to 9.0 percent of GDP by the end of the Eleventh Plan.

The investment in infrastructure during the Tenth Plan was Rs. 8,877,940.00 million which constituted 5.07 percent of GDP. This included Rs. 1,752,030.00 million of investment by the private sector.

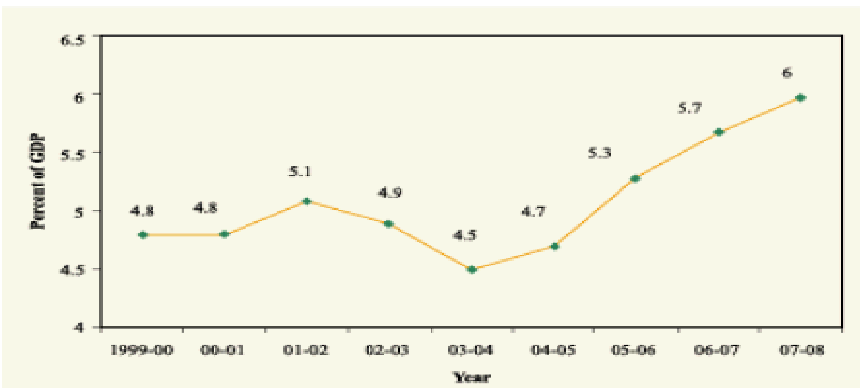
To overcome the infrastructure deficit, the Eleventh Plan projects an investment of Rs. 20,561,500.00 million which would imply an investment of 7.6 percent of GDP during the Eleventh Plan and 9.0 percent of GDP in the terminal year of the Eleventh Plan (2011-12). This includes public sector investment of Rs. 7,656,220.00 million in the Central Government projects and Rs. 6,709,370.00 million in the State Government projects, leaving the remaining Rs. 6,195,910.00 million, to be invested by the private sector. Private capital is thus expected to fund approximately 30 percent of the total investment during the Eleventh Plan, as compared to 20 percent realized during the Tenth Plan. The total investment in infrastructure from 1999-2000 onwards and investment in infrastructure as a percentage of GDP, are provided in the graphs below.

(*Source: Private Participation in Infrastructure, Planning Commission Report, June 2009*)



(*Source: Private Participation in Infrastructure, Planning Commission Report, Government of India, June 2009*)

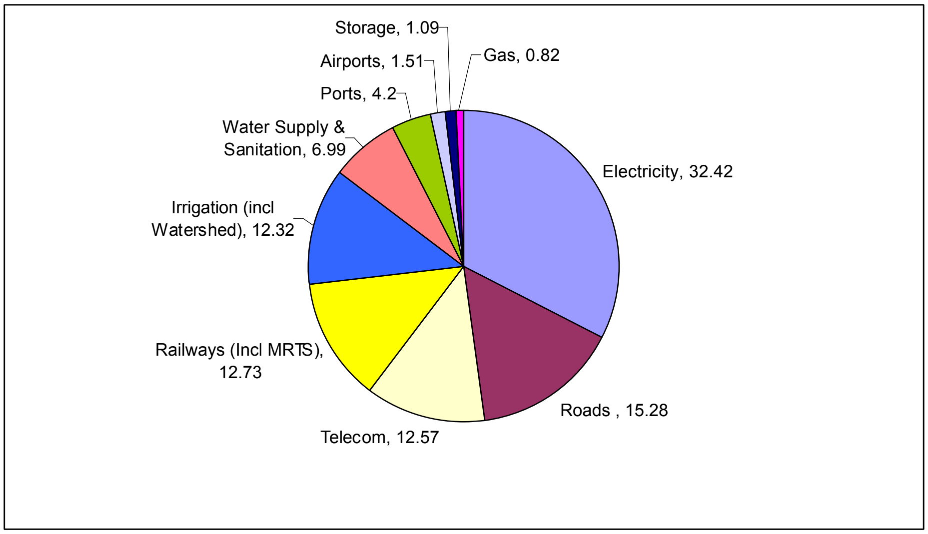
***Figure 2:* Infrastructure Investment as per cent of GDP**



(*Source: Private Participation in Infrastructure, Planning Commission Report, Government of India, June 2009*)

The figure below represents the projected investments in Indian infrastructure.

Projected Eleventh Plan Infrastructure Outlay - Sector Share (%)



(*Source: Projections of investments in Infrastructure during the Eleventh Plan published by Secretariat for the Committee, Planning Commission- www.infrastructure.gov.in accessed on September 20, 2009)*

Policy Initiatives to Promote Private Participation

The Government of India has taken a number of initiatives to promote the development of infrastructure in general and private participation in particular. Some of these initiatives are outlined below:

- ***Committee on Infrastructure (CoI).*** The CoI was constituted on August 31, 2004 under the chairmanship of the Prime Minister of India, with the Finance Minister, the Deputy Chairman, Planning Commission and the Ministers in-charge of infrastructure ministries as its members, to initiate policies to ensure time-bound creation of world class infrastructure, develop structures that maximize the role of PPPs, and monitor the progress of key infrastructure projects to ensure that established targets are realized.

- ***Empowered Sub-Committee of CoI***. Constituted on May 16, 2005 under the chairmanship of the Deputy Chairman, Planning Commission, this sub-committee of CoI aims to accelerate the formulation, review and approval of policy papers and proposals for submission to the Col; monitors and follows up on implementation of the decisions of Col; and undertakes other actions in furtherance of the objectives of CoI.

- ***Public Private Partnership Appraisal Committee (PPPAC).*** With a view to streamlining and simplifying the appraisal and approval process for PPP projects, this PPPAC has been constituted and it consists of the Secretary, Department of Economic Affairs as its chairman and the Secretaries of the Planning Commission, Department of Expenditure, Department of Legal Affairs and the concerned Administrative Departments as its members. The project proposals are appraised by the Planning Commission and approved by the PPPAC. As of March 2009, the PPPAC had approved 94 projects involving an investment of Rs. 844,070.00 million.

- ***Viability Gap Funding (VGF).*** The VGF Scheme was notified in 2006 to enhance the financial viability of competitively bid infrastructure projects which are justified by economic returns, but do not pass the standard thresholds of financial returns. Under this scheme, a financial assistance of up to 20 per cent of capital costs of the projects is provided by the Central Government to PPP projects undertaken by any Central Ministry, State Government, statutory entity or local body, thus leveraging budgetary resources to access a larger pool of private capital. An additional grant of up to 20 per cent of project costs can be presided by the sponsoring Ministry, State Government or project authority. As of March 2009, 139 projects had been approved with a capital investment of Rs. 11,811,300.00 million and a VGF commitment of Rs. 389,930.00 million.

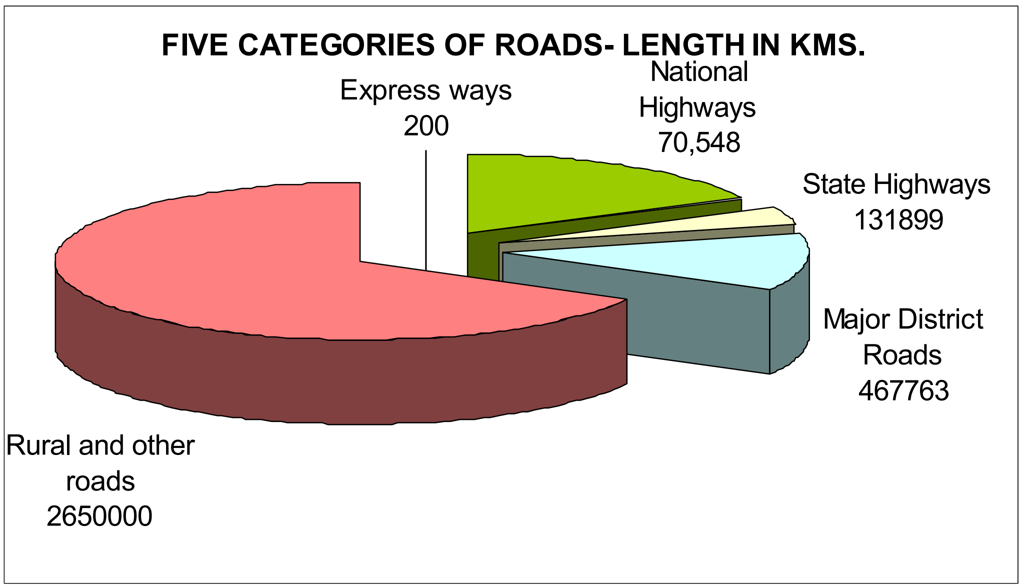
- ***Empowered Committee/Institution (EC/EI).*** An institutional framework comprising an inter-ministerial EC has been established for the purpose of appraising and approving projects for availing the VGF grant of up to 20 per cent of the cost of infrastructure projects undertaken through PPP. Until March 2009, it had approved 44 projects in the State Sector involving a total capital investment of Rs. 344,230.00 million.

(*Source: Private Participation in Infrastructure, Planning Commission Report, Government of India, June 2009*)

ROAD SECTOR IN INDIA

Overview

India's road and highway network of approximately 3.30 million kilometers provides a relatively dense network by international standards. The Indian road network is the second largest in the world and the roads are divided into the following five categories:



(Source: www.nhai.org accessed on September 20, 2009)

The Department of Road Transport & Highways, an organization of the Central Government of India, formulates and administers, in consultation with other Central Ministries/Departments, State Governments/UT Administrations, organizations and individuals, policies for the road transport, national highways and transport research with a view to increase the mobility and efficiency of the road transport system in the country. This Department is also responsible for the planning, development and maintenance of National Highways in the country; extending technical and financial support to State Governments for the development of state roads and the roads of inter-state connectivity and economic importance; evolving standard specifications for roads and bridges in the country and serves as a repository of technical knowledge on roads and bridges.

(Source: www.morth.nic.in accessed on September 20, 2009)

Growth Potential

The Government of India has launched the National Highway Development Programme (NHDP) involving a total investment of US$ 54,100.00 million by 2012. In 2008-09, the NHAI infused US$ 4,000 million in the NHDP. It has also started the Bharat Nirman Programme that aims to cover villages with a population of over 1,000 (or over 500 in hilly and tribal areas) with all-weather roads. For the roads and bridges sector, the Eleventh Plan envisages a total investment of approximately US$ 78,500.00 million over the five-year period starting from 2007-08.

As part of a larger plan to improve the country's infrastructure, the Government has given the nod to 10 road projects which will be built on a PPP basis at an estimated cost of US$ 2,480 million. The projects are aimed at four-laning of national highways in eight states. Additionally, under the Special Accelerated Road Development Programme in the North East (SARDP-NE), the Cabinet Committee on Economic Affairs (CCEA) has agreed to the modifications to Phase A of the SARDP-NE, to facilitate road linkage to Sittwe port of Myanmar, with an investment of US$ 1,240 million.

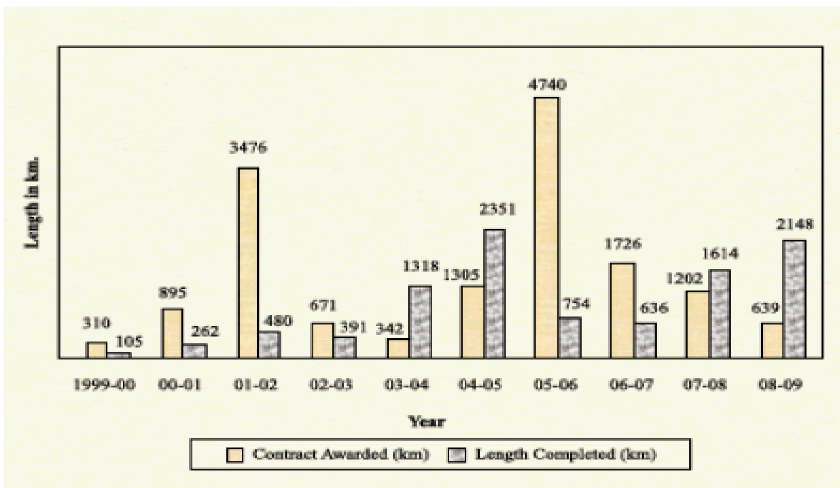
(Source: India Brand Equity Foundation, www.ibef.org accessed on September 20, 2009)

As of March 2009, a total of 95 projects with an investment of Rs. 463,690.00 million had been awarded for implementation through PPP concessions. In addition, 45 projects with an investment of Rs. 550,470.00 million had been approved by PPPAC and are at different stages of bid process.

(*Source: Private Participation in Infrastructure, Planning Commission Report, Government of India, June 2009*)

The following graph represents the NHDP progress of contracts awarded and length completed.

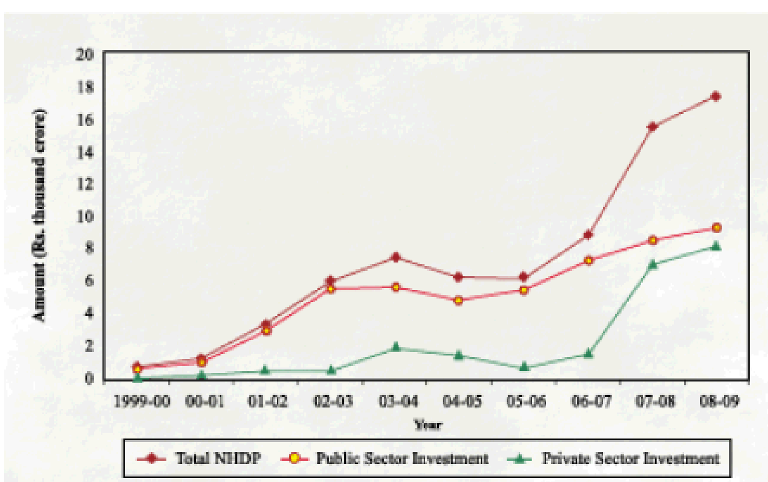
***Figure 3:* NHDP: Progress of contracts awarded and length completed**



(*Source: Private Participation in Infrastructure, Planning Commission Report, Government of India, June 2009*)

The following figure represents the expenditure incurred under the NHDP plan for the periods indicated.

***Figure 4:* NHDP: Expenditure Incurred**



(*Source: Private Participation in Infrastructure, Planning Commission Report, Government of India, June 2009*)

Status of NHDP and other NHAI Projects

The table below sets forth the status of NHDP and other NHAI projects as of July 31, 2009.

	NHDP							Port Connectivity	Others	Total By NHAI
	GQ	NS-EW, Phase I & II	NHDP Phase III	NHDP Phase V	NHDP Phase VI	NHDP Phase VII	NHDP Total			
Total Length (km)	5,846	7,300	12,109	6,500	1,000	700	33,455	380	962	34,797
Already 4-laned (km)	5,729	4,014	937	131	-	-	10,811	236	828	11,875
Under Implementation (km)	117	2,396	2,155	903	-	19	5,590	139	121	5,985
Contracts under implementation (No.)	15	122	27	3	-	-	167	6	12	185
Balance length for award (km)	-	732	9,017	5,466	-	-	15,215	6	20	14,867

(Source: www.nhai.org accessed on September 20, 2009)

Government Policy Initiatives

Set forth below is a summary of some of the key initiatives taken by the Government of India to promote the development of road projects**:**

- Allowing 100 per cent FDI under the automatic route in all road development projects.
- Investors in identified highway projects permitted to recover investment by way of collection of tolls for specified sections and periods.
- The government has also announced an increase from US$ 100 million to US$ 500 million in the overseas borrowing amount for the infrastructure sectors.
- The Committee on Infrastructure (CoI), under the Chairmanship of the Prime Minister, was constituted on 31st August, 2004 which has been substituted by the Cabinet Committee on Infrastructure (CCI) on July 6, 2009 under the chairmanship of Prime Minister. CCI will approve and review policies and projects across infrastructure sectors.
- NHAI / GOI to provide capital grant up to 40% of project cost to enhance viability on a case to case basis
- 100% tax exemption for 5 years and 30% relief for next 5 years, which may be availed of in 20 years
- In BOT projects entrepreneur are allowed to collect and retain tolls
- Duty free import of specified modern high capacity equipment for highway construction

(Source: India Brand Equity Foundation, www.ibef.org, www.infrastructure.gov.in and www.nhai.org, accessed on September 20, 2009)

RAILWAYS

The Indian Railways (IR) is a critical component of India's transport network. With a total route length of 63,221 km, IR holds the distinction of being the world's second largest rail network under a single management and the principal mode of transportation for bulk freight and long distance passenger traffic.

IR is expected to carry about 1,100 million tones of freight traffic annually by the end of the Eleventh Plan.

(*Source: Private Participation in Infrastructure, Planning Commission Report, Government of India, June 2009*)

Private Investment in Railways

IR has initiated a number of measures to attract private sector investment in the following areas:

- ***Introduction of competition in container movement.*** Until 2006, the container movement on IR was the monopoly of a public sector entity, the Container Corporation of India (CONCOR). The container movement has since been opened to competition and 14 private entities have been granted concessions for running container trains, out of which 10 concessionaires have already commenced their operations.

- ***Dedicated Freight Corridor.*** Two dedicated freight corridors on the 1,279 km Ludhiana-Sonnagar (Eastern) and the 1,483 km Tuglakabad / Dadri Jawaharial Nehru Port (Western) routes, respectively, are being developed with an estimated cost of about Rs. 500,000.00 million. These corridors will enable the running of longer and heavier trains of 25-tonne axle load with larger moving dimensions including double stack container trains comparable to international standards.

- ***Development of Railway Stations.*** The Government has, identified 26 stations for redevelopment of railway stations and terminals in the metropolitan cities and major tourist centres for development as world-class stations through the PPP route. Part of the real estate potential of these stations would be exploited for financing these projects.

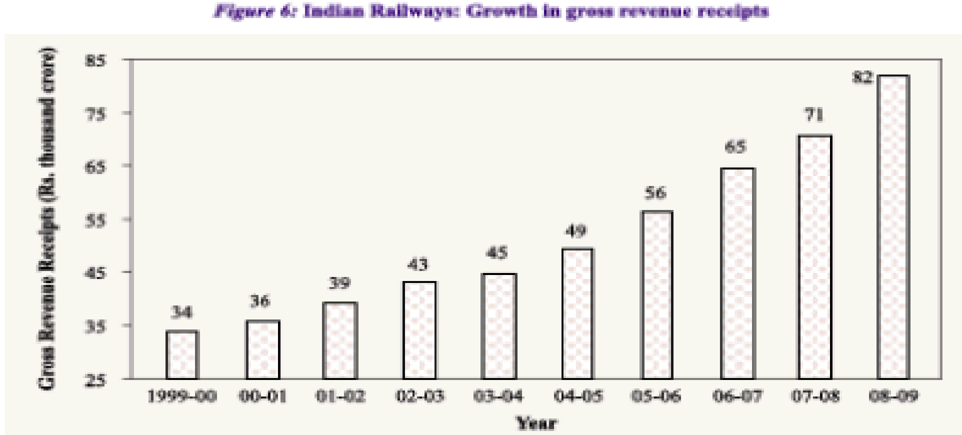
- ***Development of Logistic Parks.*** Multi-Modal Logistic Parks (MMLPs) offer promising possibilities for private investment. Such parks could either be built independently at strategic locations or in Special Economic Zones, particularly along the Dedicated Freight Corridors. In March 2009, the Ministry of Railways invited expressions of interest for the development of MMLPs through PPP.

- ***Mumbai Suburban Metro Project.*** The Ministry of Railways has commissioned a feasibility study for introduction of a 60 km elevated, fully air-conditioned rail system between Churchgate and Viral stations. The project is proposed to be implemented through PPP on Design, Build, Finance, Operate and Transfer basis.

(*Source: Private Participation in Infrastructure, Planning Commission Report, Government of India, June 2009*)

The following graph represents the growth in gross revenue receipts by IR.

***Figure 6:* Indian Railways: Growth in gross revenue receipts**



(*Source: Private Participation in Infrastructure, Planning Commission Report, Government of India, June 2009*)

Government Initiatives

Set forth below is a summary of some of the key initiatives taken by the Government of India to promote the development of railway projects**:**

- Railways investment outlays have been stepped up from US$ 2,700.00 million in Fiscal 2004 to US$ 7,300.00 million in Fiscal 2009. Railways would be completing the work of 4900 km of gauge conversion, 1800 km of doubling and laying 1,100 km of new lines, over five years.
- The Annual Plan for 2009-10 envisages investment of US$ 7,600.00 million.

An investment of approximately US$ 45,900.00 million is expected in the Indian Railways to be made under the 11th Five Year Plan.

(Source: India Brand Equity Foundation, www.ibef.org accessed on September 20, 2009)

AIRPORTS

India has 125 operational airports; of these 11 are designated as international airports. Currently, most of these 125 airports are owned and operated by the Airports Authority of India (AAI). The Government aims to attract private investment in the aviation infrastructure. Privatization of the Delhi and Mumbai airports is currently in progress and concessions have already been awarded.

(Source: www.infrastructure.gov.in accessed on September 20, 2009)

With a growth rate of 18 per cent per annum, the Indian aviation industry is one of the fastest growing aviation industries in the world. India has jumped to 9th position in world's aviation market from 12th in 2006. The scheduled domestic air services are now available from 82 airports as against 75 in 2006.

The government plans to invest US$ 9000 million to modernize existing airports by 2010. The government is also planning to develop around 300 unused airstrips. Mumbai and Delhi airports have already been privatized and are being upgraded at an estimated investment of US$ 4000 million over 2006-16. Greenfield airports are operational at Bangalore and Hyderabad. These are built by private consortia at a total investment of over US$ 800 million. A second Greenfield airport being planned at Navi Mumbai is going to be developed using public-private partnership (PPP) mode at an estimated cost of US$ 2500 million. 35 other city airports are proposed to be upgraded. The city side development will be undertaken through PPP mode. Over the next five years, AAI has planned a massive investment of US$ 3070 million—43 per cent of which will be for the three metro airports in Kolkata, Chennai and Trivandrum, and the rest will go into upgrading other non-metro airports and modernizing the existing aeronautical facilities.

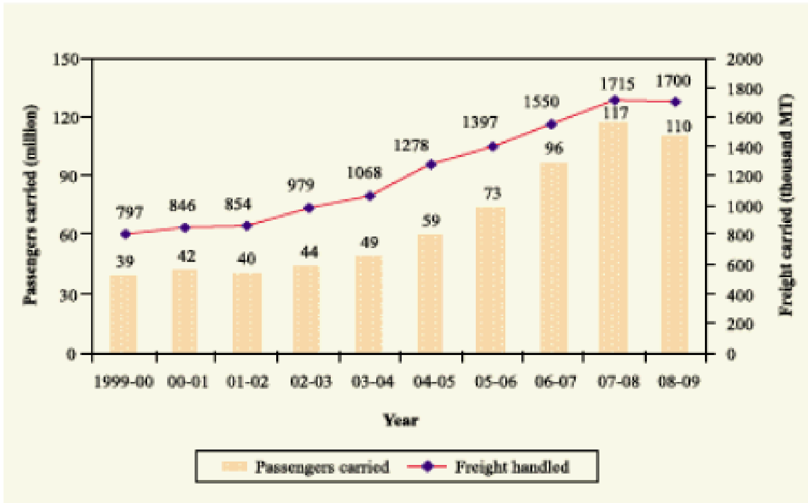
(Source: India Brand Equity Foundation, www.ibef.org accessed on September 20, 2009)

The Indian Aviation Sector is likely to see clear skies ahead in the years to come. The Vision 2020 statement announced by Ministry of Civil Aviation envisages creating infrastructure to handle 280 million passengers by 2020 and investment opportunities of US$ 30000 million are envisaged in development of airport infrastructure. Even associated areas like maintenance, repair and overhaul (MRO) and training offer high investment potential and can absorb up to US$ 120000 million worth of investment by 2020.

(Source: India Brand Equity Foundation, www.ibef.org accessed on September 20, 2009)

The following graph represents the passengers and freight carried by air transport during the periods indicated.

Figure 8: Passengers and Freight carried by air transport



(*Source: Private Participation in Infrastructure, Planning Commission Report, Government of India, June 2009*)

Policy/Government Initiatives

Set forth below is a summary of some of the key initiatives taken by the Government of India to promote the development of airports and its supporting infrastructure projects**:**

- 100% FDI is permissible for existing airports; FIPB approval is required for FDI beyond 74%.
- 100% FDI under automatic route is permissible for greenfield airports.
- 100% tax exemption for airport projects for a period of 10 years.
- Private developers allowed to set up captive airstrips and general airports 150 km away from existing airports.
- Airport Economic Regulatory Authority is planned to be set up to provide a level playing field to all the players and a chairperson for the same has already been appointed.
- The government's open sky policy has led to many overseas players entering the market.

(Source: India Brand Equity Foundation, www.ibef.org accessed on September 20, 2009)

OUR BUSINESS

Overview

We are an established surface transportation infrastructure company and we believe we are one of the largest private sector BOT road operators in India. We are a developer, operator and facilitator of surface transportation infrastructure projects, taking projects from conceptualization through commissioning to operations and maintenance. We were incorporated in 2000 by IL&FS, an infrastructure development and finance company, in order to consolidate their existing road infrastructure projects and to pursue various new project initiatives in the area of surface transportation infrastructure. In March 2008, we commenced our international operations through the acquisition of Elsamex S.A. ("**Elsamex**"), a provider of maintenance services primarily for highways and roads in Spain and other countries.

Since inception, we have been involved in the development, operation and maintenance of national and state highways, roads (including urban roads), flyovers and bridges in Andhra Pradesh, Delhi, Gujarat, Maharashtra, Karnataka, Uttar Pradesh, Kerala, Jharkhand and Rajasthan. We have a pan-India presence in the BOT road sector and have interests in a diverse project portfolio consisting of 17 road projects, comprising approximately 9,397 Lane kms, which includes 4,086 Lane kms under operation and maintenance and 5,311 Lane kms under development (of which 1244 Lane kms under construction). We believe that we are the lowest/preferred bidder for a project comprising 2100 Lane kms. Our projects are designed and developed with regard to international standards in terms of technology and facilities.

Since our incorporation, we have created a geographically widespread presence in India. Eight of our projects have commenced operations — the North Karnataka Expressway (from Belgaum in the States of Karnataka to Maharashtra Border), the West Gujarat Expressway (connecting Jetpur to Rajkot in the State of Gujarat), the NOIDA Toll Bridge (connecting Delhi to NOIDA, in the States of Delhi and Uttar Pradesh), the Vadodara Halol Toll Road (connecting Vadodara to Halol in the State of Gujarat), the Ahmedabad Mehsana Toll Road (connecting Ahmedabad to Mehsana in the State of Gujarat), Andhra Pradesh Expressway (Kotakatta to Kurnool in the state of Andhra Pradesh) and Ramky Elsamex Hyderabad Ring Road (Tukkugudu to Shamshabad section of Hyderabad Outer Ring Road), as well as the Mega Highways Road Project (comprising five stretches of road from "Phalodi to Ramji-ki-Gol", "Hanumangarh to Kishangarh", "Alwar to Sikandra", Baran to Jhalawar" and "Laslot to Kota", all in the state of Rajasthan) and Thiruvananthapuram City Roads projects which have both operational and developmental phases. Notably, NOIDA Toll Bridge Company Limited, which is our associate and also the implementing company for the NOIDA Toll Bridge project, was the first Indian toll road company to have been listed both on the national and international stock exchanges; and the Vadodara Halol Toll Road was designated by the World Bank as a "best practices" example for its environment risk mitigation and social rehabilitation plan in India. (*Source: India – Review of the Effectiveness of Environmental Assessments in World Bank-Assisted Projects, Fiscal 1990-97, Name of Publication: Environment Sector Management Unit, South Asia Region, the World Bank, Authors: L. Paneer Selnam, Sonia Kapoor, Prasad Modak and Radha Gopalan, Date of Publication: September 1999, Hyperlink:* : http://www-wds.worldbank.org/external/default/main?pagePK=64193027&piPK=64187937&theSitePK=523679&menuPK=64187510&searchMenuPK=64187283&siteName=WDS&entityID=000094946_03010704154241). In addition, we are currently developing 11 road projects (including the Mega Highways and Thiruvananthapuram City Roads projects) in the States of Andhra Pradesh, Chhattisgarh, Jharkhand, Kerala, Rajasthan, Uttar Pradesh and Maharashtra in India and Madrid in Spain. Out of these 11 projects, five projects are currently in the construction phase and the remaining six projects are in the pre-construction phase of development.

We are also developing capabilities in other transportation infrastructure sub-sectors such as mass rapid transport systems and urban transportation infrastructure systems. We have been selected for the development of the 4.9 km track of elevated metro rail link project in Gurgaon (Haryana) and are also operating and maintaining the Nagpur city bus services on a BOT basis.

With respect to our international operations, we acquired Elsamex in order to (i) complement our BOT road operations with Elsamex's maintenance capabilities and (ii) to facilitate our entry into international markets such as Spain, Portugal and Latin America. Elsamex's primary business is the maintenance of roads, buildings and petrol stations, mainly in Spain, with additional operations in Portugal in Europe and Columbia and Mexico in South America. Elsamex also provides consulting services for roads and water supply projects in the areas of quality control, safety, health and environment. Additionally, Elsamex conducts research and development for road maintenance projects, with a particular focus on bitumen technology.

We believe we benefit significantly from our affiliation with IL&FS, which has an established track record in promoting and financing a range of public infrastructure projects in India for over 22 years. IL&FS was incorporated in 1987 and its shareholders include Life Insurance Corporation of India, Central Bank of India, State Bank of India, Housing and Development Finance Corporation Limited, Abu Dhabi Investment Authority and Orix Corporation of Japan.

We believe that in view of our strong parentage, experience gained in implementing the above-mentioned projects and the capabilities being developed by us, we are well positioned to benefit from expected growth in vehicular traffic in India and demand for additional surface transportation infrastructure in India and other countries where we have presence.

We generate revenues primarily from Elsamex's maintenance business and from annuity receipts, toll collection, operation and maintenance activities and advisory and project management fees from BOT road projects. In addition, we auction the toll receipts for certain of our toll road projects to third parties for twelve-month periods in exchange for a fixed fee in order to mitigate the risk of volatility of toll revenues. For the six months ended September 30, 2009, our consolidated revenue and total profit after tax amounted to Rs. 9,795.55 million and Rs. 1,182.27 million respectively. For the year ended March 31, 2009, our consolidated revenue and total profit after tax amounted to Rs. 13,320.08 million and Rs. 278.78 million, respectively, compared to consolidated revenue and total profit after tax of Rs. 4,374.54 million and Rs. 932.55 million, respectively, for the year ended March 31, 2008.

Group Structure

The following chart shows our group structure:

Name of the Company	Direct / Indirect % share holding	Beneficial % share holding*
ITNL Road Investment Trust (IRIT)	100.00	-
ITNL International Pte Limited, Singapore (IIPL)	100.00	-
ITNL Road Infrastructure Development Company Limited (IRIDCL)	100.00	-
Pune Sholapur Road Development Company Limited (PSRDCL)	99.88	-
Elsamex S.A., Spain**	100.00	-
Gujarat Road and Infrastructure Company Limited (GRICL)	83.61	-
Vansh Nimay Infraprojects Limited (VNIL)	80.00	-
North Karnataka Expressway Limited (NKEL)***	74.50	19.00
Rapid MetroRail Gurgaon Limited (RMGL)#	70.00	-
East Hyderabad Expressway Limited (EHEL)	74.00	-
Hazaribagh Ranchi Expressway Limited (HREL)	73.88	-
Chhattisgarh Highway Development Company Limited (CHDCL)##	-	74.00
Jharkhand Accelerated Road Development Company Limited (JARDCL)##		74.00
ITNL Enso Rail Systems Limited (IERS)	70.00	-
Road Infrastructure Development Company of Rajasthan Limited (RIDCOR)##	-	50.00
Thiruvananthapuram Road Development Company Limited (TRDCL)	49.93	-
West Gujarat Expressway Limited (WGEL)###	49.00	51.00
Andhra Pradesh Expressway Limited (APEL)###	49.00	51.00
ITNL Toll Management Services Limited (ITMSL)	48.99	-
Noida Toll Bridge Company Limited (NTBCL)	25.35	-
Narketpatty Addanki Expressway Limited (NDEL)	50.00	-
Moradabad Bareilly Expressway Limited (MBEL)	100.00	
Warora Chandrapur Ballarpur Tollroad Company Limited (WCBTCL)	35.00	-

* *Our beneficial interest represents our economic interest in the shares through call option agreements or covered warrants. We do not have voting or investment control over these shares.*

** *75.57% being held directly by our Company and the balance 24.43% being held through its wholly owned subsidiary, IIPL. Elsamex S.A. has many subsidiaries and joint ventures which are not listed here. For further details in relation to ownership of Elsamex S.A and its subsidiaries, see the section titled "History and Certain Corporate Matters" on page 148.*

*** *25.50% being held directly by our Company and the balance 49.00% being held through IRIT. IL&FS and Punj Lloyd Limited, hold 12.75% and 12.75%, respectively, in NKEL. IL&FS and Punj Lloyd Limited have agreed to transfer 12.75% and 6.25% beneficial interest in respect of equity shares held by them through a call option agreement till the time the call options held by IRIT are not exercised. For details in relation to call option arrangements in respect of NKEL, see the section titled "History and Certain Corporate Matters" on page 187.*

*ITNL Enso Rail Systems Limited ("**IERSL**") holds 100.00% of RMGL. IERSL is a joint venture between our Company and Enso Limited. Our Company currently holds 70% of IERSL. Pursuant to an MOU in relation to the Gurgaon Metro Rail Project, the equity holding of our Company shall be limited 59.60%.*

IL&FS holds 74% stake in CHDCL, 74% stake in JARDCL and 50% stake in RIDCOR and has agreed to transfer all beneficial interest in respect of those equity shares to our Company through 'covered warrants'. For details in relation to the agreements in relation to such covered warrants, see the section titled "History and Certain Corporate Matters" on page 193.

IL&FS holds 51% stake in WGEL and 51% stake in APEL. It has agreed to transfer beneficial interest in respect of shares held by it through call option agreement till the time such time as the call options are not exercised. For details in relation to call option arrangements in respect of WGEL and APEL, see the section titled "History and Certain Corporate Matters" on page 187.

Our presence in the Road Sector

Project Description	Commercial Format	Length (in lane Km)	Main Revenue Source	% holding by our Company (Direct & Indirect)	% holding by our Company (Beneficial Interest)*
PROJECTS UNDER OPERATIONS					
North Karnataka Expressway Limited Maharashtra Border to Belgaum, Karnataka	BOT	472	Annuity	74.50	19.00
Gujarat Road and Infrastructure Company Limited Vadodara to Halol and Ahmedabad to Mehsana, Gujarat	BOOT	523	Toll	83.61	-
Noida Toll Bridge Company Limited Delhi to NOIDA, Uttar Pradesh	BOT	60	Toll	25.35	-
West Gujarat Expressway Limited** Jetpur to Rajkot, Gujarat	BOT	389	Toll	49.00	51.00
Road Infrastructure Development Company of Rajasthan Limited*** Multiple Stretches under Mega Highways Project, Rajasthan	PPP	2106	Toll	-	50.00
Thiruvananthapuram Road Development Company Limited Phase-I** Thiruvananthapuram City, Kerala	BOT	51	Annuity	49.93	-
Andhra Pradesh Expressway Limited ** Kotakatta to Kurnool, Andhra Pradesh	BOT	328	Annuity	49.00	51.00
Ramky Elsamex Hyderabad Ring Road Limited ** Outer Ring Road, Hyderabad, Andhra Pradesh	BOT	152	Annuity	26.00	-
PROJECTS UNDER DEVELOPMENT					
Road Infrastructure Development Company of Rajasthan Limited*** Additional roads under Mega Highways Project, Rajasthan	PPP	476	Toll	-	50.00
Chhattisgarh Highway Development Company Limited*** Multiple Stretches, Chhattisgarh	BOT	1368	Annuity	-	74.00
Jharkhand Accelerated Road Development Company Limited*** Multiple Stretches, Jharkhand	BOT	1002	Annuity	-	74.00
East Hyderabad Expressway Limited Hyderabad City - Outer Ring Road, Andhra Pradesh	BOT	173	Annuity	74.00	-
Thiruvananthapuram Road Development Company Limited Phase-II and III** Thiruvananthapuram City, Kerala	BOT	107	Annuity	49.93	-
ITNL Road Infrastructure Development Company Limited Beawer to Gomti, Rajasthan	DBFOT	248	Toll	100.00	-
Warora Chandrapur Ballarpur Toll Road Company Chandrapur to Warora to Bamni, Maharashtra	DBFOT	275	Toll	35.00	-

Hazaribagh Ranchi Expressway Limited Hazaribagh to Ranchi, Jharkhand	BOT	319	Annuity	73.88	-
Pune Sholapur Road Development Company Limited Pune to Sholapur, Maharashtra	DBFOT	571	Toll	99.88	-
Moradabad Bareilly Expressway Limited Moradabad to Bareilly, Uttar Pradesh	DBFOT	522	Toll	100.00	-
INTERNATIONAL PROJECTS					
Sociedad Concesionairia Autovia A-4 Madrid S.A. Highway A-4 from Km 3.78 to 67.50 stretch Madrid-R4,Spain	Concession	255	Toll	48.75	-
ITNLs Presence in the Road Sector (Toll: 6,313 lane Km; Annuity: 3,972 lane Km)					**Total 9,397 Lane km**

** We recognize revenue from these projects as income from minority interest or treat it as investment in associate.

*** The revenues from such projects are not consolidated in our financial statements.

There are certain projects in which we have a "beneficial interest" as a result of certain call option agreements entered into with our Promoter, group companies and certain third parties, as well as covered warrants to which we have subscribed. As a result of these agreements, we have an effective beneficial interest in such projects whereby, for example, if the project company declares and pays a dividend, we would receive a payment equivalent to our beneficial interest. Such payments would be recognized as other income. We record the value of the covered warrants on our balance sheet as investments, and record the value of the call options as current assets. To date, we have not generated any income from these arrangements and we are not entitled to any rights and privileges of shareholders pursuant to these arrangements. For additional details of such agreements, see the section titled "History and Certain Corporate Matters" on page 188.

Projects in Sectors Other than the Road Sector

Project Description	Commercial Format	Main Revenue Source	% holding by our Company (Direct & Indirect)	% holding by our Company (Beneficial Interest)*
PROJECTS UNDER OPERATIONS				
Vansh Nimay Infraprojects Limited Nagpur City Bus Transportation Service, Maharashtra	BOO	Ticket Receipts	80.00	-
Rapid MetroRail Gurgaon Limited* (Under Development)** Gurgaon Metro Link Rail Project, Haryana	Concession	Ticket Receipts	70.00	-
INTERNATIONAL FOOTPRINT				
ELSAMEX S.A. (Spain) Operating Subsidiary with projects in Europe, Mexico and Latin America covering road maintenance, building maintenance and petrol station concession. Road Maintenance - more than 21,000 Lane km Gas Station Maintenance - more than 3,100 nos				

**** Being developed through a consortium of our Company (26%); ITNL Enso Rail Systems Limited (48%); and DLF Limited (26%) (Our Company presently has 70% equity holding in ITNL Enso Rail Systems Limited). Pursuant to signing of MOU submitted to the concerned client for the project, the equity holding of our Company in the project is 59.6%.*

Key Competitive Strengths

We believe that our key competitive strengths include the following:

Strong track record

We have an established track record for successfully bidding, developing and operating BOT road projects on a commercial basis. We have a pan-India presence and a diverse project portfolio consisting of 17 road projects, comprising of approximately 9,397 Lane kms in various stages of development, construction or operation. We have been involved in the development and operation of National and State highways, flyovers, bridges and roads in various parts of India.

Our flagship projects include the Vadodara Halol Toll Road, designated by the World Bank as a best practices example for its environment risk mitigation and social rehabilitation plan and the NOIDA Toll Bridge. We believe that our track record provides us with a significant competitive advantage when bidding for new projects.

Diversified road project portfolio and revenue base

Our portfolio of assets primarily consists of a mix of BOT road projects across India, which are in different stages of development, construction and operation and maintenance. All of our BOT projects are implemented through special purpose vehicles ("SPVs") and we have a controlling interest in a number of SPVs. These SPVs enter into various types of concession agreements with Government agencies, which enable us to generate revenue from toll receipts and annuities, as well as through other sources such as advertising and from the use of rights of way (for example, when we permit cables to be laid alongside our roads), all of which further diversifies our revenue streams. Under these concession agreements, we have been granted the right to collect and retain user fees or the right to receive fixed amounts from the concessioning authority for periods ranging from 11 to 32 years. We have, in certain cases, mitigated the potential volatility of our annual revenues from some of these projects by auctioning toll receipts for up to 12 month periods in exchange for a fixed fee. The diverse nature of our BOT road project portfolio and the fact that it is spread across India limits our reliance on any single region and on any single project and reduces the potential impact of natural or man-made disasters on our revenue. In addition, our acquisition of Elsamex, which is primarily a maintenance service provider in Spain and other countries in Europe and Latin America, has further geographically diversified our operations.

Strong support from our Promoter

Our Promoter, IL&FS, has a track record of promoting and financing public infrastructure projects in India for over 22 years. The shareholders of IL&FS include Life Insurance Corporation of India, Central Bank of India, State Bank of India, Housing and Development Finance Corporation Limited, Abu Dhabi Investment Authority and Orix Corporation of Japan. Due to the long-standing history of IL&FS in India, we believe that IL&FS enjoys strong brand recognition and we benefit from its brand. We believe our affiliation with IL&FS strengthens our position when we bid for new projects or when we approach lenders (whether domestic, international, bilateral or multilateral) regarding the financing options for our projects and provides us with opportunities to negotiate bilateral contracts with State and Central Government entities when they are seeking customized proposals.

Experienced management team

We have an experienced professional team of senior managers who have, on average, over 15 years each of management and/or operational experience in the surface transportation infrastructure sector. We also benefit from the relationship our management team has developed with State and Central government entities and various financial institutions. Our management team, for example, provides us with technical expertise in the areas of structures, designing operations and maintenance and also focuses on identifying market opportunities and developing avenues for growth and expansion of our business. We believe that the experience and leadership of our senior management team has contributed significantly to the growth and success of our operations both in terms of securing new business and in ensuring that our projects are developed and managed to high standards. For further details, see the section titled “Our Management” on page 200 for a description of the members of our senior management team.

Extensive and advanced execution capabilities

We provide end-to-end solutions for BOT road projects, ranging from conceptualization through commissioning to operations, maintenance and management. We also have advanced capabilities in terms of how we design projects and the technology we use. Since 2006, we have benefited from having an in-house design team that assists in evaluating prospective projects for bidding, preparing feasibility studies and assisting with other matters in connection with project development and implementation. Having such a capability in-house enables us to design projects more quickly and efficiently than if we use third party consultants. Our in-house designing capabilities, coupled with our established contractor relationships and our ability to source competitive pricing for construction, enable us to assess the value of new projects effectively, assess certain developmental and operational risks and submit competitive bids. Additionally, we have an in-house ISO 9001-2000 certified testing laboratory for a number of our project development, operation and maintenance activities. This laboratory enables us to test the materials used for the construction of certain of our projects and those of third parties. Additionally, Elsamex has a private laboratory in Spain for the development and certification of new asphalt technologies and quality control for other national and international companies. In terms of technology, we also benefit from our recently introduced interactive web-based project management information system ("PMIS") in monitoring activities such as road inspection and maintenance, arboriculture, accident management, traffic updates and providing project information to our project teams.

Business Strategy

Our business strategy consists of the following key elements:

Maintain our market position in the Indian BOT road infrastructure sector

We intend to maintain our market position in the Indian BOT road infrastructure sector by continuing to focus on the operation and maintenance of our existing projects, the development and improvement of our projects under development and by bidding for additional projects. We intend to leverage our experience, market position and our ability to execute and manage multiple projects across geographies while bidding for new road projects. Additionally, we intend to continue to outsource construction activities in order to undertake and execute multiple projects. We also intend to continue to monitor construction risk effectively to ensure that projects are completed on time and within budget without compromising on quality. We believe that each of the foregoing elements is critical for us to retain our market position.

Improve performance and enhance returns from our core business

To improve performance and enhance returns from our BOT road projects, we intend to streamline our operations and maintenance policies and adopt the best of the evolving technologies and upgrade our technical abilities. We intend to increase the effectiveness of supervision and management by evaluating the additional risks in the business and taking effective mitigating remedies. We also intend to provide value-added services and enhanced safety features for our BOT road projects. These will include wayside amenities, traffic emergency services, accident response services, signage, road markings, truckers' areas, and services capable of being outsourced to third parties, such as ambulances, as well as modernization of our MIS and surveillance platforms. We believe that streamlining our existing operations and increasing cost efficiency would result in improving returns from our existing business. We intend to streamline our operations through efficient operations and maintenance, with a particular focus on preventive maintenance, advanced technology and insurance. Through access to Elsamex's maintenance technologies and its international practices, we intend to reduce maintenance costs and improve efficiencies and also establish our presence in the OMT sector, which we believe is an emerging sector in India. In addition, we intend to continue to auction the toll receipts of certain projects in order to help maintain stable revenues.

Leverage IL&FS's track record in expanding our business within and outside India

We intend to continue to leverage the experience, track record, commercial relationships and brand recognition of IL&FS to expand our operations into new sub-sectors within the surface transportation infrastructure industry in India and outside India in the areas of toll roads, airports and urban transportation infrastructure. We also intend to utilize IL&FS's expertise and functions in the areas such as financing and its presence in other areas of the infrastructure sector in addition to utilizing ancillary opportunities arising from other projects of IL&FS and its relationship with shareholders and authorities in India and abroad.

Expand into new sub-sectors within the surface transportation infrastructure industry

With growth in Indian economy and continued policy thrust on infrastructure spending, we expect demand for surface transportation infrastructure within India to increase significantly in the next few years. We intend to leverage our experience in the road transportation infrastructure sector and our Promoter's track record in infrastructure projects to expand our business in other surface transportation infrastructure, rail, urban mass-rapid transport and airport sub-sectors both independently and through partnerships. We may also make investments in existing projects within such sub-sectors. We are also developing capabilities in other surface transportation infrastructure sub-sectors such as railways and urban transportation infrastructure. For example, we have been awarded concession for the metro rail link project in Gurgaon (Haryana) and we are currently managing the project company which operates the Nagpur city bus services on a BOT basis. For expansion in airport sub-sectors, IL&FS has entered into a memorandum of understanding with the AAI pursuant to which IL&FS has agreed to identify, develop, implement, operate and maintain airports and associated projects outside India, and we intend to leverage IL&FS's arrangement with AAI for identifying, securing and developing projects outside India.

Expand our business outside India

Our acquisition of Elsamex was the first step in expanding our international operations and we intend to utilize Elsamex's international presence and experience to bid for OMT projects outside India. In addition, we intend to partner selectively with local businesses in other regions, particularly with Belbadi and ASCON Road Construction L.L.C. (ASCON) in the Gulf Cooperation Council Region, to bid for new projects and for setting up a contracting and project development strategic partnership to undertake major infrastructure, real estate development, construction and maintenance projects. IL&FS has entered into a memorandum of understanding with the Airports Authority of India pursuant to which IL&FS has agreed to cooperate to identify, develop, implement, operate and maintain airports and associated projects outside India, and we intend to leverage IL&FS's arrangement with AAI for identifying, securing and developing airport projects outside India. We have entered into a memorandum of understanding with Middle East Coal Pte Limited, Singapore, for financing, developing and implementing coal vacuation infrastructure facilities in Muara Wahau, Indonesia.

Our Business Operations

We conduct our surface transportation infrastructure project development, operations and maintenance business in India through our SPVs in India. We conduct maintenance business outside India through Elsamex and its subsidiaries. Set forth below is a description of our surface transportation infrastructure projects and Indian operations. For details of our international operations and projects, see the section titled "Our Business—International Operations—Elsamex" on page 92.

Details of Projects

We have a diverse project portfolio with a total of 20 surface transportation infrastructure projects in India in various stages of development, construction or operation. Set forth below is a summary description of these projects.

Completed Projects

We have completed and are operating the following projects:

North Karnataka Expressway (Belgaum Maharashtra Border Road)

This project involved the development of four lanes with service roads on both sides aggregating to approximately 472 Lane kms in length between Belgaum in the State of Karnataka up to Maharashtra Border. The concession for this project was awarded to us by the NHAI on a BOT (Annuity) basis for a period of 17.5 years (including a construction period of two and a half years), which commenced in June 2002 and will end in December 2019. We completed the construction of this project and commenced its commercial operations in July 2004. For the six months ended September 30, 2009, we recognized Rs. 333.46 million as revenue from this project. For the year ended March 31, 2009, we recognized Rs. 643.71 million as revenue from this project.

West Gujarat Expressway (Jetpur Rajkot Gondal Road)

This project involved the widening of the existing Jetpur–Gondal road from two lanes to four lanes, the improvement of the existing four lanes between Gondal and Rajkot, the widening of the existing Rajkot bypass from two lanes to four lanes on the National Highway 8 B and construction of side roads, with an aggregate length of approximately 389 Lane kms in the State of Gujarat. The concession for this project was awarded to us by the NHAI on a BOT (Toll) basis for a period of 20 years (including a construction period of two and a half years), which commenced in September 2005 and will end in September 2025. We completed the construction of this project and commenced its commercial operations in March 2008.

NOIDA Toll Bridge

This project involved the development of a toll bridge and approach roads with approximately 60 Lane kms connecting Delhi to NOIDA in the State of Uttar Pradesh. The concession for this project was awarded to our Promoter by the New Okhla Industrial Development Authority ("NOIDA") on a BOT (Toll) basis for a period of 30 years (including a construction period of two and a half years) which commenced on December 30, 1998. We completed the construction of this project and commenced its commercial operations in February 2001. Pursuant to the terms of the concession, the concession period will be subject to extension beyond 30 years until the total project cost and agreed returns thereon have been recovered. For the six months ended September 30, 2009, we recognized Rs. 104.46 million as revenue from this project. For the year ended March 31, 2009, we recognized Rs. 201.88 million revenue from this project.

Gujarat Toll Roads

Vadodara — Halol Road

This project involved the development of an approximately 190 Lane kms on State Highway No. 87 from Vadodara to Halol in the State of Gujarat. The concession for this project was awarded to our Promoter by the Government of Gujarat on a BOOT (Toll) basis, which commenced from the date of signing the Concession Agreement i.e. October, 1998 and shall extend for a period of 30 years from the operations date i.e. October 2000. The construction period for the project was one and a half years. Pursuant to the terms of the concession, upon completion of the 30 years period, the concession period is further extendable for a two year period until the total project cost and agreed returns thereon have been recovered. We completed the construction of this project and commenced its commercial operations in October 2000. This project was designated by the World Bank as a best practices example for its environment risk mitigation and social rehabilitation plan.

Ahmedabad — Mehsana Road

This project involved the development of an approximately 333 Lane km section of State Highway Numbers 41 and 133 from Ahmedabad to Mehsana in the State of Gujarat. The concession for this project was awarded to our promoter by the Government of Gujarat on a BOOT (Toll) basis, which commenced from the date of Concession Agreement i.e. May, 1999 and shall extend till for a period of 30 years from the operations date i.e. February 2003. The construction period for the project was 33 months. Pursuant to the terms of the concession, upon completion of the 30 year period, the concession period is further extendable for a two year period until the total project cost and agreed returns thereon have been recovered. We completed the construction of this project and commenced its commercial operations in February 2003.

For the six months ended September 30, 2009, we recognized Rs. 367.08 million as revenue from the two foregoing projects. For the year ended March 31, 2009, we recognized Rs. 659.69 million as revenue from the two foregoing projects.

Nagpur City Bus Project

This project includes the mobilization, operation and maintenance of the Nagpur city bus services in the city of Nagpur on BOO basis. The concession for this project was awarded by Nagpur Municipal Corporation to Vansh Nimay Infra Projects Limited for a period of 10 years (and renewable for another 5 years), which commenced in February 2007 and will end in February 2017 unless renewed. Our Company acquired an 80% stake in this company. Under this project we introduced a combination of small and standard buses with an objective to enhance transport penetration and reach in the city of Nagpur. We derive revenue from this project primarily through receipts from sales of bus tickets. This project is currently operational. For the six months ended September 30, 2009, we recognized Rs. 139.47 million as revenue from this project. For the year ended March 31, 2009, we recognized Rs. 4.94 million as revenue from this project.

In order to expand the existing bus network, Nagpur Municipal Corporation ("**NMC**") is procuring an additional 300 buses under the JnNURM scheme, wherein Government of India/Government of Maharashtra will contribute 70% of the procurement cost of the buses and the remaining 30% will be contributed by the NMC. In this regard, NMC has requested VNIL to provide a 30% contribution towards procurement of 300 additional buses by NMC under the JnNURM scheme. VNIL has submitted its offer dated November 24, 2009 for the operation and maintenance of 300 additional buses, and this offer has been accepted pursuant to an NMC vide letter dated January 8, 2010. VNIL shall commence operations and maintenance of the additional buses in a phased manner from January 26, 2010 as desired by NMC.

Thiruvananthapuram City Roads (Phase I)

We are developing roads with an aggregate length of approximately 158 Lane kms in Thiruvananthapuram city in the State of Kerala in three phases — Phase I, Phase II and Phase III. We completed Phase I in November 2006, which included the development of approximately 51 Lane kms. For a description of Phase II and Phase III, see "Our Business—*Projects Under Construction—Thiruvananthapuram City Roads (Phase II and Phase III)*. The concession for this project was awarded to us by the Kerala Road Fund Board on a BOT (Annuity) basis for a period of 17.5 years (including an initial construction period of two and a half years) which commenced in May 2004 and will end in September 2024 for Phase I.

Andhra Pradesh Expressway (Kotakatta Kurnool Road)

This project involved the widening of an existing two lane segment on NH-7 to four lanes aggregating approximately 328 Lane kms in the state of Andhra Pradesh on a BOT (Annuity) Basis. The concession for this project was awarded to us by the NHAI on BOT (Annuity) basis for a period of 20 years (including a construction period of 30 months), which commenced in October 2006 and will end in September 2026. We completed the construction of this project and achieved provisional completion of the project on September 30, 2009.

Tukkuguda to Shamshabad section of Hyderabad Outer Ring Road

This project includes the development of an eight-lane wide expressway with an aggregate length of approximately 152 Lane kms of the Outer Ring Road in Hyderabad in the state of Andhra Pradesh. The concession for this project has been awarded to us by the Hyderabad Urban Development Authority and Hyderabad Growth Corridor Limited on a BOT (Annuity) basis for a period of 15 years, including an initial construction period of 30 months which commenced in November 2007 and will end in November 2022. The project achieved provisional completion on November 26, 2009.

For a description of the terms of the concession agreements relating to our completed projects, see the section titled "Key Business Related Agreements" on page 97.

Projects Under Construction

The following of our projects are under construction:

East Hyderabad Expressway (Pedda Amberpet to Bongulur section of Hyderabad Outer Ring Road)

We are currently developing an eight-lane wide expressway with an aggregate length of approximately 173 Lane kms outer ring road in Hyderabad in the State of Andhra Pradesh. The concession for this project was awarded to us by the Hyderabad Urban Development Authority and Hyderabad Growth Corridor Limited on a BOT (Annuity) basis for a period of 15 years (including a construction period of two and a half years), which commenced in September 2007 and will end in December 2022. We expect to complete the construction of this project in or around June 2010.

Thiruvananthapuram City Roads (Phase II and Phase III)

We are developing roads with an aggregate length of approximately 158 Lane kms in Thiruvananthapuram city in the State of Kerala in three phases — Phase I, Phase II and Phase III. We completed Phase I in November 2006. Phase II and Phase III, which are currently under construction, includes the development of 107 Lane kms. The concession for Phases II and III of this project was awarded to us by the Kerala Road Fund Board on a BOT (Annuity) basis for a period of 17.5 years (including an initial construction period of two and a half years) which commenced in May 2004 and will end in May 2027. We expect to complete the construction of Phases II and III of this project in or around November 2011.

Beawar Gomti Road

This project includes the development of two lanes with an aggregate length of approximately 248 Lane kms with an option to construct a four lane highway on the Beawar Gomti Highway connecting Beawar to Gomti in the State of Rajasthan. The concession for this project was awarded to us by the Department of Road Transport & Highways, Government of India, on a DBFOT (Toll) basis for an initial period of 11 years which is further extendable to 30 years in the event that the company exercises the option to construct a four lane highway on the stretch within seven years from the appointed date. (including a construction period of 455 days for the construction of two lanes on the project highway). We expect to complete the construction of this project in or around December 2010.

For a description of the terms of the concession agreements relating to our projects under construction, see the section titled "Key Business Related Agreements" on page 97.

Projects Under Development

Our projects under development are those projects where the actual construction has not yet commenced. These projects are either at a pre-financial closure stage or at a stage where EPC contractors are being identified by us.

The following of our projects are under development:

Hazaribagh Ranchi Road

This project includes the development of four lanes with an aggregate length of approximately 319 Lane kms connecting Hazaribagh to Ranchi in the State of Jharkhand. The concession for this project has been awarded to us by the NHAI on a BOT (Annuity) basis for a period of 18 years, including an initial construction period of two and a half years. Financing documents for the project were executed on February 9, 2010.

Chandrapur Warora Road

This project includes the development of four lanes with an aggregate length of approximately 275 Lane kms connecting Warora to Chandrapur to Bamni in the State of Maharashtra. The concession for this project has been awarded to us by the PWD, Government of Maharashtra on a DBFOT (Toll) basis for a period of 30 years, including an initial construction period of three years. We expect to commence the construction of this project after achieving financial closure.

Pune Sholapur Road

This project includes the development of four lanes with an aggregate length of approximately 571 Lane kms on Pune - Sholapur stretch of National Highway-9 in the State of Maharashtra. The concession for this project has been awarded to us by the NHAI on a DBFOT (Toll) basis for a period of 20 years, including an initial construction period of two and a half years. Financing documents for the project were executed on January 25, 2010.

Moradabad Bareilly Road

This project includes the development of four lanes with an aggregate length of approximately 522 Lane kms on the Moradabad Bareilly stretch of the National Highway-24 in the State of Uttar Pradesh. The concession for this project has been awarded to us by the NHAI on DBFOT (Toll) basis for a period of 25 years, including an initial construction period of 30 months. We expect to commence the construction of this project after achieving financial closure.

Gurgaon Metro Rail Link

This project includes the development of an approximately 4.9 kms long track for an elevated metro line on a concession basis connecting the Delhi Metro Sikanderpur station on MG Road to NH-8 in Gurgaon in the State of Haryana. The concession for the project has been awarded to us by Haryana Urban Development Authority (HUDA) for a period of 99 years, including an initial construction period of two and a half years. We expect to commence the construction of this project after achieving financial closure. The concession agreement for the project was executed between HUDA and Rapid MetroRail Gurgaon Limited on December 9, 2009.

For a description of the terms of the concession agreements relating to our projects under development, see the section titled "Key Business Related Agreements" on page 97.

Projects in which we have beneficial interest

There are certain projects in which we have a "*beneficial interest*" as a result of certain call option agreements entered into with our Promoter, group companies and certain third parties, as well as covered warrants to which we have subscribed. As a result of these agreements, we have an effective beneficial interest in such projects whereby, for example, if the project company declares and pays a dividend, we would receive a payment equivalent to our beneficial interest. Such payments would be recognized as other income. We record the value of the covered warrants on our balance sheet as investments, and record the value of the call options as current assets. To date, we have not generated any income from these arrangements and we are not entitled to any rights and privileges of shareholders pursuant to these arrangements. For additional details of these agreements, see the section titled "History and Certain Corporate Matters" on page 187. Mentioned below are certain projects which are being undertaken by SPVs in which we hold only beneficial interests. We believe that the investments made by our Company in these projects are in compliance with the terms of the respective concession agreements with the relevant regulatory authority. In the event that such regulatory authority raises any objection to our beneficial interest, we may be required to withdraw our investments or enter into definitive agreements, so as to acquire an equity stake in the applicable SPV.

Mega Highways Project Rajasthan (Completed)

This project includes the development of two highway lanes with an aggregate length of 2,106 Lane kms and the improvement of four corridors, connecting Phalodi to Ramji-ki-Gol, Hanumangarh to Kishangarh, Alwar to Sikandra, Lalsot to Kota, and Baran to Jhalwar in the State of Rajasthan. The concession for this project was awarded to our Promoter by the Government of Rajasthan on a PPP (Toll) basis for a period of 32 years (including a construction period of two years) which commenced in January 2006. We have beneficial interest in this project as our Promoter has transferred its interest in the project to us through the issuance of covered warrants. This project has been commissioned pursuant to the concession agreement and a majority of the roads under this project are currently operational.

Mega Highway Project, Rajasthan (Under Development)

This project includes the development of two highway lanes with an aggregate length of 476 Lane kms and includes the improvement of three corridors, connecting Alwar to Bhiwadi, Jhalawar to Jhalawar Road, and Arjunsar to Pallu in the State of Rajasthan. The concession for this project has been awarded to our Promoter, IL&FS on a PPP (Toll) basis. We have beneficial interest in this project as our Promoter has transferred its interest in the project to us through the issuance of covered warrants. The concession is for a period of 32 years, including a construction period of two years. We expect to commence the construction of this project after achieving financial closure.

Jharkhand Accelerated Road Development Programme

This project includes the development of two lanes with an aggregate length of approximately 1,002 Lane kms connecting selected roads in the State of Jharkhand. Our Promoter has signed a Programme Development Agreement with the Government of Jharkhand for the development of this project on a BOT (Annuity) basis for a period of 18 years (including three years of planning, designing and procurement of contractors and construction of selected roads). We have beneficial interest in this project as our promoter has agreed to transfer its interest in the project to us through the issuance of covered warrants. This project will be undertaken in three different phases, and the first phase commenced on December 18, 2009. The concession period for this project will end in August 2027. We expect to complete the construction of this project in or around August 2011.

Chhattisgarh Accelerated Road Development Programme

This project includes the development of two lanes with an aggregate length of approximately 1,368 Lane kms connecting selected roads in the State of Chhattisgarh. Our promoter has signed a Programme Development Agreement with the Government of Chhattisgarh for the development of this project on a BOT (Annuity) basis for a period of 17.5 years. We have beneficial interest in this project as our promoter has agreed to transfer its interest in the project to us through the issuance of covered warrants. This project will be undertaken in different phases. As the Programme Development Agreement for the project is expiring, we have applied for an extension with the Government of Chhattisgarh, through our letter dated January 15, 2010.

New Projects

Preferred Bidder

Set forth below is a description of projects for which we believe we have been selected as preferred bidders but the concession for the development of the projects is yet to be awarded to us.

Narketpalli Addanki Medarametla Road

This project includes the widening of an existing two-lane carriageway to a four-lane carriageway, including the strengthening of the existing carriageway by providing bituminous overlays with an aggregate length of approximately 888 Lane kms from Narketpalli to Medarametla near Addanki section of SH-2 in the State of Andhra Pradesh. The concession for this project will be awarded to the successful bidder by the Roads & Building Department, Government of Andhra Pradesh on BOT (Toll) basis for a concession period of 24 years, including an initial construction period of two and a half years.

Almaty – Horgos

This project includes the reconstruction and operation of the Almaty - Horgos section of Republic of Uzbekistan Border (towards Tashkent) – Shymket – Taraz – Almaty – Horgos Automobile Road via Kokpek, Koktal, Blagoveshchenka with entry points to the Republic of Krygystan with an aggregate length of approximately 1,212 Lane kms in the Republic of Krygystan. The concession for this project will be awarded to the successful bidder by the Ministry of Transport and Communications of the Republic of Kazakhstan with a concessional period of 24 years, including an initial construction period of three years.

Pre-Qualified

A list of projects for which we have been pre-qualified and for which we propose to submit price bids is set forth below:

(as of February 1, 2010)

Name of the Project	Description	Length (in km)	Estimated Project Cost (Rs. Million)
Projects to be implemented on BOT (Toll) basis			
Bagodara Watanam Tarapur Vasad Project	Six laning of existing 3 lane Bagodara Watnam Vasad (SH-8) from km 0.00 to km 101.90 in the State of Gujarat.	101.90	8,839.00
Tumkur Chitradurga Project	Six laning of NH-4 from Tumkur (km 75+000) to Chitradurga (km 189+000) excluding Tumkur & Chitradurga bypasses, in the State of Karnataka under NHDP Phase V	114.00	8,390.00
Belgaum Dharwad Project	Six laning of Belgaum - Dharwad Section of NH-4 km 433.00 to km 515.00 in the State of Karnataka to be executed as BOT (Toll) project on DBFOT pattern under	79.36	4,800.00

Name of the Project	Description	Length (in km)	Estimated Project Cost (Rs. Million)
	NHDP Phase V		
Maharashtra Goa / Panaji border Project	4/6 laning of Maharashtra / Goa Border, km 475.040 (Design Chainage km 475.040) to Panaji - Goa / Karnataka Border, km 611.000 (Design Chainage km 597.910) Length 139 kms (Design Length 122.870 kms) Section of NH-17 in the State of Goa to be executed as BOT (Toll) Project on DBFO Pattern under NHDP Phase III.	139.00	20,264.90
Kuttipuram – Edapally Project	Four laning of Kuttipuram - Edapally section of NH-17 from km 318+000 to km 438+600 under NHDP Phase III in the State of Kerala	120.60	8,900.00
UP/ Haryana border – Yamunanagar	Four laning of UP/Haryana border – Yamunanagar-Saha-Barwala-Panchkula section of NH-73 on DBFOT basis under NHDP Phase III in the State of Haryana	105.00	7,500.00
Jaipur to Nagaur	Jaipur (NH-11) to Nagaur (NH-65 and 89) via Jobner, Kuchaman, Khatu project on BOT (Toll) basis	253.00	2,200.00
Lebad to Mandpur Project	Four Laning of new alignment from Lebad to Mandpur on BOT (Toll) basis in the state of Madhya Pradesh	34.30	2,001.00
Patna Buxar Project	Two/ Four Laning of Patna – Buxar Stretch of NH-30 (from km 181.300 to km 117.000) & NH-84 (from km 0.000 to km 75.000) in the State of Bihar under NHDP Phase III on BOT (Toll) Basis Project	105.00	8,070.00
Rimuli Roxy Rajamunda	Four/ Two Laning of Rimuli – Roxy - Rajamunda Section from Km 163.00 to km 269.00 of NH-215 in the State of Orissa to be executed as BOT (Toll) project on DBFOT Pattern under NHDP Phase IIIA	96.45	4,490.00
Chandikhole Dubari Talcher	Four/ Two laning of Chandikhole-Dubari-Talcher Km 301.890 to km 428.03 in the state of Orissa on BOT (Toll) basis under NHDP Phase III	133.00	5,610.00
Panikoli Rimuli	Panikoili - Rimuli Section from Km 00.00 to km 163.00 of NH-215 in the State of Orissa to be executed as BOT (Toll) project on DBFOT Pattern under NHDP Phase III	163.00	11,650.00
Projects to be implemented on BOT (Annuity) basis			
Shilong Bypass Road Project	Two Laning of Shillong Bypass connecting Section of NH –40 & NH-44 from Km 61.800 of NH-40 to Km 34.850 of NH-44 in the State of Meghalaya under SARDP-NE	47.06	2,261.12
Jorbat Shilong Road Project	Four laning of Jorbat Shillong (Barapani) Section of NH-40 from km 0.000 to km 61.800 in the States of Assam and Meghalaya under SARDP –NE	61.92	5,360.00
Potin Pangin Road Project	Widening of existing road to 2 lane NH standards along with improvement and re-alignment from Potin to Pangin, via Yachuli, Ziro, Daporizo, Aalong under Arunachal Pradesh Package of Roads & Highways	407.00	18,550.00
Nechipu Hoj Road Project	Widening of existing road to 2 lane NH standards along with improvement and re-alignment from Nechipu to Hoj via Seppa,	311.00	13,890.00

Name of the Project	Description	Length (in km)	Estimated Project Cost (Rs. Million)
	Khodaso, Saggalee under Arunachal Pradesh Package of Roads & Highways		
Dhola Sadia Ghats Road Project	Construction of 12.9 m wide bridge between Dhola and Sadia Ghats along with 2 lane connecting roads from near Dhola to Islampur Tinali in Assam under Arunachal Pradesh Package of Roads & Highways	25.80	8,760.00
Srinagar Banihal Road Project	Srinagar to Banihal Section of NH-1A, from km 187.000 to km 189.350 (Banihal Bypass) and km 220.700 to km 286.110 and improvement of km 187.000 to km 220.700 (Existing 2 lane road) on DBFOT (Annuity) Basis, in the State of Jammu & Kashmir (Package No: NHDP-Phase-II/BOT/I/J&K)	99.11	12,000.00
Ramban Banihal Road Project	Rehabilitation, strengthening and four laning of Ramban to Banihal section of NH-1A, from km 151.000 to km 187.00 on BOT (Annuity) basis on DBFO Pattern, in the State of Jammu & Kashmir. (Package No: NHDP-Phase-II/BOT/III/J&K).	36.00	9,860.00
Udhampur Ramban Road Project	Rehabilitation, strengthening and four laning of Udhampur to Ramban section of NH-1A, from km 67.00 to km 89.00 and km 130.00 to km 151.00 and improvement of km 89.00 to 130.00 (Existing 2 lane road) on BOT (Annuity) basis on DBFO pattern, in the State of Jammu & Kashmir (Package No: NHDP-Phase-II/BOT/IV/J&K).	43.00	9,710.00
Quazigund Banihal Road Project	Quazigund to Banihal section of NH-1A from km 189.350 to km 204.700 including 2-tunnels of 0.69 km & 8.45 km length, in the State of Jammu & Kashmir, on DBFOT(Annuity) basis. (Package No: NHDP – Phase-II/BOT/II/J&K).	15.25	19,870.00
Chenani Nashri Road Project	4- laning of Chenani to Nashri section of NH-1A, from km 89.00 to 130.00 (new alignment) including 9 km long tunnel (2 lane) with parallel escape tunnel, on BOT (Annuity) basis, on DBFO Pattern, in the state of Jammu & Kashmir (Package No: NHDP-Phase-II/BOT/V/J&K).	12.00	21,080.00
Jammu Udhampur Road Project	Rehabilitation, strengthening and four laning of Jammu-Udhampur section from km 15.00 (on Jammu Bypass) to km 67.00 on BOT (Annuity) basis on DBFO Pattern, in the State of Jammu & Kashmir. (Package No: NHDP-Phase-II/BOT/VI/J&K).	65.00	17,710.00

International Projects for which we intend to participate

Name of the Project	Description	Revenue Model (Annuity/Toll)	Length	Estimated Project Cost
Kigamboni Bridge Project, Tanzania	Financing and development of the Kigamboni Bridge under Public Private Partnership (PPP) basis	PPP basis	640 m, 6-lane toll bridge with 6-lane approaches	Euro 45 million
Construction of MT2	Development of toll road	PPP basis	109 km	To be estimated

Name of the Project	Description	Revenue Model (Annuity/Toll)	Length	Estimated Project Cost
Highway from Dar es Salaam to Chalinze in the eastern region of Tanzania	between Dar es Salaam and Chalinze, on PPP basis			
Output & Performance Road Contract in Liberia	Output and Performance Road Contract In Liberia for three roads: - Cotton Tree- Port Buchanan road: 81.5 km - Red Light- Gate 15 Gbarnga road: 180.4 km - Gbarnga-Ganta-Guinea Border road: 68.8 km	OMT basis	330.70 km	-
Syria Road Project	Construction of Bab Al Hawa – Nassib Freeway and Tartoos – Homs – Attanf Freeway, Syria based on BOT System	BOT basis	-	USD 1,600 million
Uganda Road Project	Entebbe to Kampala road on BOT (Annuity) Basis, Uganda	BOT (Annuity) basis	-	-
SCTEX Expressway	Subic – Clark – Tarlac Expressway (SCTEX)	Concession basis	93.77 km	-
Accra Kumasi Toll Road Project	Project Finance and Public Private Partnership for Accra Kumasi Toll Road Project to Ministry of Finance and Economic Planning, Government of Ghana	PPP basis	230.00 km	-
Tolled Motorways in Republic of Macedonia	Develop and implement a series of Tolled motorways in Republic of Macedonia	PPP basis	530.00 km	-
Infrastructure Projects in Kenya	Development and implementation of infrastructure projects in Kenya	PPP basis	-	-
Electronic Toll Collection in Ghana	Electronic Toll Collection in Accra Kumasi, Ghana	PPP basis	-	-

Business Activities

Our key business activity is the development, implementation, operation and maintenance of surface transport infrastructure projects.

Project Development and Implementation

We perform a range of project development activities from the conceptualization of projects to commissioning and commencement of commercial operations. These activities include the following:

- business development and seeking opportunities to participate in competitive bidding for new projects;
- evaluation and preparation of bids;
- assessment of estimated project costs;
- applications for pre-qualifications and tenders
- preparation of structural and other designs;
- SPV formation and arranging financing for the project;
- management of logistical and development issues (such as liaising with state and local regulatory authorities for obtaining land and environment related approvals for the project) during the concession period; and
- management and supervision of projects during the project life cycle.

Set forth below is a summary description of the key stages of our projects.

Business Development and Internal Co-ordination

We have a well-regulated management policy governing our strategy on bidding for projects. Our management determines our overall strategy with respect to the procurement, development and operation of our projects. Our business development team identifies potential projects and prepares the bids generally by monitoring the published tenders of local, State and Central governments. We also subscribe to news wires to stay informed on the bids published and local and international government initiatives.

Our design and development team complements the bidding initiatives by undertaking relevant studies and preparing preliminary designs in accordance with the requirements of the bid documents to conclude the viability of the project and to arrive at an estimate cost of the project.

Competitive Bidding

Most of our projects are awarded through a transparent competitive bidding process. The bidding process typically consists of two parts: the pre-qualification stage and the bidding stage.

The Pre-Qualification Stage

In the pre-qualification stage, the concessioning authorities (which are generally the State or Central Government entities) consider several criteria, including technical experience and financial strength.

Prior to submitting our bid for pre-qualification, our transaction approval committee reviews each potential project and provides their approval for participation in the project. If the management is satisfied that we can prepare a formal bid that will satisfy the pre-qualification criteria as defined in the bid document, then we submit our credentials for pre-qualification.

The Bidding Stage

We submit a final bid after our pre-qualification for the project. In most cases the relevant local, State or Central Government authority follows the Model Concession Agreement formulated by the Planning Commission of India in the bid format. Most of the terms governing a concession are finalized as part of the Model Concession Agreement, and concession operators like us generally have limited ability to change these terms during the construction or operation phases of the concession. However, we do have to determine the amount of the premium we will pay to the government for the project or the amount of financial grant or annuity we propose to receive under the concession agreement. As a result, it is important that both revenues and expenses are accurately forecast during the bidding phase, and that potential risks are correctly identified, assessed and appropriate provisions are incorporated prior to submission of the bid. Prior to submitting our bids, we also discuss the construction costs with a few construction companies, and following evaluation of such costs, ultimately include such costs in our bid.

The typical duration between publication of the notice of a tender and the submission of a final bid is approximately four months. Once all bids have been submitted, the concessioning authority (which is typically a Central, State or local government entity) reviews each of them. The concessioning authority either chooses the most financially attractive bid (unless there is a technical or other deficiency with the most financially attractive bid) or re-tenders the project.

Bilateral Negotiations

In addition to participating in competitive tenders, we have been awarded projects through bilateral negotiations with State Governments. We, along with our Promoter, often assist the concessioning authorities in the early stages of their processes by customizing our scope of work and the concession terms to suit the specific project requirements. In such instances, we are often awarded the project following our submission of competitive bid. Additionally, we are also occasionally awarded concessions by the concessioning authorities for the development of additional roads without going through a competitive bidding process in instances where we have already developed a road for the relevant concessioning authority.

SPV Formation and Financing

Once we have been awarded a surface transport infrastructure project, we establish a special purpose vehicle which holds the project and develops, maintains and operates the concession. While the SPV is the legal entity with rights and obligations under the concession agreement, in practice we provide all necessary support to the SPV and take the lead in project management on behalf of the SPV in accordance with the terms of the concession agreement and also operate and maintain the toll/annuity roads on behalf of the SPV once it is completed.

When accepting the award of the concession, the successful bidder signs a letter of award received from the concessioning authority. These may include the submission of a performance guarantee. The performance guarantee is usually provided by us within 180 days from date of signing of the concession agreement. All the required finances for the project are generally mandated to be concluded within 180 days of signing of concession agreement.

We normally seek to fund up to 70% of the required capital expenditure for new projects through debt financing which we generally arrange through IL&FS's debt syndication arm from banks and financial institutions and in some instances directly from IL&FS, with the remainder being financed through an equity contribution.

Construction

The construction phase of a toll or annuity road project begins after financial closure is achieved. Our concession agreements often contain incentives for early completion of a project. The construction phase of a project often takes between 15 months and three years to be completed. Our concessions typically range from a period of 11 to 32 years, after which they are transferred to the concessioning authority.

We deploy a team from our project implementation department and design unit, which includes approximately 112 engineers from our project implementation and operation and maintenance team, to finalize the detailed design of the project, liaise with the concessioning authority and respective government agencies in connection with the land acquisition process, utility shifting, procurement of necessary approvals/permits and supervise and manage construction work. Throughout this phase, we monitor and control the various work processes closely with the objective of controlling costs, maintaining quality and other logistical issues such as land acquisition, environmental rehabilitation or social resettlement.

Our SPVs typically sub-contract construction activities for the projects. The contractors generally procure all the raw materials required for each project. Contractors are typically paid based on the completion of construction milestones. We choose the contractor for a given project based on many factors including the size and nature of the project, the contractor's capability, the contractor's presence and experience in the local region, the contractor's relevant experience and the contractor's quote and estimated time for completion. We have worked with a number of contractors throughout India, and we are not dependent on any single contractor.

For certain of our projects, we also enter into fixed price agreements with our SPVs for undertaking the design, development, construction, supervision and management of the project domiciled in the SPV. In such circumstances we have outsourced the civil works portion of the contracts to a construction contractor.

Our construction contracts with our contractors are primarily item based contracts and , in some instances, fixed price contracts. In fixed price contracts, the construction price is fixed at the time of agreement and the contractor bears the risk of any subsequent increase in costs and delays (other than increased costs or delays attributable to the concessioning authority) in connection with construction. In item based contracts, we agree the construction cost per unit with the contractor based on reference rates for various components of construction, including steel, cement, bitumen and diesel at the time of the construction agreement. These contracts generally contain construction price escalation provisions linked to increases in raw material costs relative to the agreed reference rates in accordance with a pre-determined formula. Accordingly, we bear the risk of increased costs of raw materials to the extent we outsource construction activities pursuant to item based contracts.

As the project nears completion, an independent engineer is asked to certify that the road has been completed in accordance with the technical specifications set forth in the concession agreement. Upon receipt of the independent engineer's report, the concessioning authority issues a completion certificate, which allows us to begin collecting toll receipts or receive annuity payments as per the provisions of the concession agreement.

Operation and Maintenance

We have project implementation teams located on site at all our projects. These teams monitor the roads for maintenance, upkeep and operations services, as well as user and emergency services. We provide these services through our own facilities and by sub-contracting some services to specialist companies. We consider the relative efficiencies of self-sourcing and outsourcing for each required service when making our sourcing decisions.

Under the terms of our concession agreements, we are responsible for performing maintenance services to preserve our toll and annuity road systems, rectification of any defects on the road surface, services for overlaying, draining, safety services and equipment, signage and signaling, maintaining bridges and viaducts and carrying out protective works such as patchwork repairs. We conduct regular safety inspections of all our roads.

In-house Testing Laboratory

In Raipur, Chhattisgarh, our material testing laboratory has been certified under ISO 9001:2000. This is a testing laboratory for a number of project development, construction, operations, maintenance, and tolling activities and serves as a testing facility for the materials used in the construction of the projects that we operate or develop. To the extent this laboratory has unutilized capacity, it is also engaged by third parties to test the construction materials used in their projects.

Accident and Emergency Services

In managing our toll roads, we seek to meet or exceed internationally accepted safety standards. Our accident prevention strategy prioritizes construction, acquisition and provision of new safety features, such as pedestrian overpasses, concrete barriers, speed limit controls, improved signals and signage, roadway widening, ambulance response capability, traffic inspection and removal of dead animals and other obstructions. We believe that our preventive measures are essential in minimizing injury and fatalities on our toll roads.

Our concession agreements also require us to provide emergency services to our users. In this regard, we provide traffic inspection and emergency, rescue and search services. Our traffic inspection teams patrol our toll roads monitoring potential problems and emergencies, placing emergency signs and taking other appropriate measures when necessary. They also look out for toll road users evading the toll fee. Our service team provides emergency aid to vehicles with mechanical problems on our roads, using tow trucks to remove broken down or damaged vehicles. We also operate mobile rescue units that are equipped to provide first aid and evacuation in case of medical emergency. Most of our mobile rescue units have a GPS tracking system installed that permits us to monitor the vehicle's activity, fuel levels and other critical details on a real-time basis by means of a satellite network.

Traffic Information

We maintain several traffic information systems for our road users, including technologically advanced traffic management systems such as variable message panels along certain of our concession toll roads to provide traffic condition information.

Project Management Information System (PMIS)

We benefit from our recent introduction of PMIS. PMIS is a web-application designed to be user friendly and provides technologically advanced capabilities, including project information, to our project teams. PMIS employs both Geographic Information System (GIS) and Remote Sensing (RS) technology. GIS is licensed by our Company. PMIS monitors activities such as road inspection, maintenance, arboriculture, accident management, traffic management and traffic safety compliance. In addition, PMIS enables project teams to compile the results of such monitoring in a continually updated database.

Tolling

Toll collection systems

We typically use automated toll collection systems at our toll plazas and the level of automation at the toll plazas are designed based on the type of traffic and volume at the toll plazas. For example, at urban toll plazas we use 'pass through technology' which allows the users who have radio tags issued by us installed on their vehicles to pass through the toll plazas without stopping. The technology used for automation of our toll plazas is generally scalable and adaptable to the changing requirements. It also help us in creating an audit trail for reconciliation of revenue collection. Toll automation also helps us in achieving efficiency in the manpower required at the toll plazas

We closely monitor the collection of tolls with a view to reducing fraud and pilfering through effective supervision through CCTV cameras and monitoring systems installed at most of our toll roads. Distinct tickets are issued for each class of vehicle. Supervisors conduct a regular reconciliation of the cash receipts against the tickets issued. In addition to regular reconciliation, spot checks of each ticket collector are randomly carried out at unscheduled times during their shifts. We also carry out random inspections on each toll plaza.

As part of our toll collection control procedures, at the end of each shift, we reconcile cash receipts against the records entered into our computer systems by each toll operator, and against the information recorded by the sensors in each toll lane, which identify the number of vehicles passing through the toll lane. Our toll supervisors also check the information recorded by CCTV cameras which are located in and around the various toll plazas, in order to determine the types of vehicles passing through the toll lane, and to enter the information into the system.

User Fees

The user fees that we charge the users of our toll roads are set according to the user fee notification provided as part of the concession agreements. The user fee is typically increased at scheduled intervals, sometimes by reference to certain indices. The user fee also varies depending on the type of vehicle.

Auctioning toll receipts

We have auctioned the toll receipts attributable to some of our roads for one-year periods in order to provide greater certainty and stability to our revenues. We advertise the auctions via newspapers and other media, and we typically sell the receipts to the highest bidder. We require all selected bidders to guarantee a part of the payments that they are required to deposit with us as part of their toll auction. Purchasers of the future toll receipts, which are generally local or national toll operator companies, pay us a fixed weekly fee in exchange for the actual toll receipts, which may be higher or lower than the fixed fee. The purchasers of these toll roads receipts are typically responsible for collection of tolls and expenses such as maintenance of toll plazas and electricity while we continue to remain responsible for the maintenance and repair of the toll roads. Upon expiry of the one-year period, we will generally sell the toll receipts for a fresh term of one year either by re-negotiating the fee terms with the existing toll operator or by conducting a fresh auction to sell receipts to the highest bidder.

Competition

In the roads business, our revenues from existing toll roads are subject to competition from other roads that operate in the same area as well as from other modes of transportation. In addition, we compete with a number of Indian and international infrastructure operators in acquiring both concessions for new road projects and existing projects. We currently do not face any material competition with respect to our existing annuity road projects because the concessioning authorities are obligated to make fixed annuity payments to us and the commercial risk is generally taken by the concessioning authority.

We believe that some of the Indian companies that are active in the surface transportation infrastructure sector include Gammon India Limited, GMR Infrastructure Limited, GVK Power Infrastructure Limited, IRB Infrastructure Developers Limited, Larsen & Toubro Limited, Punj Lloyd Limited and Reliance Infrastructure Limited. Further, certain of our SPVs face competition from other companies in their respective sectors and geographies.

We expect to face significant competition from other national and international companies as we enter into other sub-sectors of surface transportation infrastructure such as railways, monorails, multi-level parkings and airports.

Environmental Regulations

Our concession agreements require various environmental clearances, permits and approvals for our projects from the Ministry of Environment and Forests, for example, a clearance that the construction of the road does not pass through any ecologically sensitive areas such as national parks, sanctuaries, tiger reserves and reserve forests. If the proposed stretch of road does pass through reserve forest land, special clearance from the Ministry of Forests is required. The Principal Secretary to Government, Environment Forests Science and Technology Department accords Stage 1 approval to the respective Principal Chief Conservator of Forests subject to compliance with certain conditions, and upon receipt and approval of the compliance report from the Principal Chief Conservator of Forests, may grant final Stage 2 approval on the condition that exclusive avenue plantation is undertaken by the concessionaire throughout the entire stretch of road in accordance with Forest Department guidelines. Road companies also require clearance from the State Pollution Control Board for the operation of quarries. We believe that we are in substantial compliance with the applicable environmental laws and regulations, as well as the obligations assumed through the documents signed with environmental authorities. For additional information relating to the environmental regulations relevant to our business, see the sections titled "Regulations and Policies" and "Government and Other Approvals" on pages 133 and 373, respectively.

Insurance

Our principal types of insurance coverage include all-risk insurance policies, fire insurance, motor vehicle insurance, burglary and housebreaking insurance, electronic equipment insurance, directors' and officers' liability insurance, public liability insurance and special contingency insurance. Our insurance policies may not be sufficient to cover our economic losses. For further details, see the section titled "Risk Factors" on page xxxi. Our operations are subject to hazards inherent to the road infrastructure development business, such as risks of equipment failure, terrorist attacks, riots, work accidents, fire, earthquake, flood and other *force majeure* events. This includes hazards that may cause injury and loss of life, damage and destruction of property, equipment and environmental damage.

We believe that the amount of insurance presently maintained by us represents an appropriate level of coverage required to insure our business and operations, and is in accordance with the concession agreement and industry standards in India.

Insurance during the construction phase typically includes the following:

- Contractor's all risk policy for construction activities during the construction period covering all risks associated with construction;
- A medical claims policy and a personal accident policy;
- Third party liability insurance;
- Plant and equipment insurance including transit insurance;
- Professional indemnity insurance; and
- Motor own damage and liability insurance.

In addition, our Company has taken the following insurance covers apart from the extended maintenance cover under the "Contractor's All Risk Policy":

- Fire insurance policy for all natural perils including terrorism, riots, strike and malicious damage for project roads, toll plazas, bridges and ROBs and administration buildings;
- Loss of profit policy for loss of toll revenue due to natural perils;
- Public liability policy for any claims arising from the public for any public liability;
- All risk policy covering all signages put on the roads;

- Special contingency policy covering loss of profit due to perils on other feeder roads;
- Money policy for all toll collection locations; and
- Machinery break down policy for diesel generator sets.

Employees

Our business operations are driven primarily by our employees. We place a significant emphasis on the recruitment and retention of our personnel and organize in-house and external training programs for our employees. As of January 12, 2010, we had a total of 170 employees, in the following categories:

Category	Number
Head of Department	5
Technical Director	1
Finance / Accounts Department	29
Human Resources / Administration	7
Business Development Section	8
Project Implementation Section	55
Design Unit	30
Operations and Management (O&M)	30
Secretarial Staff	5
Total	**170**

Our employees do not belong to a union. We believe that our employees of our sub-contractors who do construction for us may be unionized. Our relationship with our employees has been positive and our operations have not been interrupted by any work stoppage, strike, demonstration or other labor disturbances.

Property and Equipment

Most of the assets that we use in our concessions do not belong to us. Generally, pursuant to the terms of our concession agreements, title to our toll roads and related infrastructure such as toll plazas and monitoring posts remains with the concessioning authority for the duration of the concession period. During the concession period, we are entitled to use the toll roads and the related infrastructure which comprise the concession assets and we are entitled to the income therefrom. Upon the expiration of the concession period, we are required to transfer these concession assets to the concessioning authority without further compensation.

We currently own or lease a variety of property, primarily for office space, throughout India. Our registered and corporate office is leased to us by our Promoter. We have entered into a deed of conveyance dated September 26, 2007 with M/s Shivalik-II Associates for purchase of 438 sq. m. (5,200 sq. ft.) situated at the fourth floor, Shivalik-II, Ahmedabad for a total consideration of Rs. 14.13 million. Details of certain other properties leased by our Company are provided hereinbelow:

Location of property	Lessor	Relationship with our Company, if applicable	Period of lease	Monthly rental payable
Plot No. 174, Flat No. 901, 'Munshi Manor', 9th Floor, 10th Road, Khar (W), Mumbai 400 052	Ms. Susheela Ambrish Munshi	N.A	July 25, 2008 to July 24, 2010	Rs. 0.11 million
First Floor, Suneja Tower – II, District Centre, Janak Puri, New Delhi 110 058	Mr. Sunder Sham Gandhi	N.A	January 1, 2009 to December 31, 2010	Rs. 0.03 million
Flat No. K-4, Building No. 2, Prathamesh Co-operative Housing Society, Off Veer Savarkar Marg,	Kishore Jagasia	N.A	December 1, 2009 to August 31, 2012	Rs. 0.08 million for the initial 11 months from December 1, 2009 to October 31, 2010; Rs. 0.08

Location of property	Lessor	Relationship with our Company, if applicable	Period of lease	Monthly rental payable
Mumbai 400 025				million for the next 11 months from November 1, 2010 to September 30, 2011 and Rs. 0.09 million for the next 11 months from October 1, 2011 to August 31, 2012
Flat No. 205, 2nd Floor, Raheja Vihar, Andheri (East), Mumbai 400 072	Mr. Sandeep Upadhyay and Ms. Usha Upadhyay	N.A	November 7, 2009 to November 6, 2010	Rs. 0.03 million
Flat No. 12, First Floor, Jasmine Co-operative Society Limited, Madhusudhan Kalekar Marg, Bandra (East), Mumbai 400 051	Mr. Sanjay Chahande and Ms. Sujata Chahande	N.A	August 1, 2007 to May 1, 2010	Rs. 0.15 million from Agust 2007 to October 2008 and Rs. 0.16 million from November 2008 to May 2010
8th Floor, 'The IL&FS Financial Centre', Plot No. C 22, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051, India	IL&FS	Our Promoter	January 16, 2010 to January 15, 2013	Rs. 4.20 million from January 16, 2010 to March 31, 2010, subsequent to which the rental shall be revised
Flat No. 31/32, Victoria, Gajdhar Scheme, Sarojini Naidu Road, Santacruz (West), Mumbai 400 054	Mr. K. Ramchand	Managing Director of our Company	April 1, 2008 to December 31, 2010	Rs. 0.23 million
Flat No. 5E, 5th Floor, Laxmi Niwas, 16th Road, Khar (West), Mumbai 400 052	Ms. Geetu Thakur	N.A	May 20, 2009 to May 20, 2012	Rs. 0.l0 million
Flat No. 11, First Floor, Jasmine Cooperative Appartment, Madhusudhan Kalekar Marg, Bandra (East), Mumbai 400 051	Mr. C.S. Sangitrao and Ms. Jayshree Sangitrao	N.A	July 1, 2007 to April 1, 2010	Rs. 0.14 million

Further, our Company has entered into a letter of intent with IL&FS with respect to the following premises:

Location of property	Period of use of the property	Monthly rental payable
3rd Floor, The Ambience Corporate Tower, Ambience Island, National Highway No. 8, Gurgaon 122 001, Haryana	12 years with effect from January 1, 2010	Rs. 220 per square feet per month from June 10, 2008 to March 31, 2011, Rs. 215 per square feet per month from April 1, 2011 to March 31, 2014, Rs. 240 per square feet per month from April 1, 2014 to June 9, 2017; from June 10, 2017 to June 9, 2020 only common area maintenance charges of Rs. 30 per

Location of property	Period of use of the property	Monthly rental payable
		square feet per month shall be payable.

Intellectual Property

Our Company maintains the ownership of, and controls the use of, our brands and products by means of intellectual property rights, including, trademarks. Our Company has applied for registration over the logo " " in Classes 35, 36, 37, 39 and 42. We have entered into an agreement with IL&FS for use of the "IL&FS" logo. For further details in this regard, see the sections titled "Government and Other Approvals" and "Risk Factors" on pages 374 and xx, respectively.

International Operations

Elsamex

We conduct our international operations through Elsamex S.A. ("**Elsamex**"), our wholly owned subsidiary in Spain. Elsamex was incorporated in 1977 and is an established road maintenance service provider in Spain, with additional operations in certain other countries, including in Europe and Latin America. We acquired Elsamex in March 2008 primarily to complement our BOT road operations with Elsamex's maintenance capabilities and to facilitate our entry into international markets.

Elsamex's primary business is the maintenance of roads, buildings and petrol stations, mainly in Spain, with additional operations in Portugal and Mexico. Elsamex also provides consulting services for roads and water supply projects such as project studies, supervision and quality control services, health and safety audits and environmental assessments. Elsamex also conducts research and developments activities for its road maintenance projects and for third parties through its laboratories CIESM and Control 7.

Additionally, Elsamex is developing two road projects through joint venture arrangements. One project is a highway with an aggregate length of 255 Lane kms in Madrid, Spain, The Divided Highway A-4 (Autovia A-4) in which Elsamex holds a 48.75% interest. The second project is an outer ring road outside Hyderabad with an aggregate length of 152 Lane kms from Tukkuguda to Shamshabad in India in which Elsamex holds a 26% interest.

As of December 31, 2009, Elsamex had 1,353 employees and operations in 10 countries including Spain, Portugal, Albania, China, Colombia, the Dominican Republic, Honduras, Ecuador, India and Mexico.

Operations

Elsamex's key business activities include maintenance of highways, roads and petrol stations. In addition, Elsamex also provides consulting and research and development services for road projects. Set forth below is a description of Elsamex's key business activities.

Maintenance of Highways and Roads

Elsamex focuses mainly on providing maintenance services to government and local authorities in Spain and other countries in which it has operations. As of December 31, 2009, Elsamex had contracts to provide maintenance services for over 22,000 Lane kms of roads, of which approximately 9,000 Lane kms were in Spain, and over 13,000 Lane kms in other countries. Elsamex's key maintenance services for roads and highways include repair works such as patching, sealing of cracks, bridges joints and pavements reinforcement; signage such as cleaning, installation and repairs; cleaning and painting of roads; horticulture; cleaning of drainage systems; installation of safety elements and metal fences; periodic inspections of roads for safety and repairs; signaling and responding to accidents and road surveillance.

These road maintenance contracts are usually awarded to Elsamex by government and local authorities generally for a period of two years.

Maintenance of Petrol Stations

Elsamex provides maintenance services to the operators of more than 3,100 petrol stations, with approximately 2,600 petrol stations in Spain and approximately 500 spread across Colombia, Dominican Republic and Ecuador. The primary maintenance services provided by Elsamex include convenience store maintenance; signage installation and maintenance; re-painting of pumps and buildings in petrol stations; roof repairs and cleaning; electrical maintenance and related breakdown monitoring; petrol station cleaning and maintenance and revision of signs and certain fixtures.

Elsamex's key contracts in this business include contracts for the maintenance of a number of petrol stations.

The maintenance contracts for petrol stations are typically for a term of up to two years subject to further extension for one-year periods.

Elsamex also has interests BOT concessions for five petrol stations varying from 29 years to 46 years out of which four are under operation in which Elsamex holds 25% and the remaining one concession is under development in which Elsamex holds 100% interest

Orihuela Petrol Station. The concession for this petrol station was awarded to Abedul Orihuela UTE, our associate company in which we have a 25% interest, by the Spanish Public Works Ministry for a period of 29 years, which commenced in June 2001;

Torre del Valle Petrol Station. The concession for this petrol station was awarded to Abedul Zamora UTE, our associate company in which we have a 25% interest, by the Spanish Public Works Ministry for a period of 46 years, which commenced in June 2002;

Ponferrada Petrol Station. The concession for this petrol station was awarded to Ponferrada UTE, our associate company in which we have a 25% interest, by the Spanish Public Works Ministry for a period of 46 years, which commenced in August 2004; and

Villavidel Petrol Station. The concession for this petrol station was awarded to Abedul Villavidel UTE, our associate company in which we have a 25% interest, by Gestión de Infraestructuras de Castilla y León S.A. (GICAL SA), an agency of a region government in for a period of 44 years, which commenced in August 2001.

In addition, in 2004 Elsamex was awarded a concession for a petrol station, in La Coruña, Spain, on a BOT basis for a period of 39 years, which is currently under construction and is expected to commence operations in 2010.

Maintenance of Buildings

Elsamex provides building maintenance services in Spain for central, regional and local government buildings such as airports, railway stations and health centers and also to private clients such as banks, and insurance companies. These services typically include the maintenance of electrical fittings and wirings, air condition, fire fighting systems, lifts and external facades, plumbing, painting and refurbishing. Elsamex provides these services on a contractual basis, for a term of up to one year.

Elsamex's key ongoing contracts include the maintenance of systems for uninterrupted power supply and plumbing in all the terminals of Madrid Airport, and the maintenance of the Railway Cordoba Station, the head office of the Public Administration Ministry, a number of schools in Fuenlabrada Council and certain office buildings of banks and financial institutions.

Consulting

Elsamex provides consulting, designing, construction supervision and research and development services for roads and water projects principally in the areas of quality control, safety and health, and environment. Elsamex's consultancy works include the following areas:

- health and safety coordination;
- environmental supervision, advice and coordination;

- labor risk prevention audits;
- project informative studies; and
- supervision of works; studies, reports, supervision in respect of canals, dams, irrigation and drainage.

Elsamex also has six laboratories in Spain for testing asphalt products and road construction materials. Each of these laboratories is accredited by the Government of Spain and provide testing services for Elsamex's projects as well as to third parties. The main laboratories are Centro De Investigacion Elpidio Sanchez Marcos and Control 7, S.A.

Road Concession Agreements

Elsamex is developing two road projects through joint venture arrangements - a highway with an aggregate length of 255 Lane kms in Madrid, Spain, through Sociedad Concesionaria Autovia A-4 Madrid S.A. in which Elsamex and Agrupacion de Empresas Isolux Corsan Concesiones, S.A. hold a 48.75% interest; and an expressway with an aggregate length of 152 Lane kms from Tukkuguda to Shamshabad in India in which Elsamex holds a 26% interest. For further details, see the section titled "Our Business- Details of Projects" on page 76 for a description of these concession agreements.

Contracts

Contracts for Elsamex's maintenance services are generally awarded through competitive tender or processes. The contract terms vary depending on, among other factors, operational conditions such as geography, the specifications of services to be provided, key equipment required, the anticipated duration of the work to be performed, commercial considerations and competitive conditions. Generally, the key contracts contain, among other terms and conditions, scope of work, specifications of equipment, payment terms, delivery or completion schedules and health and safety compliance provisions as well as warranties by Elsamex to its customers, which cover compliance with agreed specifications and lack of defects. In many instances these contracts follow a standard terms and conditions provided by the Government agencies and are therefore subject to limited negotiations.

Sales and Marketing

Elsamex's management team, together with its sales and marketing team, is actively involved in servicing and expanding its customer base. Most of the customers of Elsamex are public authorities and as such Elsamex's contracts are awarded through a bidding process. The tenders are published in official papers and Elsamex' business development team scans such tender publications for bidding. In respect of petrol stations, the business development team meets potential customers and keeps track of concession renewals of petrol stations. With respect to renewals falling due or the construction of new petrol stations, the bidding team meets the potential customers to discussing working on such projects. Elsamex also has a network of agents in its countries of operations assisting in its sales and marketing efforts.

Major Customers

Over the years, Elsamex has established what we believe to be good working relationships with its customers. A majority of Elsamex's customers are local and central government authorities. As Elsamex provides a number of services on a project-by-project basis, its customers may vary from year to year. It is possible that a customer who is a major customer in one year may not contribute materially to its revenues in another year.

Major Suppliers

Elsamex sources raw materials and equipment from local and international suppliers who are able to offer competitive terms and quality materials and who are able to satisfy its delivery schedules. Elsamex believes that it has long-standing relationships with a number of its suppliers, which generally helps it to provide its products and services in a timely manner to its customers. The key raw materials used by Elsamex include cold and hot mix asphalt, concrete, metal barriers, traffic signs, electrical equipment, and cooling equipment. Additionally, from time to time Elsamex sources equipments such as excavators, milling machines, equipment for asphalt paving and vehicles such as trucks, cranes, cars for its operations from local and international suppliers.

Competition

Elsamex faces growing and new competition from domestic as well as international companies relating to the range of services that it provides. The level of competition it faces varies in different markets depending on the range of products and services that it offers. At present, Elsamex faces significant competition due to aggressive bidding in light of the global economic slowdown.

Elsamex's competition in the road and building maintenance and consulting sectors comes from established competitors in the country where the contract is to be performed. For petrol station maintenance contracts, the market is relatively fragmented and Elsamex faces competition from smaller competitors.

Employees

Elsamex's employees contribute significantly to its business operations. Additionally, a significant number of Elsamex's employees possess technical qualifications and training consistent with industry practice.

The geographical distribution of Elsamex's full-time employees as of December 31, 2009 was as follows:

Number of employees

Full-time Employees by geographical location	As of December 31, 2009
Spain	1,083
Rest of Europe	52
Others	218
Total	**1,353**

The functional distribution of all Elsamex employees as of December 31, 2009 was as follows:

Function	As of December 31, 2009
Management	13
Sales and Marketing	9
Operations and Technical	280
Finance and Accounting	22
Human Resource and Administration	32
Quality Assurance, Health & Safety and Others	997
Total	**1,353**

Insurance

Elsamex's operations are subject to hazards and risks inherent in the operations, maintenance, construction and oil and gas industries, such as system failures, fires, natural disasters, explosions and other accidents, each of which could cause death, personal injury, environmental pollution, damage or loss of its and its customers' assets and equipment. As protection against such hazards, Elsamex maintains insurance coverage against some, but not all, potential losses. Elsamex maintains insurance in accordance with requirements specified in its contracts with its customers. Additionally, certain of Elsamex's insurance policies provide for limitations on the maximum amounts that may be recovered for any one loss event or series of losses, and recovery in such cases is generally subject to Elsamex first making payment of the appropriate excess or deductible.

Elsamex also maintains insurance for certain of its equipment, machinery as well as workmen compensation and public liability insurance. From time to time, it is also required to maintain insurance for certain of its projects according to the terms of the respective contracts.

Intellectual Property

Elsamex does not have any material intellectual property rights and does not rely on its trademark or brand for its business.

Property, Offices and Facilities

Elsamex's corporate headquarters are located at Parque Empresarial Barajas Park, C/ San Severo 18, 28042 Madrid. Elsamex has operational facilities in Mexico, Honduras, Colombia, Dominican Republic, Ecuador, Albania, India and China. Elsamex also has a factory in Logroño Spain for manufacturing road safety signs and information panels for road safety.

KEY BUSINESS RELATED AGREEMENTS

The following are the major agreements entered into by us in relation to our business. The descriptions of the agreements are not, nor do they purport to be complete summaries of all terms or terms customarily found in such agreements.

1. Concession agreement dated November 20, 2001 between NHAI and NKEL

NKEL has entered into a concession agreement dated November 20, 2001 with NHAI (the "**NKEL Concession Agreement**"). Pursuant to the agreement, NHAI has granted NKEL concession for a period of 17 years and 6 months commencing from June 20, 2002 and ending on December 19, 2019 to investigate, study, design, engineer, procure, construct, operate and maintain the project. NHAI shall handover physical possession of the site to NKEL free from encumbrances together with necessary rights of way.

The NKEL Concession Agreement has been executed for rehabilitation and strengthening of the existing two lanes from km. 515 to km. 592 and widening thereof to four lane dual carriageway on Dharwad-Maharashtra border section of NH-4 in the state of Karnataka through private sector participation on BOT basis.

The rights and obligations of NKEL under the NKEL Concession Agreement are subject to the satisfaction in full of certain conditions precedent which are required to be fulfilled on or before the date of the financial close, which shall be the date on which NKEL has immediate access to the financial assistance sought for the project.

Obligations of NKEL. The obligations of NKEL include:

1. *Performance Security:* NKEL has provided bank guarantee of Rs. 73 million to NHAI as performance security for due and punctual performance of its obligations which shall be valid upto October 31, 2005.

2. NKEL shall commence work on the commencement date or financial closure, whichever is later, according to the construction requirements and shall obtain the completion or provisional certificate from the independent engineer.

3. *Operation & Maintenance:* NKEL shall remain solely responsible to meet the operation and maintenance requirements. In the event it fails to meet such requirements, NHAI shall be entitled to carry out repair and maintenance at the cost of NKEL. Further, NHAI shall be entitled to terminate the NKEL Concession Agreement in the event of material breach.

4. IL&FS, being the lead financial member, Punj Lloyd Limited, being the lead technical member and our Company, in aggregate, shall hold not less than 51% of the paid up equity capital of NKEL until three years after the commercial operations date and not less than 26% of the paid up equity capital during the balance operations period.

5. NKEL shall also have certain general obligations including obtaining all permits in conformity with applicable laws, procuring and maintaining appropriate rights, licenses, agreements, providing necessary assistance to the independent engineers and ensuring that the project site remains free from all encroachments.

Obligations of NHAI. NHAI shall execute a 'State Support Agreement' within 90 days of the NKEL Concession Agreement, subscribe to a 'Substitution Agreement' within 30 days of financial close, obtain environmental clearances and all required approvals and permissions which NKEL may require for performance of its obligations. NHAI shall also have certain general obligations including necessary assistance to NKEL for securing applicable permits, ensuring peaceful use of the project site and assisting NKEL in obtaining necessary infrastructure facilities and utilities.

Annuity. NHAI shall make payment of annuity on each annuity date of Rs. 505.17 million. NHAI shall provide a letter of credit which shall be established within 30 days from the commercial operations date. The annuity payment is subject to adjustment if the road project is not available for use during the operation period. The difference between the actual availability and the assured availability of carriageway is referred to as non-availability which shall be measured in terms of the sum total of lane kilometer hours for which the carriageway or the part thereof was unavailable.

Levy of User Fee. NHAI is entitled to levy toll or fee on the vehicles using the project highway and to demand, collect, retain and appropriate a fee or toll for using the road. NKEL is not entitled to levy, demand or collect any sum in the nature of a toll or user fee, and its project revenue consists only of annuity payments. Any arrangement or contract made or entered into in connection with the levy and collection of the user fee will be independent of the NKEL Concession Agreement. The concession fee payable by NKEL to NHAI in consideration of the grant of the concession shall be Re. 1 per year during the term of the NKEL Concession Agreement.

Capacity Augmentation. NHAI may, after the commercial operations date and before detailed traffic survey, decide to augment or increase the capacity of the project for which it is entitled to invite proposals from eligible persons. In the event NKEL, after participating in the bidding process, fails to give the lowest offer, it shall be given the first right of refusal to match the preferred offer. If NKEL matches the offer, the parties shall enter into an agreement for carrying out the augmentation, and NKEL shall pay to NHAI the bidding cost to be reimbursed to the preferred bidder.

Termination. There are various events of default either on the part of NKEL or NHAI which may lead to termination of the NKEL Concession Agreement. If a party decides to terminate the agreement due to the others' default, it shall issue a notice in the first instance. The party in default shall then, within 30 days, issue its proposal to rectify the default and consequently shall rectify the default within a further period of 30 days, failing which the other party shall be entitled to terminate the agreement and appropriate the performance security, if applicable.

Upon termination of the agreement due to a default by NHAI, (a) prior to the commercial operations date, NKEL shall be entitled to receive from NHAI, by way of termination payment, a sum equal to the book value and accrued interest thereon from the date of financial close; and (b) in the event of termination after the commercial operations date, if it is a default by NKEL, NKEL shall be entitled to receive from NHAI, by way of the termination payment, a sum equal to 70% of the book value as on the date of termination notice. If the agreement is terminated due to a default by NHAI, NKEL shall receive from NHAI, a termination payment equal to the discounted value of future net cash flows.

Upon termination of the agreement, NHAI is entitled to take possession of and control the project site and facilities.

State Support Agreement dated December 30, 2002 pursuant to the NKEL Concession Agreement

NKEL has entered into a State Support Agreement dated December 30, 2002 with the Government of Karnataka and NHAI for the implementation of the project in terms of NKEL Concession Agreement which requires extensive continued support and grant of certain rights and authorities from the Government of Karnataka which are certain prerequisites to the mobilization of resources and to the performance of their obligations.

2. Concession agreement dated March 22, 2005 between NHAI and WGEL

WGEL has entered into a concession agreement dated March 22, 2005 with NHAI (the "**WGEL Concession Agreement**"). Pursuant to the WGEL Concession Agreement, NHAI has granted WGEL concession for a period of 20 years commencing from the concession commencement date (which shall mean the date 180 days from execution of the WGEL Concession Agreement) and including the exclusive right, license, authority during the subsistence of the agreement to implement the project and the concession in respect of the project highway.

The WGEL Concession Agreement has been executed for designing, construction, development, finance, operation and maintenance of four lane road in the state of Gujarat for the package from Rajkot to Jetpur-Gondal from km 117.00 to km 143.00 and from km 175.00 to km 185.00 on BOT toll basis. The concession entitles WGEL to, *inter alia*:

- develop, design, engineer, finance, procure, construct, operate and maintain the highway project during the concession period;
- upon completion of the highway, manage, operate and maintain the highway project and regulate the use thereof by third parties;
- levy, demand, collect and appropriate fees from all vehicles and persons liable to payment of fees for using the project highway; and
- bear and pay all expenses, costs and charges incurred in the fulfilment of its responsibility.

The rights and obligations of WGEL under the WGEL Concession Agreement are subject to the satisfaction in full of certain conditions precedent which are required to be fulfilled on or before the date of the financial close, which shall be the date on which WGEL has immediate access to the financial assistance sought for the project.

Performance Security. WGEL has provided to NHAI bank guarantee of Rs. 79.50 million, as performance security for due and timely performance of its obligations. The performance security shall be released to WGEL upon contribution of 100% equity by the shareholders of WGEL and upon WGEL having expended not less than 20% of the total cost of the project and provided that WGEL is not in default of the WGEL Concession Agreement. If WGEL is in default, NHAI shall be entitled to encash the bank guarantee as damages for such default.

Levy of User Fee. WGEL shall be entitled to levy fees on the users of the highway during the operations and construction period. WGEL shall not collect any fee from local personal traffic and local commercial traffic in excess of 25% and 50%, respectively of the applicable fees. It shall issue appropriate passes or make refunds and shall formulate, implement and modify schemes as suggested by the NHAI or required by the local circumstances. The fee collected shall be deposited in an 'escrow account'. WGEL may delegate the right of collection of fees to the operations & maintenance contractor or the tolling contractor. The concession fee payable by WGEL to NHAI shall be Re. 1 per year in consideration of the grant of the concession.

Additional Toll way. The NHAI, the GoI or the Government of Gujarat may construct and operate either itself or on BOT basis any expressway or toll road not being a bye pass between NH- 8B Section from 117 km. to 143 km. and 175 km. to 185 km. and 143 km. to 175 km., which cannot be opened to traffic before 8 years. In the event such an additional toll way is commissioned, the concession period stands extended by half the number of years by which such commissioning precedes the expiry of the concession period.

Capacity Augmentation. NHAI may, after 8 years following the commercial operations date, decide to augment or increase the capacity of the project for which it is entitled to invite proposals from eligible persons. In the event WGEL, after participating in the bidding process, fails to give the lowest offer, it shall be given the first right of refusal to match the preferred offer. If WGEL matches the offer, the parties shall enter into an agreement for carrying out the augmentation, and WGEL shall pay the lowest bidder a sum of Rs. one million towards bidding costs.

Grant. WGEL agrees to provide (negative) cash payment of Rs. 2,800 million and NHAI agrees to provide to WGEL a cash support of Rs. 400 million. The grant shall be applied by WGEL for meeting capital cost of the project and expenditure during the operations period and shall form a part of the shareholders' funds.

Obligations of WGEL. WGEL at its own expense and cost, shall *inter alia* obtain applicable permits and lease clearances, notify the occurrence of financial close, submit certified copies of the project agreements, provide assistance to the independent contractors, acquire real estate for additional facilities, comply with divestment requirements, handover the project highway to NHAI upon termination and indemnify NHAI against all actions, suits, demands, proceedings, loss suffered by NHAI for acts of WGEL.

Obligations of NHAI. NHAI shall *inter alia* enable access to the site free from encumbrances, permit peaceful use of the site by WGEL as licensee, provide support in obtaining the permits, infrastructural facilities and utilities, provide necessary assistance in regulating traffic, take steps for acquisition of additional land and enter into a 'State Support Agreement' with the Government of Gujarat and WGEL.

Financial Close. WGEL shall achieve financial close within 180 days from the date of the WGEL Concession Agreement, failing which WGEL shall be entitled to a further period of 180 days subject to an advance weekly payment.

Right of way. NHAI shall make available an existing right of way to WGEL free from all encumbrances for the concession period within 150 days of the date of the agreement. Additional right of way shall also be provided free from all encumbrances and without any requirement of any payment to NHAI.

Operation & Maintenance. WGEL shall operate and maintain and if required, modify, repair and make improvements to the project highway, either by itself or through operation & maintenance contractors, to comply with the specifications, standards and other requirements. WGEL shall, in consultation with an 'independent consultant' prepare a repair and maintenance manual not later than 180 days before the scheduled project completion date for this purpose. WGEL shall not undertake the maintenance of the highway except with the prior written approval of the NHAI. If WGEL fails to undertake the repair and maintenance within a period of 30 days from the date of receipt of such notice, NHAI shall be entitled to, including termination thereof, undertake the repair at the risk and cost of WGEL. In addition, a sum equal to 25% of the cost of repair and maintenance shall be recovered from WGEL as damages.

Completion. The project shall be deemed to be complete and open to traffic only on issuance of the complete or the provisional certificate. WGEL guarantees that project completion shall be achieved in accordance with the agreement not later than 30 months from the appointed date which shall be 180 days from the date of signing of the WGEL Concession Agreement. In case of failure to achieve completion by the scheduled date for any reason other than a force majeure, WGEL shall pay weekly damages, being, 0.01% of the total project cost. If the commercial operations date is not achieved within 12 months from the abovementioned date, NHAI shall be entitled to terminate the WGEL Concession Agreement.

Termination. If WGEL is found to be in material breach of the WGEL Concession Agreement, NHAI shall be entitled to certain rights and remedies including termination and suspension of all rights of WGEL and exercise the rights of WGEL either by itself through any authorized person. In the event of WGEL being in default and curing the same before termination, WGEL shall compensate NHAI with all direct additional costs suffered by it arising out of such material default in one lump sum within 30 days of receiving the demand or at WGEL's option, in three equal semi-annual installments with interest.

On occurrence of the events of default, NHAI shall have the right to terminate the agreement if WGEL has failed to cure the breach within the stipulated time. Upon termination by NHAI during operations period, it shall pay to WGEL a termination payment equal to 90% of the debt due less insurance claims.

Upon termination by WGEL on account of a default by NHAI, WGEL shall be entitled to a termination payment equal to the total debt due, plus 120% of the total subordinated debt plus 150% of the equity subscribed in cash and actually spent, if such termination occurs in the three years commencing from the appointed date. Further, for each successive year, such amount shall be adjusted and this adjusted amount shall be reduced every year by 7.5 % p.a.

Upon termination of the agreement for whatever reason, the NHAI shall take possession of the project highway and all material, construction plants, implements on or about the site, restrain WGEL from entering the site and can succeed upon the interests of WGEL under the WGEL Concession Agreement.

State Support Agreement dated September 21, 2005 pursuant to the WGEL Concession Agreement

WGEL has entered into a State Support Agreement dated September 21, 2005 with the Government of Gujarat and NHAI for the implementation of the concession, including performance of its obligations in accordance with the WGEL Concession Agreement which requires extensive continued support and grant of certain rights and authorities from the Government of Gujarat and is an essential pre-condition for mobilization of resources.

3. Concession Agreement dated November 12, 1997 between New Okhla Industrial Development Authority ("NOIDA"), IL&FS and NTBCL

NTBCL has entered into a concession agreement dated November 12, 1997 with NOIDA, and IL&FS (the "**NTBCL Concession Agreement**") in relation to the building and operation of the 'Delhi NOIDA

Toll' Bridge. Under the NTBCL Concession Agreement, NTBCL has been given the right to commercially exploit the 'Delhi NOIDA Toll' Bridge by levying tolls, by obtaining development income (subject to the grant of development rights) and by any other method that the parties might agree. NOIDA has the discretion of granting development rights to support any shortfall in the fees required to recover the total cost of the project and the designated returns thereon.

The NTBCL Concession Agreement provides that the concession shall extend until such time as NTBCL has recovered aggregate of the total cost of the project and returns of 20% of such total project cost each year as determined by the independent engineer and independent auditor. The NTBCL Concession Agreement provides that the concession period is 30 years (which commenced on December 30, 1998) or, if sooner, such time as the total project cost and the Returns thereon have been recovered. However, if such recovery is not achieved within the initial concession period of 30 years, then the concession period shall without qualification be extended by two years at a time until such time as such recovery is achieved.

The NTBCL Concession Agreement also provides that once NTBCL has derived revenues equal to the total project cost and the returns, then the concession shall be terminated and all of the NTBCL's interest in the 'Delhi NOIDA Toll' Bridge shall be transferred back to NOIDA for the nominal sum of Re 1. The toll fees charged to users of the bridge may be revised by the fee review committee, comprising of one NOIDA representative, one company representative and a duly qualified person appointed by the representatives of NOIDA and the company, who shall be the chairman of the committee. The toll rates are revised annually and are derived from a formula specified in the NTBCL Concession Agreement.

Development Rights: Upon reference by NTBCL, if the independent auditor (as appointed under the NTBCL Concession Agreement by NTBCL) determines that the project is not generating sufficient revenues for NTBCL, it may request that NOIDA grant or cause the Governments of Uttar Pradesh or Delhi, as the case may be, to grant to it 'development rights', that is, additional rights, property and assets which are not part of and not anticipated to be part of the project as on the date of the NTBCL Concession Agreement, which may include without limitation the provision of advertising services, the right to develop hotels, or other facilities) for the purposes of generating income.

Control by NOIDA: Under the NTBCL Concession Agreement, NOIDA can assume temporary control of the 'Delhi NOIDA Toll' Bridge in the event of national or state emergency upon seven days' written notice to NTBCL. However, within three days of the termination of the circumstances for such control over the 'Delhi NOIDA Toll' Bridge, NOIDA is required to give back the same to NTBCL. If NOIDA fails to return control of the 'Delhi NOIDA Toll' Bridge within the specified period of three days, or if such national or state emergencies extend beyond three months, it will be treated as an event of force majeure.

Termination: Events or circumstances to the extent not caused by a default of NTBCL or force majeure shall be considered a 'NOIDA Event of Default' and if not cured within the time period permitted, NTBCL shall have the right to terminate the NTBCL Concession Agreement as provided therein. A NOIDA Event of Default shall include events or circumstances involving *inter alia* (i) changes in law or change in policies by NOIDA having a material adverse effect or materially affecting the lenders, (ii) any breach of NOIDA's obligations under the NTBCL Concession Agreement which has a material adverse effect, (iii) any breach of representations and warranties by NOIDA which affects adversely NOIDA's ability to perform its obligation under the NTBCL Concession Agreement, (iv) any repudiation of the NTBCL Concession Agreement by NOIDA, and (v) any breach by either the Government of Uttar Pradesh or the Government of Delhi of the terms of their 'Support Agreement' adversely affecting NTBCL.

Events or circumstances to the extent not caused by a default by NOIDA shall be considered as a 'NTBCL Event of Default' and if not cured within the time period permitted, NOIDA shall have the right to terminate the NTBCL Concession Agreement as provided therein. A NTBCL Event of Default shall include events or circumstances involving (i) any breach of NTBCL's obligations under the NTBCL Concession Agreement which has a material adverse effect on NOIDA or the project, (ii) any breach of representations and warranties by NTBCL which affects adversely its ability to perform its obligations under the NTBCL Concession Agreement, (iii) any repudiation of the NTBCL Concession Agreement by NTBCL, (iv) the 'Independent Engineer' notifying the parties of a failure by NTCBL to operate and maintain the 'Delhi NOIDA Toll' Bridge in accordance with the operating practices laid down, (v) suspension by NTBCL of the performance of its obligations under the NTBCL Concession Agreement for a period exceeding 90 consecutive days (except during the subsistence of an event of force majeure), and (vi) any liquidation, dissolution, winding-up, amalgamation, reorganisation or reconstruction of NTBCL so as to materially bring about a change in the ownership which has a materially adverse effect on the project.

Support Agreement dated January 14, 1998 pursuant to the NTBCL Concession Agreement

NTBCL has entered into a Support Agreement dated January 14, 1998 with NOIDA and the Government of Uttar Pradesh to support and extend complete cooperation to NOIDA and NTBCL with respect to implementation of the 'Delhi NOIDA Toll' Bridge. Pursuant to the terms of this agreement, the Government of Delhi leased the land required on the Delhi side for the construction of the 'Delhi NOIDA Toll' Bridge to NOIDA, which in turn has subleased the land to NTBCL.

4. Concession agreement dated October 17, 1998 between the Governor of the State of Gujarat and the Vadodara Halol Toll Road Company Limited (formerly known as the "Gujarat Toll Road Company Limited")

Vadodara Halol Toll Road Company Limited ("**VHTRL**") formerly known as the Gujarat Toll Road Company Limited had entered into a concession agreement dated October 17, 1998 (the "**VHTRL Concession Agreement**") with the Governor of the State of Gujarat (hereinafter the "**GoG**"). The VHTRL Concession Agreement was amended pursuant to an agreement entered on September 26, 2000 between the GoG and VHTRL. Pursuant to the VHTRL Concession Agreement, the GoG has granted VHTRL the exclusive right and authority to implement the project during the concession period which commenced from the date of the VHTRL Concession Agreement and shall extend for a period of 30 years from the commercial operations date or till such time as VHTRL shall recover the total cost of the project and returns thereon.

In case VHTRL is unable to recover the total cost of the project within 30 years from the date of operation, the concession period shall, at the request of VHTRL, without qualification be extended by GoG for a period of two years at a time until the total project cost and returns thereon have been recovered by VHTRL. Any request for an extension must be supported by a certificate from an 'Independent Auditor' confirming the same.

The VHTRL Concession Agreement has been entered into for the widening and strengthening of the state highway 87 between Vadodara and Halol on a BOOT basis. The GoG entitles VHTRL the exclusive right and authority, during the concession period, for acts including:

- to develop, design, engineer, finance, procure, construct, operate and maintain the highway project during the concession period;
- upon completion of the highway, to manage, operate and maintain the highway project and regulate the use thereof by third parties;
- demand, collect, retain and appropriate toll from the users of the facility and apply the same to recover the total cost of the project;
- enforce the collection of toll from all delinquent users of the facility and impound the vehicles and goods;
- enter into private contracts with the users for regular use of the facility or any special use, and to sell, distribute or issue at various outlets coupons or tokens against the payment of toll; and
- appoint subcontractors or agents to assist in fulfilling its obligations under the VHTRL Concession Agreement.

The rights and obligations of VHTRL are subject to the fulfilment of certain conditions precedent to be satisfied by the GoG within a period of 365 days from the date of the VHTRL Concession Agreement, upon which VHTRL shall deliver a certificate of commencement to the GoG from which date VHTRL's obligations shall commence.

Development Rights. In the event that VHTRL is unable to recover the total cost of project and the returns thereon, the GoG may grant certain development rights to it. The terms and conditions governing the utilization of development rights shall be specified in a separate agreement entered into between the parties. All the development income generated by VHTRL shall be applied towards the recovery of the total cost of project and the returns thereon.

Project Site. The GoG shall lease to VHTRL all the land and rights comprising the project site under a valid and binding lease agreement which shall be executed within six months from the date of the VHTRL Concession Agreement. It shall also grant such permission or exemption as may be required relating to and regulating land as applicable to the state of Gujarat so as to ensure that VHTRL can enjoy vacant possession as may be required for the due utilization of the development rights. VHTRL shall inform the GoG about any impediment to the construction and maintenance of the facility which could not have reasonably been foreseen by it and which are not attributable to it and which cannot be attended to by it. In the event that the GoG is unable to remove such impediment within the specified period, it shall be deemed to mean a default by GoG.

Obligations of the GoG. The GoG shall have constructed the junction at the intersection between the project road and NH-8 at its own cost on or before the 'Operations Date', which shall be the date from which tolls are levied on the users of the facility after receiving the 'Completion Certificate'. In the event the construction is not completed before the designated dates, the GoG shall keep VHTRL indemnified of all consequential losses arising out of such failure.

The GoG shall also have certain general obligations including, providing VHTRL with access to all infrastructural facilities and utilities, assistance in obtaining immigration and residential permits for the foreign personnel in relation to the implementation of the project, granting all clearances to VHTRL and assisting it in obtained necessary clearances from the GoI, execution of a 'Subordinate Debt Agreement' and providing police personnel for traffic control, patrolling and providing security at the project site.

Obligations of VHTRL. VHTRL has undertaken to achieve substantial completion no later than two years from the construction commencement date. It shall also *inter alia* file applications to the relevant competent authority for all the relevant clearances, arrange and procure firm commitments for financing necessary to develop, construct, operate and maintain the facility, organize the supervision and control of the construction by the construction contractors and it shall maintain the facility in accordance with the technical requirements, performance standards and prudent utility practices.

Independent Engineer. Within 30 days of the execution of the VHTRL Concession Agreement, VHTRL shall propose a panel of three firms that shall act as the 'Independent Engineer' and one of them shall be approved by the GoG within 15 days of the receipt of panel of names. The 'Independent Engineer', during the concession period, is required to inspect the project site at such intervals as it thinks fit for the purposes of determining the progress of construction and maintenance of the facility and the extent of compliance with the technical requirements and performance standards. Upon issuance of the 'Construction Completion Certificate', the 'Independent Engineer' shall verify the cost of construction of the project as determined by VHTRL.

Construction, Operations and Maintenance. VHTRL shall select and appoint a qualified contractor pursuant to the construction contract within a period of three months from the date of execution of the VHTRL Concession Agreement. The construction contractor shall undertake the design, procurement, construction, completion and testing and commissioning of the facility. When VHTRL reasonably believes that the facility has reached substantial completion and would satisfactorily pass the relevant tests, it shall so notify the Independent Engineer in writing (with a copy to GoG). Within 15 days of the date of the inspection, the GoG shall issue a 'Construction Completion Certificate'. VHTRL shall, within six months from the date of commencement of construction, enter into the 'operations & maintenance contract' for the maintenance and operation of the facility. The 'operations & maintenance' contractor's functions shall include collection and retention of the toll, operation of toll plaza, regulation of traffic and maintenance of the facility.

Toll. The toll shall be determined, levied, collected, retained and appropriated from all the users of the facility or its contractors or agents. VHTRL shall be entitled to submit to the GoG, with the certificate of the 'Independent Auditor', an upward revision of the toll rates. In the event that the GoG agrees with the revision of the toll rates, then it shall pass appropriate notifications for effecting the revision of the toll rates. In the event the GoG fails to issue the notifications within the stipulated time, it shall compensate VHTRL to the extent of loss of revenue caused due to such delay.

Termination. The GoG may at any time, without any default on the part of VHTRL, elect to terminate the concession upon a notice of not less than 180 days. Upon expiry of such notice, the GoG shall pay VHTRL the total cost of project and the returns thereon. VHTRL may at any date, which falls 30 years after the operations date, terminate the VHTRL Concession Agreement by a written notice to GoG. In case the GoG terminates the VHTRL Concession Agreement on account of default by VHTRL, then all of VHTRL's rights, title and interest in and to the project assets shall be transferred to GoG or the nominated agency.

In case a force majeure event prevents a party's performance for more than 180 days, they shall decide through mutual consultation, either the terms upon which to continue the performance of the VHTRL Concession Agreement or to terminate it. If the parties are unable to agree on such terms or to terminate the agreement within 365 days of the commencement of the force majeure event, either party may issue a notice of intention to terminate the VHTRL Concession Agreement.

5. Concession agreement dated May 12, 1999 between the Governor of the State of Gujarat and the Ahmedabad Mehasana Toll Road Company Limited

Ahmedabad Mehasana Toll Road Company Limited ("**AMTRL**") has entered into a concession agreement dated May 12, 1999 (the "**AMTRL Concession Agreement**") with the Governor of the State of Gujarat (hereinafter the "**GoG**"). Pursuant to the AMTRL Concession Agreement, the GoG has granted AMTRL the exclusive right and authority to implement the project during the concession period which shall commence from the date of the AMTRL Concession Agreement and shall extend till a period of 30 years from the operations date or till such time as AMTRL has recovered the total cost of the project and returns thereon, whichever is earlier.

In case AMTRL is unable to recover the total cost of the project within 30 years from the date of operation, the GoG shall extend the concession period for a period of two years without any qualification and any request for extension has to supported by a certificate from an 'Independent Auditor' confirming the same.

The AMTRL Concession Agreement has been entered into for the widening and strengthening of the state highway 41 between Ahmedabad and Mehasana on a BOOT basis. The GoG entitles AMTRL the exclusive right and authority during the concession period for acts, including:

- to develop, design, engineer, finance, procure, construct, operate and maintain the highway project during the concession period;
- upon completion of the highway, to manage, operate and maintain the highway project and regulate the use thereof by third parties;
- demand, collect, retain and appropriate toll from the users of the facility and apply the same to recover the total cost of the project;
- enforce the collection of toll from all delinquent users of the facility and impound the vehicles and goods;
- enter into private contracts with the users for regular use of the facility or any special use, and to sell, distribute or issue at various outlets coupons or tokens against the payment of toll; and
- appoint subcontractors or agents to assist in fulfilling its obligations under the AMTRL Concession Agreement.

The rights and obligations of AMTRL are subject to the fulfilment of certain conditions precedent to be satisfied by the GoG within a period of 365 days from the date of the AMTRL Concession Agreement, upon which AMTRL shall deliver a certificate of commencement to the GoG from which date AMTRL's obligations shall commence.

Development Rights. In the event AMTRL is unable to recover the total cost of project and the returns thereon, the GoG may grant certain development rights to it. The terms and conditions governing the utilization of development rights shall be specified in a separate agreement entered into between the parties. All the development income generated by AMTRL shall be applied towards the recovery of the total cost of project and the returns thereon.

Project Site. The GoG shall lease to AMTRL all the land and rights comprising the project site under a valid and binding lease agreement which shall be executed within six months from the date of the

AMTRL Concession Agreement. It shall also grant such permission or exemption as may be required relating to and regulating land as applicable to the state of Gujarat so as to ensure that AMTRL may enjoy vacant possession as may be required for the due utilization of the development rights. AMTRL shall inform the GoG about any impediment to the construction and maintenance of the facility which could not have reasonably been foreseen by it and which are not attributable to it and which cannot be attended to by it. In the event that the GoG is unable to remove such impediment within the specified period, it shall be deemed to mean a default by GoG.

Obligations of the GoG. The GoG shall have constructed the road over bridge in the project road at its own cost. It shall also have completed the widening of the bridge at its own cost on or before the 'operations date', which shall be the date from which tolls are levied on the users of the facility after receiving the 'completion certificate'. In the event the construction is not completed before the designated dates, the GoG shall keep AMTRL indemnified of all the consequences arising out of the failure.

The GoG shall also have certain general obligations including, providing AMTRL with access to all infrastructural facilities and utilities, assistance in obtaining immigration and residential permits for the foreign personnel in relation to the implementation of the project, granting all clearances to AMTRL and assisting it in obtained necessary clearances from the GoI, execution of a 'Subordinate Debt Agreement' and providing police personnel for traffic control, patrolling and providing security at the project site.

Obligations of AMTRL. AMTRL has undertaken to achieve substantial completion no later than 45 months from the construction commencement date. It shall also, *inter alia,* file applications to the relevant competent authority for all the relevant clearances, arrange and procure firm commitments for financing necessary to develop, construct, operate and maintain the facility, organize the supervision and control of the construction by the construction contractors and shall maintain the facility in accordance with the technical requirements, performance standards and prudent utility practices.

Independent Engineer. Within 180 days of the execution of the AMTRL Concession Agreement, AMTRL shall propose a panel of three firms that shall act as the 'Independent Engineer' and one of them shall be approved by the GoG within 15 days of the receipt of panel of names. The Independent Engineer, during the concession period, is required to inspect the project site at such intervals as it thinks fit for the purposes of determining the progress of construction and maintenance of the facility and the extent of compliance with the technical requirements and performance standards. Upon issuance of the 'construction completion certificate', the Independent Engineer shall verify the cost of construction of the project as determined by AMTRL.

Construction, Operations and Maintenance. AMTRL shall select and appoint a qualified contractor pursuant to the construction contract within a period of three months from the date of execution of the agreement. The construction contractor shall undertake the design, procurement, construction, completion and testing and commissioning of the facility. When AMTRL reasonably believes that the facility has reached substantial completion and would satisfactorily pass the relevant tests, it shall so notify the Independent Engineer in writing (with a copy to GoG). Within 15 days of the date of the inspection, the GoG shall issue a 'construction completion certificate'. AMTRL shall within six months from the date of commencement of construction, enter into the 'operations & maintenance contract' for the maintenance and operation of the facility. The 'operations & maintenance' contractor's functions shall include collection and retention of the toll, operation of toll plaza, regulation of traffic and maintenance of the facility.

Toll. The toll shall be determined, levied, collected, retained and appropriated from all the users of the facility or its contractors or agents. AMTRL shall be entitled to submit to the GoG, with the certificate of the 'Independent Auditor', an upward revision of the toll rates. In the event that the GoG agrees with the revision of the toll rates, it shall within 30 days pass appropriate notifications for effecting the revision of the toll rates. In the event the GoG fails to issue the notifications within the stipulated time then it shall compensate AMTRL to the extent of loss of revenue caused due to such delay.

Termination. The GoG may at any time, without any default on the part of AMTRL, elect to terminate the concession upon a notice of not less than 180 days. Upon expiry of such notice, the GoG shall pay AMTRL the total cost of project and the returns remaining to be recovered thereof. AMTRL may at any date, which falls 30 years after the 'operations date', terminate the agreement by a written notice to GoG.

In case the GoG terminates the AMTRL Concession Agreement on account of default, then all of AMTRL's right, title and interest in and to the project assets shall be transferred to GoG or the nominated agency.

In case a force majeure event prevents a party's performance for more than 180 days, they shall decide through mutual consultation, either the terms upon which to continue the performance of the agreement or to terminate the agreement. If the parties are unable to agree on such terms or to terminate the agreement within 365 days from the date of the force majeure event, either party may issue a notice of intention to terminate it.

6. ***Partnership Development Agreement dated August 7, 2005 between the Government of Rajasthan, IL&FS and Road Infrastructure Development Company of Rajasthan Limited ("RIDCOR")***

RIDCOR has entered into a partnership and development agreement dated August 7, 2005 and as amended on April 26, 2008, (the "**RIDCOR PDA**") with IL&FS and the Government of Rajasthan ("**GoR**") for a comprehensive road improvement programme, the 'Mega Highways Project', aggregating a total length in excess of km. 1,000 to two lane paved configuration from Phalodi to Ramji-Ki-Gol, Hanumangarh to Kishangarh, Alwar to Sikandra, Lalsot to Kota and Baran to Jhalawar.

Pursuant to the RIDCOR PDA, RIDCOR has been granted the authority to develop, manage, operate and maintain the 'Mega Highways Project'. GoR has granted RIDCOR, *inter alia*, the following rights in relation to the 'Mega Highways Project':

- To enjoy complete, uninterrupted and peaceful possession and control of the 'Mega Highways Project', including its RoW;
- To demand, collect, retain and appropriate suitable fees, as prescribed by GoR, from the users of the 'Mega Highways Project' or any part thereof from the 'trial operation date';
- Besides displaying hoardings, billboards and other information panels, to allow others to display such information and determine, levy, collect and retain appropriate charges from such advertisers;
- To levy, collect and appropriate charges from persons, for utilizing the project site, for establishing, operating and maintaining telephony or optic fibre cable or power cable or other cable networks;
- To develop and operate any wayside amenities or other environmental, community development, social or tourism initiatives along the project roads and the additional project roads; and
- Undertake land banking by procuring parcels of land.

Obligations of RIDCOR. Besides commencing the improvement works within a period of 90 days from the date of execution of the RIDCOR PDA, RIDCOR shall *inter alia* arrange firm commitments for financing the 'Mega Highways Project' and execute all necessary financing documents, ensure the transfer of the project facility free from all encumbrances to GoR, collect user fees and achieve substantial completion within a period of 24 months from the improvement works commencement date.

Obligations of GoR. Besides being obligated to hand over the project site free from all encumbrances, including the RoW, to RIDCOR within 120 days from the date of execution of the RIDCOR PDA, GoR *inter alia* arrange and disburse interest free subordinate debt, provide necessary assistance for obtaining all clearances from the competent authority, provide RIDCOR access to all infrastructure facilities and utilities, provide police personnel at the project site for enforcing law and order and assist RIDCOR in acquiring land for the project.

Obligations of IL&FS. IL&FS shall, *inter alia*, develop financing plans, financial models and appropriate financing structure and arrange merchant banking support for the 'Mega Highways Project', arrange and procure firm commitments, ensure that the improvement works are commenced with a period of 90 days from the date of signing of the RIDCOR PDA and monitor, supervise and control the same, provide necessary assistance in finalisation of an 'operation & maintenance contract' and arrange periodic and ongoing training on technical and managerial issues.

Term of the 'Mega Highways Project'. The 'Mega Highways Project' shall commence from the 'improvement works commencement date' and shall expire on the date falling 32 years thereafter. On completion of the project period, RIDCOR shall transfer the project facilities and all physical and other assets relating to and forming part of the project to GoR, free from all encumbrances.

User Fee. The user fee shall be demanded, collected, retained and appropriated by RIDCOR as per the terms of the RIDCOR PDA from the users of the facility. RIDCOR may appoint persona as its agents or lessee or sub-contractor for collection of user fee under the Rajasthan Road Development Act, 2002. The applicable rates of the user fee shall be reviewed by the GoR.

Independent Engineer. The RIDCOR PDA envisages the appointment of an engineer by the GoR from a panel of three reputed engineers proposed by RIDCOR, who would, *inter alia*, conduct periodic reviews, monitor and approve activities on a monthly basis associated with the design, construction and improvement of the project.

Right of first refusal. The RIDCOR PDA provides that the GoR shall not construct or operate a competing road, either by itself or by any other competent authority or have the same built and operated, during the project period, on a commercial basis or without charging a user fee, without first offering RIDCOR the right to build and operate the same.

Transfer of facility. Six months prior to the anticipated expiry of the term of the project, the GoR and RIDCOR shall meet and agree on detailed procedures for the transfer of the project. Further, during such period, the GoR and RIDCOR shall determine their respective liabilities towards the other, any outstanding claims by either against the other and all subsisting encumbrances.

Termination. In the event of the termination of the RIDCOR PDA by the GoR following RIDCOR's breach of the terms of the RIDCOR PDA, the GoR shall pay RIDCOR, within a period of 90 days from the date of termination of the RIDCOR PDA, such amount as RIDCOR owes to its lenders, the costs incurred by it towards the project and such other additional costs. Similarly, the RIDCOR PDA prescribes the amount payable by the GoR to RIDCOR following the termination of the RIDCOR PDA by RIDCOR as a consequence of the GoR breaching the terms of the RIDCOR PDA. However, in both cases, the GoR shall not pay RIDCOR the sums borrowed by it to meet its working capital requirements and sums owed to RIDCOR's lenders due to RIDCOR's default on repayment of any sums owned to such lenders.

7. *Agreement dated February 9, 2007 between the Municipal Corporation of the city of Nagpur and Vansh Nimay Infra Projects Limited, formerly, Vansh Nimay Infra Projects Private Limited*

Vansh Nimay Infra Projects Limited, formerly, Vansh Nimay Infra Projects Private Limited ("**VNIL**") has entered into a concession agreement dated February 9, 2007 (the "**VNIL Agreement**") with the Municipal Corporation of the city of Nagpur ("**Municipal Corporation**"). Pursuant to the VNIL Agreement, the Municipal Corporation has appointed VNIL as an agent for running, operating and maintaining the city buses on specified routes by collecting fare at specified rates by making specified number of trips on such timings as maybe directed by the Municipal Commissioner by providing requisite infrastructure.

The VNIL Agreement shall be for operating and maintaining city buses for a period of 10 years on BOO basis, which may be renewed for a further period of five years.

Bank Guarantee and Security. VNIL shall furnish a bank guarantee of Rs. 50,000 per bus for due performance of all terms and conditions of the VNIL Agreement. The Municipal Commissioner shall forfeit whole or any part of the bank guarantee furnished by VNIL and forfeit all their buses, in case of default by VNIL to perform and observe any of its obligations under the VNIL Agreement. It is entitled to encash the bank guarantee and to forfeit the same towards the satisfaction of any claim of the Municipal Commissioner for damages, losses and costs.

Purchase and model of buses. VNIL shall arrange new buses in its name or in the name of the Municipal Corporation. VNIL shall ply 150 standard buses and 80 small buses as per the timelines provided by the Municipal Corporation and within six months from the date of the VNIL Agreement, as well as any additional number of buses as may be required. VNIL shall use the buses for public purpose only.

Registration of Buses, Payment of Taxes and Insurance. The liability to pay taxes, fees or charges shall be borne by VNIL even if the vehicles are registered in the name of the Municipal Corporation. The permits will be in the name of the Municipal Corporation. Buses shall be maintained in roadworthy condition as required by the applicable laws. Liability for procuring insurance cover for vehicles and machineries shall be borne by VNIL without incurring any liability on the part of the Municipal Corporation.

Specified Routes, Fares and Timings. The rates of fares, routes, stops, trips and timings shall be determined by the Municipal Corporation and may be changed from time to time with prior notice to VNIL for which VNIL shall not be entitled to take any objection or claim any loss, damages, rebate or compensation. Buses shall operate on all days in a year.

Operational Expenses. All operational expenses with respect to running, operating, maintaining, replacement of spare parts, tyres, tubes, coloring, painting, fuel, renewal of certificates and all other expenses shall be borne by VNIL. Any defect in maintenance shall be rectified by VNIL within three days of being notified thereof.

Royalty. VNIL shall be liable to pay royalty on a monthly basis irrespective of its income to the Municipal Corporation with a five-day grace period and interest at the rate of 24% p.a. shall be charged for any outstanding amount. The VNIL Agreement may be terminated by the Municipal Commissioner in case of continuous defaults in payment, whose decision shall be final.

Compensation and Damages. VNIL shall not be entitled to any rebate, compensation or damages from the Municipal Corporation on the ground of any strike of trade unions, riots, decrease in intensity or potentiality of passengers and amount of collection, stay or abolition of project by court and any other similar reasons. VNIL shall not claim any deficit amount paid by an insurance company and shall not be liable to pay any amount received from such insurance company. VNIL shall also be liable to pay compensation to the Municipal Corporation for any loss or damage caused to the property.

Sub Letting. The Municipal Corporation shall not offer any agent or operator to run the bus transport services on the same permit. VNIL has agreed to make the service operational in a phased manner, therefore the existing 'MSRTC City Bus Service' shall operate till such time as VNIL's bus service becomes operational.

Accidents. The liability to pay compensation for any accident arising out of running, operating and maintaining the city buses shall be of VNIL. VNIL shall also indemnify the Municipal Corporation from all costs, expenses and damages thereto, failing which the Municipal Corporation shall be entitled to encash the bank guarantee provided by VNIL.

Ownership of Buses after Expiry of Agreement and Termination. The ownership of all the city buses shall be transferred to VNIL (a) after the expiry of the agreement, if it fulfills all its terms and conditions and upon compliance with directions issued by the Municipal Commissioner, payment of entire amount of royalty, and (b) in the absence of any pre-mature termination of the VNIL Agreement, for reasons attributable to VNIL.

The VNIL Agreement shall be terminated on winding up of VNIL or persistent failure to perform its obligations. In the event of termination, the Municipal Corporation shall be entitled to forfeit the security deposit and claim cost of running, maintaining and operating the city buses for the remaining period and other damages.

8. Concession agreement dated March 20, 2006 between NHAI and APEL

Andhra Pradesh Expressway Limited ("**APEL**") has entered into a concession agreement dated March 20, 2006 (the "**APEL Concession Agreement**") with NHAI. Pursuant to the APEL Concession Agreement, NHAI has granted APEL concession for a period of 20 years commencing from the 'concession commencement date', which shall mean the date 180 days from signing of the APEL Concession Agreement.

The APEL Concession Agreement has been executed for the widening the existing two lane portion from km 135.46 to km. 211.00 covering 74.65 km. on NH-7 in the state of Andhra Pradesh to four lanes through a concession on BOT annuity basis. The concession entitles APEL *inter alia*,

- to develop, design, engineer, finance, procure, construct, operate and maintain the highway project during the concession period;
- upon completion of the highway, to manage, operate and maintain the highway project and regulate the use thereof by third parties;
- to allow NHAI to levy, demand, collect and appropriate fees from vehicles and persons liable to payment of fees for using the highway or any part thereof; and
- bear and pay all expenses, costs and charges incurred in the fulfilment of APEL's responsibility.

The rights and obligations of APEL under the APEL Concession Agreement are subject to the satisfaction in full of certain conditions precedent which are required to be fulfilled on or before the date of the financial close, which shall be the date on which APEL has immediate access to the financial assistance sought for the project.

APEL has provided to NHAI a bank guarantee dated March 6, 2006 of Rs.305.72 million as performance security for due and timely performance of its obligations. After achievement of financial close, the guarantee would be reduced to Rs. 183.43 million. The bank guarantee shall be enforceable till the 'commercial operations date', which date shall be the date on which an 'Independent Consultant' has issued the completion certificate or a provisional completion certificate, as the case may be.

Annuity. NHAI shall make payment of annuity on each annuity date, which shall become due on 180 calendar days, of Rs.565.20 million. NHAI shall provide a letter of credit for Rs. 565.20 million which shall be established within 30 days from the expected commercial operations date. The annuity payment is subject to adjustment, if the road project is not available for use during the operation period.

Levy of User Fee. NHAI is entitled to levy toll or fee on the vehicles using the project highway and to demand, collect, retain and appropriate a fee or toll for using the road. APEL is not entitled to levy, demand or collect any sum in the nature of a toll or user fee, and its project revenue consists only of annuity payments. Any arrangement or contract made or entered into in connection with the levy and collection of the user fee will be independent of the APEL Concession Agreement. The concession fee payable by APEL to NHAI in consideration of the grant of the concession shall be Re. 1 per year during the term of the APEL Concession Agreement.

Capacity Augmentation. NHAI may, after the commercial operations date, decide to augment or increase the capacity of the project for which it is entitled to invite proposals from eligible persons. In case APEL, after participating in the bidding process, fails to give the lowest offer, it shall be given the first right of refusal to match the preferred offer. If APEL matches the offer, the parties shall enter into an agreement for carrying out the augmentation, and APEL shall pay the lowest bidder a sum of Rs. one million towards bidding costs.

Obligations of APEL. The obligations of APEL include the following:

1. Undertaking the design, engineering, procurement and construction and financing of project highway and operating and maintaining the project highway at all times in conformity with the APEL Concession Agreement;
2. Making necessary applications to relevant government agencies for applicable permits;
3. Procuring the appropriate proprietary rights, licenses, agreements and permissions for materials, methods, processes and systems used or incorporated into the project highway;
4. Appointing, monitoring, supervising and controlling the activities of contractors under their respective agreements;
5. Taking reasonable precautions to avoid accidents on the project highway and providing medical aid and reasonable assistance to accident victims; and
6. Comply with divestment requirements and hand over project highway to NHAI upon termination of the agreement and work in optimizing the use of existing 'right of way' handed over to them.

Obligations of NHAI. NHAI shall comply with and perform its obligations, including the following:

1. Enable access to site free from encumbrances, permit peaceful use of the site by APEL as licensee without any hindrance from NHAI or persons claiming through it;
2. Assist APEL in obtaining access to all necessary infrastructure facilities including water, electricity, telecommunication facilities;
3. Enter into a 'State Support Agreement' with APEL and the Government of Andhra Pradesh and assist APEL in obtaining necessary assistance to regulate traffic on the project highway; and
4. Take all steps towards accomplishment of acquisition of additional land.

Completion. The project shall be deemed to be complete and open to traffic only when the 'completion certificate' is granted. APEL guarantees that the project shall be completed within 30 months from the date of commencement. If the project is not completed within 12 months from the date scheduled project completion date, then NHAI shall be entitled to terminate the APEL Concession Agreement.

Operation & Maintenance. APEL shall operate and maintain the project highway by itself and if required, they shall repair and modify it to comply with specifications and standards. APEL shall, in consultation with an 'Independent Consultant' prepare a repair and maintenance manual for this purpose. APEL shall not undertake the maintenance of the highway except with the prior written approval of the NHAI. If APEL fails to undertake the repair and maintenance within a period of 30 days from the receipt of notice in this behalf, the NHAI shall be entitled, including termination thereof, to undertake the repair at the risk and cost of APEL. In addition, a sum equal to 25% of the cost of repair and maintenance shall be recovered from APEL as damages.

Termination. Upon termination by NHAI, on account of occurrence of any event of default by APEL as mentioned in the APEL Concession Agreement, it shall pay to APEL, a termination payment equal to 70% of the book value as on the date of the notice notifying its intention to terminate the APEL Concession Agreement.

APEL may terminate the APEL Concession Agreement by giving a notice of 90 days in the event, an event of default specified in the APEL Concession Agreement takes place. APEL shall be entitled to termination payment in event of default of NHAI. Upon termination by APEL prior to the commercial operations date, APEL shall be entitled to receive from NHAI, termination payment of a sum equal to the book value and interest thereon. Upon termination by APEL after to the commercial operations date, APEL shall be entitled to receive from NHAI, a sum equal to the discounted value of the future net cashflows.

Upon termination of the APEL Concession Agreement for any reason, NHAI shall take control and possession of the highway project.

State Support Agreement dated November 4, 2006 pursuant to the APEL Concession Agreement

APEL has entered into a State Support Agreement dated November 4, 2006 with the Government of Andhra Pradesh and NHAI for the implementation of the concession, including performance of its obligations in accordance with the APEL Concession Agreement which requires extensive continued support and grant of certain rights and authorities from the Government of Andhra Pradesh and is an essential pre-condition for mobilization of resources.

9. Concession agreement dated August 3, 2007 between Hyderabad Urban Development Authority ("HUDA"), Hyderabad Growth Corridor Limited ("HGCL") and East Hyderabad Expressway Limited

EHEL has entered into a concession agreement dated August 3, 2007 (the "**EHEL Concession Agreement**") with HUDA and HGCL. Pursuant to the EHEL Concession Agreement, HUDA has granted EHEL concession for a period of 15 years commencing from the 'concession commencement date', which shall mean the date within 60 days from execution of the EHEL Concession Agreement, and including the exclusive right, license, authority during the subsistence of the agreement to implement the project and the concession in respect of the project highway.

The EHEL Concession Agreement has been executed for designing, construction, development, finance, operation and maintenance of an eight lane access controlled expressway in the state of Andhra Pradesh for the package from Pedda Amberpet to Bongulur from km. 95.00 to km. 108.00 on BOT annuity basis. The concession entitles EHEL to, *inter alia*:

- develop, design, engineer, finance, procure, construct, operate and maintain the highway project during the concession period;
- upon completion of the highway, to manage, operate and maintain the highway project and regulate the use thereof by third parties;
- bear and pay all expenses, costs and charges incurred in the fulfilment of EHEL's responsibility; and
- to receive grant of Rs. 776.50 million from HUDA towards the total cost of the project as per the terms and conditions of the EHEL Concession Agreement.

The rights and obligations of EHEL under the EHEL Concession Agreement are subject to the satisfaction in full of certain conditions precedent which are required to be fulfilled on or before the date of the financial close, which shall be the date on which EHEL has immediate access to the financial assistance sought for the project.

Performance Security. EHEL has provided to HUDA bank guarantees of Rs. 77.70 million and Rs. 116.50 million, being 5% of the total project cost, as performance security for due and timely performance of its obligations. After achievement of financial close, the guarantee would be reduced to Rs.116.50 million. The bank guarantee shall be enforceable till the 'commercial operations date', which date shall be the date on which an 'Independent Consultant' has issued the completion certificate or a provisional completion certificate, as the case may be.

Further, EHEL is required to submit a bank guarantee to HUDA for an amount equivalent to 35% of the grant amounting to Rs. 271.78 million which will also be treated as performance security for grant received by it.

Grant. HUDA has agreed to pay cash support to EHEL by the way of grant equal to the sum of Rs. 776.50 million, being 20% of the total project cost. To facilitate early commencement of work, the first installment of 35% shall be deposited in an 'escrow account' on the commencement date against the bank guarantee. The other installments of the grant shall be paid into the 'escrow account' linking up with the satisfactory achievement of certain milestones by EHEL.

Annuity. HUDA shall make payment of annuity on each annuity date of Rs. 333.00 million. HUDA shall provide a letter of credit, which shall be established within 30 days from the expected commercial operations date. The annuity payment is subject to adjustment if the road project is not available for use during the operation period.

Levy of User Fee. HUDA is entitled to levy toll or fee on the vehicles using the project highway and to demand, collect, retain and appropriate a fee or toll for using the road. EHEL is not entitled to levy, demand or collect any sum in the nature of a toll or user fee, and its project revenue consists only of annuity payments. Any arrangement or contract made or entered into in connection with the levy and collection of the user fee will be independent of the EHEL Concession Agreement. The concession fee payable by EHEL to HUDA in consideration of the grant of the concession shall be Re. 1 per year during the term of the EHEL Concession Agreement.

Capacity Augmentation. HUDA may, after the 'commercial operations date', decide to augment or increase the capacity of the project for which it is entitled to invite proposals from eligible persons. In case EHEL, after participating in the bidding process, fails to give the lowest offer, it shall be given the first right of refusal to match the preferred offer. If EHEL matches the offer, the parties shall enter into an agreement for carrying out the augmentation, and EHEL shall pay the lowest bidder a sum of Rs. one million towards bidding costs.

Obligations of EHEL. EHEL at its own expense and cost, shall, *inter alia*, obtain applicable permits and lease clearances, notify the occurrence of financial close, submit certified copies of the project agreements, acquire real estate for additional facilities, comply with disinvestment requirements, handover the project highway to HUDA upon termination and indemnify HUDA against all actions, suits, demands, proceedings, loss suffered by HUDA for acts of EHEL.

Obligations of HUDA. HUDA shall grant to EHEL, *inter alia*, access to the site free from encumbrances, peaceful use of the site by EHEL as licensee, support in obtaining the permits, infrastructural facilities and utilities, necessary assistance in regulating traffic and shall take steps for acquisition of additional land and enter into a 'State Support Agreement' with the Government of Andhra Pradesh and EHEL.

Right of way. At least 50% of the RoW shall be handed over to EHEL on the commencement date. At least 80% shall be handed over within 90 days from the commencement date. At least 90% of the RoW and additional lands required for junctions shall be handed over within 180 days from the commencement date. The balance 10% of RoW shall be handed over within 365 days from the commencement date. HUDA shall make available right of way free from all encumbrances without bearing any expenses for the concession period within 150 days of the date of the agreement.

Completion. The project shall be deemed to be complete and open to traffic only when the 'completion certificate' is granted. EHEL guarantees that the project shall be completed within 30 months from the date of commencement. If the project is not completed within 6 months from the scheduled project completion date, HUDA shall be entitled to terminate the EHEL Concession Agreement.

Operation & Maintenance. EHEL shall operate and maintain and if required, modify, repair and make improvements to the project highway, either by itself or through operation & maintenance contractors, to comply with the specifications, standards and other requirements. EHEL shall, in consultation with an 'Independent Consultant' prepare a repair and maintenance manual for this purpose. EHEL shall not undertake the maintenance of the highway except with the prior written approval of the HUDA. If EHEL fails to undertake the repair and maintenance within a period of 30 days from the receipt of notice in this behalf, then the HUDA shall, including termination thereof, be entitled to undertake the repair at the risk and cost of EHEL.

Termination. If EHEL is found to be in material breach of the EHEL Concession Agreement, HUDA shall be entitled to rights and remedies including termination and suspension of all rights of EHEL and exercise the rights of EHEL either by itself through any authorized person. In event of EHEL being in material default and curing the same before termination, EHEL shall compensate HUDA with all direct additional costs suffered by it arising out of such material default in one lump sum within 30 days in three equal semi-annual installments, with interest thereon.

EHEL may, after giving 90 days' notice in writing to HUDA, terminate the EHEL Concession Agreement on the occurrence of a default by HUDA's, unless it has occurred as result of EHEL's default or a force majeure, or if HUDA is in any breach of the agreement which has a material adverse effect on EHEL, and is not cured within 90 days of receipt of such notice. HUDA may also terminate the EHEL Concession Agreement *suo-moto* at anytime during the concession period without assigning any reason, at its absolute discretion, by giving adequate notice to EHEL. Upon the termination of the EHEL Concession Agreement, HUDA shall take possession and control of the project highway and restrain HEL or any person claiming through it from entering upon the site or any part of the project highway.

10. Concession agreement dated May 1, 2009 between the Kerala Road Fund Board, the Public Works Department, Government of Kerala and Thiruvananthapuram Road Development Company Limited ("TRDCL")

TRDCL has entered into a revised concession agreement dated May 1, 2009 (the "**TRDCL Revised Concession Agreement**") with the Kerala Road Fund Board (the "**KRFB**") and the Executive Engineer, Public Works Department, Government of Kerala ("**PWD**") for upgradation and expansion of the transport facility within the city of Thiruvanathapuram on a BOT basis.

The TRDCL Revised Concession Agreement is in pursuance to the agreement dated March 16, 2004 (the "**Original Agreement**") entered into between KRFB, PWD, Government of Kerala and Thiruvananthapuram Road Development Company Limited. As the project could not be completed on the scheduled project completion date (being, November 15, 2006), the parties thereto agreed on a revised schedule for completion of the project pursuant to an agreement dated January 4, 2008. However, the timelines for the project as stated the said agreement dated January 4, 2008 could not be met and the TRDCL Revised Concession Agreement was entered into, so as to complete the project in accordance with the provisions thereunder. The Original Agreement shall be applicable for all aspects of the TRDCL

Revised Concession Agreement, unless revisions or modifications are incorporated in the TRDCL Revised Concession Agreement.

TRDCL shall operate and maintain the project site for a period of 15 years after the completion of the project or till the termination of the TRDCL Concession Agreement. Phase I of the project which included design, financing, construction, operations and maintenance of the project facilities for certain road stretches has been completed. Phase II of the project shall be for a length of km. 18.000 and scheduled project completion date shall be 18 months from its commencement date. Phase III of the project shall for a length of km. 10.600 and scheduled project completion date shall be 24 months from the date of handing over of the project site free from all encumbrances.

In relation to Phase II of the project, the land area required to construct km. 14.000 of the project road shall be handed over to TRDCL subsequent to removal of hindrances, immediately on the signing of the TRDCL Revised Concession Agreement. The remainder of land area required to construct km. 4.000 of the project road shall be handed over within 60 days of signing of the TRDCL Revised Concession Agreement.

In relation to Phase III of the project, the land area required to construct km. 10.600 of the project road shall be handed over within 180 days from the date of signing of the TRDCL Revised Concession Agreement.

Phase II of the project shall be completed within a period of 18 months from the date of the TRDCL Revised Concession Agreement or such other period as mutually agreed not extending beyond a further period of three months. Phase III of the project shall be completed within a period of 24 months from the TRDCL Revised Concession Agreement.

Annuity. In consideration of TRDCL accepting the concession and for performance and discharge of the obligations as per the Original Agreement, KRFB agrees and undertakes to pay TRDCL, on each annuity payment date, an amount Rs. 150 million as upfront payment. The upfront payment shall be deducted in two equal installments, of Rs. 59 million for phase I and Rs. 118.49 million for phase II, from the annuity payments payable after the commercial operations date.

Operation and Maintenance. TRDCL shall operate and maintain the project in accordance with the operations and maintenance requirements for a period of 15 years starting from date on which the 'Project Engineer' has issued the provisional certificate or the completion certificate in case of Phase I and the commercial operations date in case of Phase II and Phase III.

11. Concession agreement dated April 1, 2009 between the Department of Road Transport and Highways, Government of India and ITNL Road Infrastructure Development Company Limited ("IRIDCL")

IRIDCL has entered into a concession agreement dated April 1, 2009 (the "**IRIDCL Concession Agreement**") with the President of India, represented by the Special Secretary and Director General (Road Development), Department of Road Transport and Highways, GoI (the "**Authority**"). Pursuant to the IRIDCL Concession Agreement, the Authority has granted IRIDCL concession for a period of 30 years commencing from the 'concession commencement date' and including the exclusive right, license and authority during the subsistence of this agreement to implement the project and the concession in respect of the project highway.

The IRIDCL Concession Agreement has been executed for development and operation of Beawar-Gomti section of NH-8 in the state of Rajasthan by two laning and subsequent four laning on design, build, finance, operate and transfer basis. In the event four laning is not undertaken for any reason in accordance with the IRIDCL Concession Agreement, the 'concession period' shall be deemed to be 11 years. The concession entitles IRIDCL to:

- Right of way, access and license to the site for purposes laid down in the IRIDCL Concession Agreement;
- Finance and construct the project highway;
- Manage, operate and maintain the project highway and regulate use by third parties;

- Demand, collect and appropriate fee from vehicles and persons for using the project highway or any part thereof and refuse entry of any vehicle if the fee due is not paid;
- Bear and pay all costs, expenses and charges in connection with or incidental to the performance of the obligations; and
- Not to assign or create any lien or encumbrance on the concession granted, nor transfer or lease.

At any time before the seventh anniversary of the concession commencement date, IRIDCL may, by a notice to the Authority, excuse itself from all obligations relating to four-laning and operate the two-lane project highway for a concession period of 11 years.

Performance Security. IRIDCL shall provide to the Authority no later than 180 days from the date of this agreement, an irrevocable and unconditional guarantee for Rs. 100 million for the performance of its obligations during the 'construction period'. Upon occurrence of a default by IRIDCL, the Authority shall be entitled to encash and appropriate the relevant amounts from the performance security as damages. The performance security shall remain in force and effect for a period of one year from the concession commencement date, but shall be released earlier upon IRIDCL expending an aggregate sum of 20% of the total project cost.

Grant. The Authority shall provide IRIDCL cash support by way of an outright grant equal to the sum set forth in the bid of Rs.754.65 million. The grant shall be disbursed by way of 'equity support' and the balance shall be disbursed as 'operation and maintenance support'. The equity support shall be credited to the escrow account, shall be applied by IRIDCL for meeting the total project cost and shall not exceed 20% of the total project cost. The 'operation and maintenance support' shall be disbursed by the Authority in quarterly installments and the first installment shall be released within 90 days of 'commercial operations date'. Each installment shall be equal to 5% of the equity support.

Obligations of IRIDCL. IRIDCL shall at its own cost and expense procure finance for and undertake the design, engineering, procurement, construction, operation and maintenance of the project highway and comply with and perform all its obligations set out in the IRIDCL Concession Agreement. IRIDCL shall *inter alia*, obtain applicable permits and lease clearances, notify the occurrence of financial close, submit certified copies of the project agreements, provide assistance to the independent contractors, acquire land for additional facilities, comply with disinvestment requirements, handover the project highway to the Authority upon termination and ensure selection or replacement of an 'Operations & Management Contractor' and execution of the 'Operations & Management Agreement'.

Obligations of the Authority. The Authority shall, *inter alia*, enable access to the site free from encumbrances, permit peaceful use of the site by IRIDCL as licensee, provide support in obtaining the permits, infrastructural facilities and utilities, provide necessary assistance in regulating traffic, take steps for acquisition of additional land and make efforts to procure that no local tax, toll or charge is levied on the use of the project highway. Neither the Authority nor any government instrumentality shall construct any competing road before the tenth anniversary of the 'concession commencement date'.

Right of way. The Authority grants IRIDCL access to the site for carrying out surveys, investigations and soil tests during the development period and the Authority shall not have any liability in this respect. The Authority shall grant IRIDCL leave and licence rights in respect of all land comprising the site which have been delineated in the schedule appended to the IRIDCL Concession Agreement. The right of way, licence and right to the site granted to IRIDCL shall always be subject to the right of access of the Authority and the 'Independent Engineer' and their employees and agents for inspection, viewing and exercise of their rights and performance of their obligations. The additional real estate required for four-laning shall be acquired by the Authority and granted to IRIDCL no later than two years prior to the scheduled four-laning date.

Construction, Operations and Maintenance. Prior to commencement of construction works, IRIDCL shall submit to the Authority and Independent Engineer its detailed design, construction methodology, quality assurance procedures and the procurement, engineering and construction time schedule for completion of the project. IRIDCL shall maintain the existing lanes at its own cost to ensure that its traffic worthiness and safety are not materially inferior to what it was seven days prior to the date of the IRIDCL Concession Agreement and shall undertake the necessary repair and maintenance at its own cost.

If the two-laning is not completed within 270 days from the scheduled date of completion, the Authority shall be entitled to terminate the agreement, unless the delay is on account of reasons solely attributable to the Authority or force majeure. The scheduled four-laning date shall be on or before the tenth anniversary of the 'concession commencement date'. If the four-laning is not completed on or before the eleventh anniversary of the appointed date, the concession period shall be deemed to be 11 years and the eleventh anniversary shall be the 'transfer date'. Two laning shall be deemed to be complete when the completion certificate or the provisional certificate is issued which shall be the 'commercial operations date'.

IRIDCL shall operate and maintain the project highway either itself or through the 'operations & maintenance contractor'. Its obligations shall include safe and smooth flow of traffic during normal operating conditions, collecting fee, minimizing disruption of traffic and maintaining liaison with emergency services, carrying out periodic maintenance, preventing unauthorized use of and encroachments on the project highway, protecting the environment and complying with safety requirements. IRIDCL shall evolve a repair and maintenance manual in consultation with the Independent Engineer within 180 days prior to the scheduled two-laning date.

User Fee. On and from the commercial operation date till the transfer date, IRIDCL shall have the sole and exclusive right to demand, collect and appropriate fee from the users subject to the IRIDCL Concession Agreement and the National Highways Fee (Determination of Rates and Collection) Rules, 2008. The fee shall also be revised annually. In case the average daily traffic in any accounting year reaches a level equivalent to 120% of the designed capacity, the fee levied and collected from traffic exceeding the traffic cap shall be deemed to be due and payable to the Authority.

Miscellaneous Provisions.

1. The Authority shall not construct any expressway or other toll road between Beawar and Gomti for use by traffic at any time before the fifteenth anniversary of the 'concession commencement date'.
2. IRIDCL shall achieve *financial close* within 180 days from the date of the IRIDCL Concession Agreement and in case of delay, it shall be entitled to a further period not exceeding 60 days, subject to payment of damages to the Authority at 0.1% of the performance security foe each day of delay.

Termination. If IRIDCL has failed to cure any defaults arising on its part within 60 days, it shall be deemed to be in default, unless default has occurred as a result of any breach by the Authority or force majeure. Upon the occurrence of an event of default on the part of the Authority, IRIDCL shall be entitled to terminate the IRIDCL Concession Agreement by issuing a termination notice to the Authority and grant 15 days to make representations in this behalf.

Upon termination on account of IRIDCL's default, during the operation period, the termination payment shall be an amount equal to 90% of the debt due, less insurance cover. Upon termination on account of Authority's default, termination payment shall be an amount equal to debt due and 150% of the adjusted equity.

State Support Agreement dated July 14, 2009 pursuant to the IRIDCL Concession Agreement

IRIDCL has entered into a State Support Agreement dated July 14, 2009 with the Government of Rajasthan and the Ministry of Road Transport and Highways, GoI for the implementation of the project and its continued operation and maintenance in accordance with the IRIDCL Concession Agreement which requires extensive continued support and grant of certain rights and authorities from the Government of Rajasthan and is an essential pre-condition for the mobilization of resources.

12. Programme Development Agreement dated February 6, 2008 between IL&FS and the Governor of the State of Jharkhand, Road Construction Department

IL&FS has entered into a Programme Development Agreement dated February 6, 2008 (the "**Jharkhand PDA**") with the Governor of the State of Jharkhand, acting through the Secretary to the Government of Jharkhand, Road Construction Department ("**GoJ**"). Pursuant to the Jharkhand PDA, the GoJ has selected IL&FS as the 'JV Partner' to upgrade about 1,500 lane km. of roads in the state of Jharkhand under the Jharkhand Accelerated Road Development Programme ("**JARDP**").

The SPV Company. The GoJ and IL&FS shall set up an SPV (the "**SPV Company**") for the objectives including, planning, designing and procurement of contractors for the construction of the roads in fast track mode so as to complete the programme within three years, setting uniform standards, engaging qualified personnel to ensure efficient procedures and keeping the project implementation costs to the minimum. The GoJ and IL&FS may take up financing, construction, operation and maintenance of the roads either through this SPV or through other special purpose companies incorporated by either of them.

IL&FS shall, within six weeks of signing the Jharkhand PDA, form and register the SPV Company under the Companies Act, which shall have its registered office at Ranchi, Jharkhand. The SPV Company shall be responsible for designing, engineering, construction, commissioning, operation and maintenance of roads under the JARDP. The SPV Company shall further award a separate contract for project supervision and management during the project development and construction stage to IL&FS. After completion of construction, the SPV Company shall also award the 'operation and maintenance contract' to IL&FS.

The board of the SPV shall have a maximum of nine directors including at least one independent director who shall be a technical/ implementation expert. The GoJ shall have three nominees on the board including the chairman of the board. The managing director of the SPV Company shall be nominated by IL&FS. The directors shall be appointed for a term of one year or till the AGM of the SPV Company after lapse of the said one year period.

The SPV Company shall also have a technical sub-committee for scrutinizing, and approving *inter alia*, the mechanism for arm's length transactions with related parties, process for selection of technical consultants, the 'detailed project report', the tender documents for each project and the process for selection of the 'EPC contractor'.

Shareholders' Agreement, Share Capital and Shareholding. The parties shall enter into a shareholders' agreement within a period of 12 weeks from the date of execution of the Jharkhand PDA. The initial authorized capital of the SPV Company shall be Rs. 100 million. IL&FS and its affiliates shall hold not less than 74% of the paid up equity capital, of which it shall hold at least 51% proportion. The GoJ shall hold the balance 26% of the paid up equity capital. The SPV Company shall allot shares within 90 days from the date of signing of the shareholders' agreement. For the purpose of project development, the parties may bring in either equity or subordinated debt. After meeting its operation expenses and liabilities, including debt payments, the SPV Company shall pay out dividends on annual basis, the quantum of which shall be mutually decided by IL&FS and the GoJ.

Annuity. The GoJ assures annuity payment, either through its own budgetary provisions or any appropriate fund mechanism, on a semi annual basis.

Performance Security. IL&FS shall deliver to the GoJ a bank guarantee for a sum of Rs. 50 million as performance security for due and punctual performance of its obligations. The performance security shall be increased or reduced in the following manner, (a) upon infusion of initial equity capital of at least Rs. 150 million in the SPV Company by IL&FS and upto the signing of the concession agreement: Rs. 25 million; and (b) after two years from signing of the concession agreement with the consent of the GoJ: Nil.

Project Identification and Project Development Studies. The GoJ at its sole discretion shall identify the roads which shall be upgraded under the JARDP, and shall confirm by way of a 'project implementation request' for implementation of at least 1,000 lane km. within 24 weeks of signing of the Jharkhand PDA. The SPV Company shall commence the project development studies within two weeks from receipt of the 'project implementation request' and shall adopt a bidding process for selection of the technical consultant. The 'detailed project report' submitted by the technical consultant shall be approved by the technical sub committee.

The SPV Company shall then commence the process for selection of the contractor for construction of the road stretch within two weeks from approval of the 'detailed project report'. The construction shall be carried out on a lump sum contract.

Execution of Concession Agreement. The concession agreement shall be executed within two weeks from the selection of the 'EPC Bidder'. The GoJ shall make a predetermined sum as annuity payment for 15 years after completion of construction of the road project. The semi-annuity amount payment for each project shall be 9.50% of the total project cost and shall remain constant during the agreement period. The format of the concession agreement shall be as per the NHAI standard annuity agreement.

Termination. The Jharkhand PDA shall be valid for five years and shall be extendable at the sole discretion of the GoJ. The Jharkhand PDA may be terminated without forfeiture of the performance security of IL&FS for reasons including, if IL&FS and the GoJ do not enter into a shareholders' agreement within 20 weeks from the execution of the Jharkhand PDA for a reason not attributable to IL&FS. The Jharkhand PDA may be terminated with forfeiture of the performance security of IL&FS if (a) IL&FS does not form and register the SPV Company within 12 weeks from the execution of the Jharkhand PDA; and (b) if, for a reason attributable to IL&FS, IL&FS and the GoJ do not enter into a shareholders' agreement within 20 weeks from the execution of the Jharkhand PDA.

If the Jharkhand PDA is terminated before signing of the concession agreements, then the GoJ shall reimburse to the SPV Company, 110% of all project development expenditure in preparing such 'detailed project report' for which the concession agreements have not been signed.

13. Programme Development Agreement dated January 29, 2007 between IL&FS and the Governor of the State of Chhattisgarh, Public Works Department

IL&FS has entered into a Programme Development Agreement dated January 29, 2007 (the "**Chhattisgarh PDA**") with the Governor of the State of Chhattisgarh, acting through the Principal Secretary to the Government of Chhattisgarh, Public Works Department ("**GoCG**"). IL&FS and GoCG have also entered into an amendment agreement dated September 24, 2007. Pursuant to the Chhattisgarh PDA, the GoCG has selected IL&FS as the 'JV Partner' to upgrade about 1,500 lane km. of roads in the state of Chhattisgarh under the Chhattisgarh Accelerated Road Development Programme ("**CARDP**").

The SPV Company. The GoCG and IL&FS shall set up an SPV (the "**SPV Company**") for such objectives including, planning, designing and procurement of contractors for the construction of the roads in fast track mode, so as to complete the programme within two and a half years, setting uniform standards, engaging qualified personnel to ensure efficient procedures and keeping the project implementation costs to the minimum. The GoCG and IL&FS may take up financing, construction, operation and maintenance of the roads either through this SPV or through other special purpose companies incorporated by either of them.

IL&FS shall within six weeks of signing the Chhattisgarh PDA, form and register the SPV Company under the Companies Act, which shall have its registered office at Raipur, Chhattisgarh. The SPV Company shall be responsible for designing, engineering, construction, commissioning, operation and maintenance of roads under the CARDP. The SPV Company shall further award a separate contract for project supervision and management during the project development and construction stage to IL&FS. After completion of construction, the SPV Company shall award the 'operation and maintenance contract' to IL&FS as well.

The board of the SPV shall have a maximum of nine directors including at least one independent director who shall be a technical/ implementation expert. The GoCG shall have three nominees on the board including the chairman of the board. The managing director of the SPV Company shall be nominated by IL&FS. The directors shall be appointed for a term of one year or till the AGM of the SPV Company after lapse of the said one year period.

The SPV Company shall also have a technical sub-committee for scrutinizing, and approving *inter alia*, the mechanism for arm's length transactions with related parties, process for selection of technical consultants, the 'detailed project report', the tender documents for each project and the process for selection of the contractor for the lump sum contract.

Shareholders' Agreement, Share Capital and Shareholding. The parties shall enter into a shareholders' agreement within a period of 12 weeks from the date of execution of the Chhattisgarh PDA. The initial authorized capital of the SPV Company shall be Rs. 100 million. IL&FS and its affiliates shall hold not less than 74% of the paid up equity capital, of which it shall hold at least 50% proportion. The GoCG shall hold the balance 26% of the paid up equity capital. The SPV Company shall allot shares within 90 days from the date of signing of the shareholders' agreement. For the purpose of project development, the parties may bring in either equity or subordinated debt. After meeting its operation expenses and liabilities, including debt payments, the SPV Company shall pay out dividends on annual basis, the quantum of which shall be mutually decided by IL&FS and the GoCG.

The annuity payments shall be the only payments to the SPV Company from the GoCG on the revenue side. The SPV Company is free to manage its treasury operations for additional income.

Chhattisgarh State Road Fund. The GoCG shall enact required framework, within 16 weeks of the signing of the Chhattisgarh PDA, for constitution of a 'dedicated road fund' that constitutes a secure source of annuity payments. The 'Chhattisgarh State Road Fund' shall be an ear-marked and a 'ring fenced' fund with clear, appropriate and adequate revenue sources to the fund having automatic and non discretionary diversion of sources into the fund. In case the Chhattisgarh State Road Fund has certain discretionary sources, the GoCG shall implement credit enhancement structures so as to ensure that the fund and the concession agreements are bankable.

Performance Security. IL&FS shall deliver to the GoCG a bank guarantee for a sum of Rs. 50 million as performance security for due and punctual performance of its obligations. The performance security shall be increased or reduced in the following manner, (a) upon infusion of initial equity capital of at lease Rs. 150 million in the SPV Company by IL&FS and upto the signing of the concession agreement: Rs. 25 million; and (b) after to years from signing of the concession agreement with the consent of the GoCG: Nil.

Project Identification and Project Development Studies. The GoCG at its sole discretion shall identify the roads which shall be upgraded under the CARDP, and shall confirm by way of a 'Project Implementation Request' for implementation of at least 1,000 lane km. within 24 weeks of signing of the Chhattisgarh PDA. The SPV Company shall commence the project development studies within two weeks from receipt of the 'Project Implementation Request' and shall adopt a bidding process for selection of the technical consultant. The 'detailed project report' submitted by the technical consultant shall be approved by the technical sub committee.

The SPV Company shall then commence the process for selection of the contractor for construction of the road stretch within four weeks from approval of the 'detailed project report'. The construction shall be carried out on a lump sum contract. The SPV Company shall adopt a bidding process for selection of the construction contractor.

Execution of Concession Agreement. The concession agreement shall be executed within two weeks from the selection of the 'EPC bidder'. The GoCG shall make a predetermined sum as annuity payment for 15 years after completion of construction of the road project. The semi-annuity amount payment for each project shall be 10.24% of the total project cost and shall remain constant for a period of one year from the signing of the Chhattisgarh PDA. In case of delay on GoCG's part in awarding the concession, the annuity rate shall be reset for subsequent one year tenures on a pro-rata basis. The format of the concession agreement shall be as per the NHAI standard annuity agreement.

Termination. The Chhattisgarh PDA shall be valid for three years and shall be extendable at the sole discretion of the GoCG. The Chhattisgarh PDA may be terminated without forfeiture of the performance security of IL&FS for reasons including, if IL&FS and the GoCG do not enter into a shareholders' agreement within 20 weeks from the execution of the Chhattisgarh PDA for a reason not attributable to IL&FS. The Chhattisgarh PDA may be terminated with forfeiture of the performance security of IL&FS if (a) IL&FS does not form and register the SPV Company within 12 weeks from the execution of the Chhattisgarh PDA; and (b) if for a reason attributable to IL&FS, IL&FS and the GoCG do not enter into a shareholders' agreement within 20 weeks from the execution of the Chhattisgarh PDA.

If the Chhattisgarh PDA is terminated before signing of the concession agreements, then the GoCG shall reimburse to the SPV Company, 115% of all project development expenditure in preparing such 'detailed project report' for which the concession agreements have not been signed. As the Chhattisgarh PDA for the project has expired, we have applied for an extension with the GoCG through our letter dated January 15, 2010.

14. Concession Agreement dated August 18, 2007 between Hyderabad Urban Development Authority, Hyderabad Growth Corridor Limited and Ramky Hyderabad Ring Road Limited

Ramky Hyderabad Ring Road Limited ("**RHRRL**") has entered into a concession agreement dated August 18, 2007 (the "**RHRRL Concession Agreement**") with Hyderabad Urban Development Authority ("**HUDA**") and Hyderabad Growth Corridor Limited ("**HGCL**"). HUDA, entrusted with the responsibility of development of Outer Ring Road of km. 158 around Hyderabad, has finalised contractors for execution of phase I consisting of km. 24.38 from Gachibowli to Shamshabad. HUDA, as part of phase IIA, has entered into the RHRRL Concession Agreement for design, construction, development, finance, operation and maintenance of eight lane access controlled expressway for the package from Tukkuguda to Shamshabad from km. 121.00 to km. 133.63 on BOT (Annuity) basis. HUDA has consequently qualified the consortium comprising RHRRL and Elsamex S.A for undertaking the works.

The concession is for a period of 15 years commencing from the commencement date, which shall be the date within 60 days from the execution of the RHRRL Concession Agreement, and including the exclusive right, license, authority during the subsistence of the agreement to implement the project and the concession in respect of the project highway. The concession entitles RHRRL to, *inter alia*:

- develop, design, engineer, finance, procure, construct, operate and maintain the highway project during the concession period;
- upon completion of the highway, manage, operate and maintain the highway project and regulate the use thereof by third parties;
- levy, demand, collect and appropriate fees from all vehicles and persons liable to payment of fees for using the project highway;
- bear and pay all expenses, costs and charges incurred in the fulfilment of its responsibility; and
- to receive grant of Rs. 665.02 million from HUDA towards the total cost of the project as per the terms and conditions of the RHRRL Concession Agreement.

The rights and obligations of RHRRL under the RHRRL Concession Agreement are subject to the satisfaction in full of certain conditions precedent which are required to be fulfilled on or before the date of the financial close, which shall be the date on which RHRRL has immediate access to the financial assistance sought for the project.

Performance Security. For construction of the project, RHRRL has provided to HUDA bank guarantees of Rs. 99.75 million and Rs. 66.50 million, as performance security for due and timely performance of its obligations. For grant received by RHRRL, RHRRL is required to submit to HUDA, bank guarantee for an equivalent amount to 35% of the grant amounting to Rs. 232.75 million as performance security.

Annuity. HUDA shall make payment of annuity on each annuity date of Rs. 315.00 million. HUDA shall provide a letter of credit, which shall be established within 30 days from the expected commercial operations date. The annuity payment is subject to adjustment if the road project is not available for use during the operation period.

Levy of User Fee. HUDA is entitled to levy toll or fee on the vehicles using the project highway and to demand, collect, retain and appropriate a fee or toll for using the road. RHRRL is not entitled to levy, demand or collect any sum in the nature of a toll or user fee, and its project revenue consists only of annuity payments. Any arrangement or contract made or entered into in connection with the levy and collection of the user fee will be independent of the RHRRL Concession Agreement. The concession fee payable by RHRRL to HUDA in consideration of the grant of the concession shall be Re. 1 per year during the term of the RHRRL Concession Agreement.

Capacity Augmentation. HUDA may, after the 'commercial operations date', decide to augment or increase the capacity of the project for which it is entitled to invite proposals from eligible persons. In case RHRRL, after participating in the bidding process, fails to give the lowest offer, it shall be given the first right of refusal to match the preferred offer. If RHRRL matches the offer, the parties shall enter into an agreement for carrying out the augmentation, and RHRRL shall pay the lowest bidder a sum of Rs. one million towards bidding costs.

Obligations of RHRRL. RHRRL at its own expense and cost, shall, *inter alia*, obtain applicable permits and lease clearances, notify the occurrence of financial close, submit certified copies of the project agreements, acquire real estate for additional facilities, undertake debt service payments, comply with disinvestment requirements, handover the project highway to HUDA upon termination and indemnify HUDA against all actions, suits, demands, proceedings, loss suffered by HUDA for acts of RHRRL.

Obligations of HUDA. HUDA shall, *inter alia*, provide grant to RHRRL, access to the site free from encumbrances, peaceful use of the site by RHRRL as licensee, support in obtaining the permits, infrastructural facilities and utilities, necessary assistance in regulating traffic and shall take steps for acquisition of additional land and assist RHRRL in obtaining necessary assistance in regulating traffic.

Right of way. At least 50% of the RoW shall be handed over to RHRRL on the commencement date. At least 80% shall be handed over within 90 days from the commencement date. At least 90% of the RoW and additional lands required for junctions shall be handed over within 180 days from the commencement date. The balance 10% of RoW shall be handed over within 365 days from the commencement date. HUDA shall make available right of way free from all encumbrances without bearing any expenses for the concession period within 150 days of the date of the agreement.

Completion. The project shall be deemed to be complete and open to traffic only when the 'completion certificate' is granted. RHRRL guarantees that the project shall be completed within 30 months from the date of commencement. If the project is not completed within 6 months from the scheduled project completion date, HUDA shall be entitled to terminate the RHRRL Concession Agreement.

Operation & Maintenance. RHRRL shall operate and maintain and if required, modify, repair and make improvements to the project highway, either by itself or through operation & maintenance contractors, to comply with the specifications, standards and other requirements. RHRRL shall, in consultation with an 'Independent Consultant' prepare a repair and maintenance manual for this purpose. RHRRL shall not undertake the maintenance of the highway except with the prior written approval of the HUDA.

Termination. If RHRRL is found to be in breach of the RHRRL Concession Agreement, HUDA shall be entitled to rights and remedies including termination and suspension of all rights of RHRRL and exercise the rights of RHRRL either by itself through any authorized person. In event of RHRRL being in material default and curing the same before termination, RHRRL shall compensate HUDA with all direct additional costs suffered by it arising out of such material default in one lump sum within 30 days in three equal semi-annual installments, with interest thereon.

RHRRL may, after giving 90 days' notice in writing to HUDA, terminate the agreement on the occurrence of a default by HUDA, unless it has occurred as result of RHRRL's default or force majeure, or if HUDA is in any breach of the agreement which has a material adverse effect on RHRRL, and is not cured within 90 days of receipt of such notice. HUDA may also terminate the agreement *suo-moto* at anytime during the concession period without assigning any reason, at its absolute discretion, by giving adequate notice to RHRRL. Upon the termination of the RHRRL Concession Agreement, HUDA shall take possession and control of the project highway.

The termination payment shall become due and payable to RHRRL within 30 days of a demand being made by RHRRL.

Memorandum of Understanding dated May 21, 2007 between Ramky Infrastructure Limited and Elsamex S.A

Elsamex S.A has entered into a memorandum of understanding dated May 21, 2007 ("**Elsamex MoU**") with Ramky Infrastructure Limited for designing, constructing, developing, financing, operating and maintaining an eight lane access controlled expressway under 'phase IIA' of outer ring road to Hyderabad City for the package from Tukkuguda to Shamshabad from km. 121.00 to km. 133.63 on BOT (annuity) basis, in accordance with the RHRRL Concession Agreement.

Ramky Infrastructure Limited shall be the lead financial member and is required to maintain a minimum equity holding of 74% in the project SPV at all times during the concession period in accordance with the RHRRL Concession Agreement. Elsamex S.A shall be the lead technical member and is required to maintain a minimum equity holding of 26% in the project SPV at all times during the concession period.

15. Concession agreement dated October 8, 2009 between NHAI and PSRDCL

Pune Sholapur Road Development Company Limited ("**PSRDCL**") has entered into a concession agreement dated September 30, 2009 with NHAI (the "**PSRDCL Concession Agreement**"). Pursuant to the PSRDCL Concession Agreement, NHAI has granted PSRDCL concession for a period of 20 years commencing from the 'Appointed Date' (which shall mean the date on which financial close is achieved and shall be the date of the commencement of the concession period) and including the exclusive right, license, authority during the subsistence of the agreement to implement the project and the concession in respect of the project highway. The concession period shall be the period starting on and from the Appointed Date and ending on the transfer date, which shall be the date on which the PSRDCL Concession Agreement expires or is terminated.

The PSRDCL Concession Agreement has been executed for augmentation of the existing road from km 144.400 to km. 249.00 on the Pune Sholapur section of NH 9 in the state of Maharashtra by four-laning on DBFOT basis. The concession entitles PSRDCL to, *inter alia*:

- construct, operate and maintain the highway project during the concession period;
- upon completion of the highway, manage, operate and maintain the highway project and regulate the use thereof by third parties;
- levy, demand, collect and appropriate fees from all vehicles and persons liable to payment of fees for using the project highway; and
- bear and pay all expenses, costs and charges in connection with or incidental to the performance of its obligations.

The rights and obligations of PSRDCL under the PSRDCL Concession Agreement are subject to the satisfaction in full of certain conditions precedent. PSRDCL may, upon providing the Performance Security to NHAI, at any time after 90 days from the date of the PSRDCL Concession Agreement, by notice require NHAI to satisfy any or all of the conditions precedent within a period of 30 days of the notice not exceeding 60 days.

Financial Close. PSRDCL shall achieve financial close within 180 days from the date of the PSRDCL Concession Agreement, failing which PSRDCL shall be entitled to a further period of 120 days subject to the payment of damages to NHAI in a sum calculated at the rate of 0.1% of the performance security for each day of delay. In the event financial close does not occur, the PSRDCL Concession Agreement shall be deemed to have been terminated by mutual agreement of both parties.

Performance Security. PSRDCL shall provide to NHAI an irrevocable and unconditional bank guarantee of Rs. 417.50 million, as performance security not later than 180 days from the date of the PSRDCL Concession Agreement, for due and timely performance of its obligations. The performance security shall remain in force and effect for a period of one year from the Appointed Date but shall be released earlier upon PSRDCL expending on the project construction, an aggregate sum not less than 20% of the total project cost.

Right of way. NHAI shall make available existing right of way to PSRDCL free from all encumbrances for the concession period for operation and maintenance of the licensed premises.

Construction of the project highway. PSRDCL shall, prior to the commencement of the construction works, submit *inter alia* detailed design, construction methodology, time schedules for procurement, engineering and construction for completion of the project and appoint authorized representatives to carry out activities. PSRDCL shall maintain during the construction period, at its cost, the existing lanes of the project highway. PSRDCL shall undertake construction of four-laning of the project highway on or after the Appointed Date. The 910th day from such date shall be the scheduled four-laning date for completion.

Completion Certificate. PSRDCL shall notify the 'Independent Engineer' 30 days prior to the likely completion of the project highway, its intent to subject the project to inspection. Upon completion of the construction works and the 'Independent Engineer' determining the tests to be successful, it shall issue to a Completion Certificate to PSRDCL and NHAI.

Commercial Operations Date. Four laning shall be complete when the provisional certificate or the completion certificate, as the case may be, is issued to PSRDCL and such date shall be the Commercial Operations Date. If the Commercial Operations Date does not occur prior to the 91st day from the scheduled four laning date, PSRDCL shall be liable to pay damages.

Levy and Collection of Fee. PSRDCL shall have the sole and exclusive right to levy toll or fee on the vehicles using the project highway and to demand, collect, retain and appropriate a fee or toll for using the road on and from the commercial operations date. The fee shall be revised annually in accordance with applicable laws, and such revision shall not be effected until a period of six months has elapsed from the commercial operations date.

The concession fee payable by PSRDCL to NHAI in consideration of the grant of the concession shall be Re. 1 per year during the term of the PSRDCL Concession Agreement.

Grant. An amount of Rs. 2,850 million shall be paid by NHAI to PSRDCL in the form of equity support. Such grant shall be released only after infusion of the entire equity by the promoters. Also, the grant shall then be released in proportion to the debt released by the lenders.

Construction of Additional Tollway. NHAI shall not construct or cause to be constructed any additional tollway for use by traffic at any time before the 15th anniversary of the Appointed Date. In the event of construction of such tollway, the concession period shall be increased/ modified.

Obligations of PSRDCL. PSRDCL shall at its cost and expense *inter alia* procure finance for and undertake design, engineering, procurement, construction, operation and maintenance of the project highway. PSRDCL shall make necessary applications and procure appropriate proprietary rights, licenses, agreements and permissions for the project, perform and fulfil its obligations under the financing agreements, facilitate acquisition of land required for the project, aid in the selection and replacement of the O&M contractor, ensure that no change in the ownership of PSRDCL shall take place and handover the project highway to NHAI upon termination.

Obligations of NHAI. NHAI shall *inter alia* enable access to the site free from encumbrances, permit peaceful use of the site by PSRDCL as licensee, provide support in obtaining the permits, infrastructural facilities and utilities, provide necessary assistance in regulating traffic and in procuring police assistance and take steps for acquisition of additional land. NHAI shall, in the development period, maintain the project highway, at its own cost and expense, so that traffic worthiness and safety are at no time inferior as compared to its condition seven days before the last date of submission of the bid. NHAI shall also procure that during the subsistence of this agreement, no competing road facility is constructed.

Operations and Maintenance. PSRDCL shall operate and maintain and if required, modify, repair and make improvements to the project highway, either by itself or through operation & maintenance contractors, to comply with the specifications, standards and other requirements. PSRDCL shall, in consultation with an 'independent engineer' prepare a repair and maintenance manual not later than 180 days before the scheduled four- laning date for this purpose. If PSRDCL fails to repair or rectify any defect or deficiency set forth in the manitenance requirements, it shall be deemed to be in breach of the PSRDCL Concession Agreement and shal be liable to pay damages. PSRDCL shall not undertake any modifications in relation to the project highway except with prior intimation to the 'independent engineer' at least 15 days prior to commencement of such works.

Termination. In the event PSRDCL is in material default or breach of the PSRDCL Concession Agreement, it shall pay NHAI by way of compensation, all costs incurred by NHAI within 30 days of receipt of such demand. In the event NHAI is material default or breach, it shall pay to PSRDCL by way of compensation, all costs incurred by PSRDCL within 30 days of receipt of such demand.

In the event PSRDCL is unable to cure a default on its part within 60 days, PSRDCL shall be deemed to be in default of the PSRDCL Concession Agreement, unless the default was on the part of NHAI or due to force majeure. Upon PSRDCL's default, NHAI shall be entitled to terminate the PSRDCL Concession Agreement by granting PSRDCL 15 days to make a representation and consequently issuing a termination notice. In the event NHAI is unable to cure a default on its part within 90 days, NHAI shall be deemed to be in default of the PSRDCL Concession Agreement, unless the default was on the part of PSRDCL or due to force majeure. Upon NHAI's default, PSRDCL shall be entitled to terminate this agreement by granting NHAI 15 days to make a representation and consequently issuing a termination notice.

Upon termination due to PSRDCL's default during the operation period, NHAI shall pay to PSRDCL, by way of 'Termination Payment', an amount equal to 90% of the debt due less the insurance cover provided that if any insurance claims forming part of the insurance cover are not admitted and paid, then 80% of such unpaid claims shall be included in the computation of debt due. No termination payment shall be due on account of default by PSRDCL occurring prior to the commercial operations date. Upon termination due to NHAI's default, NHAI shall pay to PSRDCL, an amount equal to the debt due and 150% of the adjusted equity. Termination payment shall become due and payable to PSRDCL within 15 days of a demand being made by PSRDCL.

16. Concession agreement dated October 8, 2009 between NHAI and HREL

Hazaribagh Ranchi Expressway Limited ("**HREL**") has entered into a concession agreement dated October 8, 2009 with NHAI (the "**HREL Concession Agreement**"). Pursuant to the HREL Concession Agreement, NHAI has granted HREL concession for a period of 18 years commencing from the 'Appointed Date' (which shall mean the date on which financial close is achieved and shall be the date of the commencement of the concession period) and including the exclusive right, license, authority during the subsistence of the agreement to implement the project and the concession in respect of the project highway. The concession period shall be the period starting on and from the Appointed Date and ending on the transfer date, which shall be the date on which the HREL Concession Agreement expires or is terminated.

The HREL Concession Agreement has been executed for augmentation of the existing road from km 40.500 to km. 114.00 on the Hazaribagh Ranchi section of NH 33 in the state of Jharkhand by four-laning on BOT Annuity basis. The concession entitles HREL to, *inter alia*:

- construct, operate and maintain the highway project during the concession period;
- upon completion of the highway, manage, operate and maintain the highway project and regulate the use thereof by third parties; and
- bear and pay all expenses, costs and charges in connection with or incidental to the performance of its obligations.

The rights and obligations of HREL under the HREL Concession Agreement are subject to the satisfaction in full of certain conditions precedent. HREL may, upon providing the Performance Security to NHAI, at any time after 90 days from the date of this agreement, by notice require NHAI to satisfy any or all of the conditions precedent within a period of 30 days of the notice not exceeding 60 days.

Financial Close. HREL shall achieve financial close within 180 days from the date of the HREL Concession Agreement, failing which HREL shall be entitled to a further period of 120 days subject to the payment of damages to NHAI in a sum calculated at the rate of 0.1% of the performance security for each day of delay. In the event financial close does not occur, the HREL Concession Agreement shall be deemed to have been terminated by mutual agreement of both parties.

Performance Security. HREL is required to provided to NHAI a bank guarantee of Rs. 312.50 million, as performance security not later than 180 days from the date of the HREL Concession Agreement, for due and timely performance of its obligations. The performance security shall remain in force and effect for a period of one year from the Appointed Date but shall be released earlier upon HREL expending on the project construction, an aggregate sum not less than 20% of the total project cost.

Right of way. NHAI shall make available existing right of way to HREL free from all encumbrances for the concession period for operation and maintenance of the licensed premises.

Construction of the project highway. HREL shall, prior to the commencement of the construction works, submit *inter alia* detailed its design, construction methodology, time schedules for procurement, engineering and construction for completion of the project and appoint authorized representatives to carry out activities. HREL shall maintain during the construction period, at its cost, the existing lanes of the project highway. HREL shall undertake construction of four-laning of the project highway on or after the Appointed Date. The 910th day from such date shall be the scheduled four-laning date for completion.

Completion Certificate. HREL shall notify the 'Independent Engineer' 30 days prior to the likely completion of the project highway, its intent to subject the project to inspection. Upon completion of the construction works and the 'Independent Engineer' determining the tests to be successful, it shall issue to HREL and NHAI a Completion Certificate.

Commercial Operations Date. Four laning shall be complete when the provisional certificate or the completion certificate, as the case may be, is issued to HREL and such date shall be the Commercial Operations Date. If the Commercial Operations Date does not occur prior to the 91^{st} day from the scheduled four laning date, HREL shall be liable to pay damages.

Levy and Collection of Fee. NHAI is entitled to levy toll or fee on the vehicles using the project highway and to demand, collect, retain and appropriate a fee or toll for using the road. HREL is not entitled to levy, demand or collect any sum in the nature of a toll or user fee, and its project revenue consists only of annuity payments. Any arrangement or contract made or entered into in connection with the levy and collection of the user fee will be independent of the HREL Concession Agreement.

The concession fee payable by HREL to NHAI in consideration of the grant of the concession shall be Re. 1 per year during the term of the HREL Concession Agreement.

Annuity. NHAI shall pay HREL, upon achieving the commercial operations date, annuity of Rs. 640.80 million. The number of such annuity payments shall not exceed two per year over the concession period and shall commence from the commercial operations date, of which the first payment shall be six months from such date.

Obligations of HREL. HREL shall at its cost and expense *inter alia* procure finance for and undertake design, engineering, procurement, construction, operation and maintenance of the project highway. HREL shall obtain applicable permits and lease clearances, notify the occurrence of financial close, submit certified copies of the project agreements, provide assistance to the independent contractors, acquire real estate for additional facilities, comply with divestment requirements, aid in the seclection and replacement of the O&M contractor, ensure that no change in the ownership of HREL shall take place and handover the project highway to NHAI upon termination.

Obligations of NHAI. NHAI shall *inter alia* enable access to the site free from encumbrances, permit peaceful use of the site by HREL as licensee, provide support in obtaining the permits, infrastructural facilities and utilities, provide necessary assistance in regulating traffic and take steps for acquisition of additional land. NHAI shall, in the development period, maintain the project highway, at its own cost and expense, so that traffic worthiness and safety are at no time inferior as compared to its condition seven days before the last date of submission of the bid.

Operations and Maintenance. HREL shall operate and maintain and if required, modify, repair and make improvements to the project highway, either by itself or through operation & maintenance contractors, to comply with the specifications, standards and other requirements. HREL shall, in consultation with an 'independent engineer' prepare a repair and maintenance manual not later than 180 days before the scheduled four- laning date for this purpose. If HREL fails to repair or rectify any defect or deficiency set forth in the manitenance requirements, it shall be deemed to be in breach of the HREL Concesison Agreement and shal be liable to pay damages. HREL shall not undertake any modifications in relation to the project highway except with prior intimation to the 'independent engineer' at least 15 days prior to commencement of such works.

Termination. In the event HREL is in material default or breach of the HREL Concession Agreement, it shall pay NHAI by way of compensation, all costs incurred by NHAI within 30 days of receipt of such demand. In the event NHAI is material default or breach, it shall pay to HREL by way of compensation, all costs incurred by HREL within 30 days of receipt of such demand.

In the event HREL is unable to cure a default on its part within 60 days, HREL shall be deemed to be in default of the HREL Concession Agreement, unless the default was on the part of NHAI or due to force majeure. Upon HREL's default, NHAI shall be entitled to terminate this agreement by granting HREL 15 days to make a representation and consequently issuing a termination notice. In the event NHAI is unable to cure a defalut on its part within 90 days, NHAI shall be deemed to be in default of the HREL

Concession Agreement, unless the default was on the part of HREL or due to force majeure. Upon NHAI's default, HREL shall be entitled to terminate this agreement by granting NHAI 15 days to make a representation and consequently issuing a termination notice.

Upon termination due to HREL's default during the operation period, NHAI shall pay to HREL, by way of 'Termination Payment', an amount equal to the discounted value of future annuity payments, the discounting factor applied, being the then State Bank of India's Prime Lending Rate ("**SBI PLR**") + 3% less the insurance cover, provided that if any insurance claims forming part of the insurance cover are not admitted and paid, then 80% of such unpaid claims shall be deducted from the termination payment so assessed. No termination payment shall be due on account of default by HREL occurring prior to the commercial operations date. Upon termination due to NHAI's default, NHAI shall pay to HREL, an amount equal to the discounted value of future annuity payments, the discounting factor applied being the then SBI PLR – 3%.

17. Concession agreements between Jharkhand Road Projects Implementation Company Limited ("JRPICL"), the Governor of the State of Jharkhand (the "GoJ") and Jharkhand Accelerated Road Development Company Limited ("JARDCL") ("JRPICL Concession Agreements")

JRPICL has entered into three concession agreements with the GoJ and JARDCL in relation to 'Ranchi Ring Road (section III, IV, V and VI)', 'Ranchi Patratu Dam Road (Package RPR-I)' and 'Patratu Dam – Ramgarh Road (Package RPR-II)'. Key terms and conditions of the said concession agreements have been provided hereinbelow:

	Ranchi Ring Road (section III, IV, V and VI)	**Ranchi Patratu Dam Road (Package RPR-I)**	**Patratu Dam – Ramgarh Road (Package RPR-II)**
Date of Concession Agreements	September 23, 2009	October 14, 2009	October 14, 2009
Details of the project	Six laning of the Ranchi Ring Road (section III, IV, V and VI) on BOT annuity basis	4/2 laning of the Ranchi-Patratu Dam Road (package RPR-I) on BOT annuity basis	Four laning of Patratu Dam-Ramgarh Road (package RPR-II) on BOT annuity basis
Concession	Pursuant to the JRPICL Concession Agreements, the GoJ has granted JRPICL concession for a period of 17 years and six months commencing from the concession commencement date (which shall mean the date 180 days from signing of the JRPICL Concession Agreements) and including the exclusive right, license, authority during the subsistence of this agreement to implement the project and the concession in respect of the project highway. The JRPICL Concession Agreements have been executed for design, engineering, financing, procurement, construction, operation and maintenance of the projects. The concession entitles JRPICL to, *inter alia*: • develop, design, engineer, finance, procure, construct, operate and maintain the highway project during the concession period; • upon completion of the highway, manage, operate and maintain the highway project and regulate the use thereof by third parties; • to allow the GoJ to levy, demand, collect and appropriate fees from all vehicles and persons liable to payment of fees for using the project highway; and • bear and pay all expenses, costs and charges incurred in the fulfillment of its responsibility.		
Financial Close	JRPICL shall achieve financial close within 180 days from the date of the JRPICL Concession Agreements, failing which JRPICL shall be entitled to a further period of 180 days subject to an advance weekly payment.		
Commercial Operations Date	The Commercial Operations Date shall be the date on which the 'independent consultant' issues the provisional certificate certifying substantial completion of the project.		
Performance Security	JRPICL has provided to the GoJ, bank guarantee of Rs. 310.05 million (being 5% of the total project cost), as performance security for due and timely performance of its obligations. The performance	JRPICL has provided to the GoJ, bank guarantee of Rs. 131.93 million (being 5% of the total project cost), as performance security for due and timely performance of its obligations. The performance	JRPICL has provided to the GoJ, bank guarantee of Rs. 163.42 million (being 5% of the total project cost), as performance security for due and timely performance of its obligations. The performance

	Ranchi Ring Road (section III, IV, V and VI)	Ranchi Patratu Dam Road (Package RPR-I)	Patratu Dam – Ramgarh Road (Package RPR-II)
	security shall be reduced to Rs. 186.03 million (being 3% of the total project cost) after the achievement of the Financial Close by JRPICL.	security shall be reduced to Rs. 79.15 million (being 3% of the total project cost) after the achievement of the Financial Close by JRPICL.	security shall be reduced to Rs. 98.05 million (being 3% of the total project cost) after the achievement of the Financial Close by JRPICL.
	The performance security shall be released by the GoJ to JRPICL upon issuance of the completion certificate by the 'Independent Consultant'. If JRPICL is in default, the GoJ shall be entitled to encash the bank guarantee as damages for such default and the GoJ shall grant a period of 15 days to JRPICL to provide fresh performance security, failing which GoJ shall be entitled to terminate the JRPICL Concession Agreements.		
Annuity	The GoJ shall pay JRPICL, on each Annuity payment date, a sum of Rs. 589.10 million as Annuity. The GoJ shall, as security for the payment for the payment of Annuity, provide a letter of credit for the same amount to JRPICL within 30 days from the expected date of COD as intimated by JRPICL.	The GoJ shall pay JRPICL, on each Annuity payment date, a sum of Rs. 250.67 million as Annuity. The GoJ shall, as security for the payment for the payment of Annuity, provide a letter of credit for the same amount to JRPICL within 30 days from the expected date of COD as intimated by JRPICL.	The GoJ shall pay JRPICL, on each Annuity payment date, a sum of Rs. 310.50 million as Annuity. The GoJ shall, as security for the payment for the payment of Annuity, provide a letter of credit for the same amount to JRPICL within 30 days from the expected date of COD as intimated by JRPICL.
Levy of User Fee	JRPICL shall not levy, demand or collect fees from the users of the highway. The GoJ shall have the authority to levy toll or fee on the vehicles using the project facility and to demand, collect, retain and appropriate the fee in accordance with applicable laws. The GoJ may delegate the right of collection of fees to other authorized persons. The concession fee payable by JRPICL to the GoJ shall be Re. 1 per year in consideration of the grant of the concession.		
Capacity Augmentation	The GoJ or JARDCL may, following a detailed traffic study, decide to augment or increase the capacity of the project to provide the desired level of service to the users of the project facility. In case JRPICL, after participating in the bidding process, fails to give the lowest offer, it shall be given the first right of refusal to match the preferred offer. If JRPICL matches the offer, the parties shall enter into an agreement for carrying out the augmentation, and JRPICL shall pay the lowest bidder a sum of Rs. one million towards bidding costs.		
Obligations of JRPICL	JRPICL at its own expense and cost, shall *inter alia* obtain applicable permits and lease clearances, notify the occurrence of Financial Close, submit certified copies of the project agreements, provide assistance to the independent contractors, acquire real estate for additional facilities, comply with divestment requirements, handover the project highway to the GoJ upon termination and indemnify the GoJ against all actions, suits, demands, proceedings, loss suffered by GoJ for acts of JRPICL.		
Obligations of JARDCL	JARDCL shall be responsible for planning, designing and procurement of contractors for construction of the selected roads. JARDCL shall appoint consultants to undertake preparation of the 'Detailed Project Reports' for approval of the GoJ, prepare the 'Request for Qualification' and 'Request for Proposal'. JARDCL shall be the nodal organization of GoJ to ensure compliance with the JRPICL Concession Agreements for which it shall constitute a 'Compliance Committee' whose members shall be nominated by GoJ. JARDCL shall *inter alia* also coordinate capacity augmentation, check insurance covers for the project and procuring approvals and licenses for JRPICL.		
Obligations of the GoJ	The GoJ shall *inter alia* enable access to the site free from encumbrances, permit peaceful use of the site by WGEL as licensee, provide support in obtaining the permits, infrastructural facilities and utilities, provide necessary assistance in regulating traffic, take steps for acquisition of additional land and bear the cost for such acquisition.		
Operation & Maintenance	JRPICL shall operate and maintain and if required, modify, repair and make improvements to the project highway, either by itself or through operation & maintenance contractors, to comply with the specifications, standards and other requirements. JRPICL shall, in consultation with an 'independent consultant' prepare a repair and maintenance manual not later than 180 days before the scheduled project completion date for this purpose. If JRPICL fails to undertake the repair and maintenance within a period of 30 days from the receipt of notice in this behalf, the GoJ/ JARDCL shall be entitled to, including termination thereof, undertake the repair at the risk and cost of JRPICL. In addition, a sum equal to 25% of the cost of repair and maintenance shall be recovered from JRPICL as damages.		

	Ranchi Ring Road (section III, IV, V and VI)	Ranchi Patratu Dam Road (Package RPR-I)	Patratu Dam – Ramgarh Road (Package RPR-II)
Completion	The project shall be deemed to be complete and open to traffic only on issuance of the complete or the provisional certificate. JRPICL guarantees that project completion shall be achieved in accordance with the agreement not later than 30 months from the appointed date which shall be 180 days from the date of signing of the JRPICL Concession Agreements. If the Commercial Operations Date is not achieved within 12 months from the abovementioned date, NHAI shall be entitled to terminate the agreement.		
Termination	If JRPICL is found to be in material breach of the JRPICL Concession Agreements, GoJ shall be entitled to certain rights and remedies including termination and suspension of all rights of JRPICL and exercise the rights of JRPICL either by itself through any authorized person. In the event of JRPICL being in default and curing the same before termination, JRPICL shall compensate GoJ with all direct additional costs suffered by GoJ arising out of such material default in one lump sum within 30 days of receiving the demand or at JRPICL's option, in three equal semi-annual installments with interest. On occurrence of the events of default, the GoJ shall have the right to terminate the agreement if JRPICL has failed to cure the breach within the stipulated time. Upon termination by GoJ during the operations period, it shall pay to JRPICL an amount equal to 70% of the book value as on the date of the termination notice. Upon termination by JRPICL on account of a default by GoJ, prior to the Commercial Operations Date, JRPICL shall be entitled to receive from GoJ by way of termination payment, a sum equal to the book value and accrued interest thereon at the SBI PLR + 2% p.a from the date of Financial Close. Upon termination after the Commercial Operations Date, JRPICL shall be entitled to receive a sum equal to the discounted value of future net cashflows as on the date of the termination notice.		

18. Concession agreement dated December 9, 2009 between Haryana Urban Development Authority and Rapid MetroRail Gurgaon Limited

RMGL has entered into a concession agreement dated December 9, 2009 (the "**RMGL Concession Agreement**") with HUDA. Pursuant to the RMGL Concession Agreement, HUDA has granted RMGL concession for a period of 99 years commencing from the 'effective date', which shall mean the date on which financial close is achieved, and including the exclusive right, license and authority during the subsistence of the agreement to implement the project and the concession in respect of the project.

The RMGL Concession Agreement has been executed for design, engineering, financing, procurement, construction, installation, commissioning and testing of the metro link from Delhi Metro Sikanderpur station on MG Road to NH-8 in Gurgaon. The rights and obligations of RMGL under the RMGL Concession Agreement are subject to the satisfaction in full of certain conditions precedent which are required to be fulfilled on or before the date of the financial close, which shall be the date on which the financing documents providing funding by the lenders have become effective and RMGL has access to such funding.

Performance Security. RMGL has provided to HUDA an irrevocable bank guarantees of Rs. 250 million as performance security for due and timely performance of its obligations. The bank guarantee shall be valid till the 'commercial operations date', which date shall be the date of the project after certification for safe operations by the Commissioner, Metro Rail Safety.

Fare. During the concession period, RMGL shall have the sole and exclusive right to levy, collect and appropriate revenues from passenger fares, advertisements and property development within the project. The passenger fares shall not be more than the Delhi Metro fares for the corresponding zone slab and shall be revised as and when the Delhi Metro fares are revised.

In addition to the right to charge fares, RMGL shall be entitled to participate in property development and advertisement at the project site.

Concession Fee and other charges. Annual lease charges for the land belonging to HUDAshall be paid by RMGL as per separate lease agreement, which charge shall be 9% of the sum of collector rate for raw land and 'EDC'. Annual lease charge for the first five years of the lease agreement shall be Rs. 1.46

million per acre and Rs. 1.68 million per acre for the sixth year. The lease charge shall be increased by 15% after every five years.

Obligations of RMGL. RMGL at its own expense and cost, shall, *inter alia*, obtain applicable permits and clearances, follow safety and environment norms, arrange for finance, operate and maintain the project through trained personnel, implement the project two years and six months before the effective date, arrange land and power supply for implementation of the project and ensure the project site is free from all encroachments.

Obligations of HUDA. HUDA shall grant to RMGL, *inter alia*, access to the site free from encumbrances, peaceful use of the site by RMGL as licensee, support in obtaining the permits, infrastructural facilities and utilities, necessary assistance in regulating traffic, acquisition of additional land and support in implementation and operation of the project.

Completion. The project shall be deemed to be complete and open to traffic when the system has been inspected by the Commissioner of Metro Safety and has been accorded requisite sanction. RMGL shall implement the project within 30 months from the effective date. If the project is not completed by the scheduled project completion date, period of six months shall be provided for completion, which period shall be extendable by another six months.

Termination. If RMGL is found to be in material breach of the RMGL Concession Agreement, HUDA shall be entitled to rights and remedies including termination and suspension of all rights of RMGL and exercise the rights of RMGL either by itself through any authorized person. In event of RMGL being in material default and curing the same before termination, RMGL shall compensate HUDA with all direct additional costs suffered by it arising out of such material default in one lump sum within 30 days in three equal semi-annual installments, with interest thereon.

RMGL may, after giving 90 days' notice in writing to HUDA, terminate the RMGL Concession Agreement on the occurrence of a default by HUDA, unless it has occurred as result of RMGL's default or a force majeure, or if HUDA is in any breach of the agreement which has a material adverse effect on RMGL, and is not cured within 90 days of receipt of such notice. Upon termination by RMGL on the occurrence of HUDA's event of default, HUDA shall take over all project assets and RMGL shal be entitled to receive from HUDA, by way of termination payment, a sum equal to debt due and 110% of the adjusted equity.

In event of HUDA being in material default and curing the same before termination, HUDA shall compensate RMGL with all direct additional costs suffered by it arising out of such material default in one lump sum within 30 days in three equal semi-annual installments, with interest thereon. Upon termination by HUDA on the occurrence of RMGL's event of default, HUDA shall take over all project assets and shall pay to the lenders of the project an amount equal to 80% of the det due as termination ayment.

Upon the termination of the RMGL Concession Agreement for whatsoever reason, HUDA shall take possession and control of the metro link and any material, construction plant, implements, stores on or about the site, restrain RMGL or any person claiming through it from entering upon the site or any part of the metro link and succeed upon the interests of RMGL under the project agreements.

Operation and Maintenance Contracts

1. Supervision cum Operation & Maintenance Contract dated January 21, 2002 between NKEL and our Company

NKEL has entered into Supervision cum Operation & Maintenance Contract dated January 21, 2002 (the "**NKEL O&M Contract**") with our Company. Our Company shall supervise the construction of the project facilities and provide NKEL performance guarantees in order to ensure the implementation of the terms of the NKEL Concession Agreement. Our Company is appointed to supervise the construction from the date of intimation as to the issuance of notice to proceed under the 'EPC Contract' till the 'commercial operations date' which shall be the date on which the 'Independent Engineer' issued the final completion certificate or the provisional certificate in accordance with the NKEL Concession Agreement.

Pursuant to the NKEL O&M Contract, our Company shall be responsible for routine maintenance of the project for the entire concession period and certain limited hand back responsibilities pertaining to routine maintenance.

2. Project Management, Procurement cum Operations & Maintenance Contract dated April 26, 2005 between WGEL and our Company

WGEL has entered into Project Management, Procurement cum Operations & Maintenance Contract dated April 26, 2005 (the "**WGEL O&M Contract**") with our Company. Pursuant to the WGEL O&M Contract, WGEL has entrusted to our Company the work of project management, including coordination in project implementation, supervision of the construction activities and procurement of major materials such as steel, diesel and cement. Our Company shall also undertake toll operation and collection as well as routine and periodic overlay of the project during the operations period.

Our Company has been appointed to provide construction supervisory services from April 1, 2005 till the 'commercial operations date', which shall be the date on which the 'Independent Consultant' issues the final completion certificate or the provisional certificate in accordance with the WGEL Concession Agreement. Further, our Company has been appointed to provide Operation and Maintenance Services from the 'commercial operations date' till the 'termination date' specified in the WGEL Concession Agreement.

3. Operations & Maintenance Agreement dated August 1, 2007 between NTBCL and ITNL Toll Management Services Limited

NTBCL has entered into an Operations & Maintenance Agreement dated August 1, 2007 (the "**NTBCL O&M Agreement**") with ITNL Toll Management Services Limited ("**ITMSL**") for the maintenance of the 'Delhi NOIDA Toll Bridge'. The parties have also entered into an amendment agreement dated January 1, 2009 for revision of the operations and maintenance fees payable. Pursuant to the NTBCL O&M Agreement, NTBCL has entrusted ITMSL for operation, management and maintemance of the facilility and for the collection of fees on behalf of NTBCL in accoradance with the NTBCL Concession Agreement.

ITMSL shall provide services from August 1, 2007 till the date of termination of the NTBCL O&M Agreement.

4. Operations & Maintenance Agreement dated March 22, 2007 between Gujarat Road and Infrastrucutre Company Limited ("GRICL") and our Company

GRICL has entered into an Operations & Maintenance Contract dated March 22, 2007 (the "**GRICL O&M Agreement**") with our Company for the Ahmedabad - Mehsana Road Project. Pursuant to the GRICL O&M Agreement, GRICL has entrusted our Company with the responsibility to maintain, operate, inspect, manage, repair and test the project facility in accordance with the AMTRL Concession Agreement.

Our Company is required to commence its services for a period of five years commencing from May 1, 2006 unless the GRICL Concession Agreement is terminated earlier.

5. Operations & Maintenance Agreement dated January 22, 1999 between Gujarat Toll Road Company Limited, Punj Lloyd Limited and IRCON Limited

Gujarat Toll Road Company Limited ("**GTRCL**") has entered into an Operations & Maintenance Contract dated January 22, 1999 (the "**GTRCL O&M Agreement**") with Punj Lloyd Limited and IRCON Limited for the Vadodara- Halol Road Project. Pursuant to the GTRCL O&M Agreement, GTRCL has entrusted Punj Lloyd Limited the responsibility to design, construct, manage, operate and maintain the project facility in accordance with the VHTRL Concession Agreement.

Punj Lloyd Limited and IRCON Limited have been appointed to provide services from the date of financial close until the termination date, which shall be the date on which (a) the GTRCL O&M

Agreement is terminated; (b) expiration or termination of the VHTRL Concession Agreement; or (c) the date on which the stipulated traffic volume for the main carriageway is achieved.

6. Management and Supervision Agreement dated September 18, 2008 between RIDCOR and our Company

RIDCOR has entered into Management and Supervision Agreement dated September 18, 2008 (the "**RIDCOR O&M Contract**") with our Company. Pursuant to the RIDCOR O&M Contract, our Company shall manage and supervise the operation and maintenance works including providing/ arranging for men, material and machinery for discharging such services. Our Company shall identify key personnel for undertaking the works and have them fully dedicated for the operations of RIDCOR.

Our Company is appointed for an initial period of five years from April 1, 2008, which period may be extended for such duration as may mutually decided by RIDCOR and our Company.

7. Services and Operation & Maintenance Contract dated March 27, 2006 between APEL and our Company

APEL has entered into a Service and Operation & Maintenance Contract dated March 27, 2006 (the "**APEL O&M Contract**") with our Company. Pursuant to the APEL O&M Contract, APEL has appointed our Company to provide 'services', including programme management, construction supervision services and implementation services and 'operation and maintenance services' including the function of maintenance, collection and appropriation of fee and performance of other incidental services.

Our Company has been appointed to provide such services from March 23, 2006 till the 'commercial operations date', which shall be the date on which the 'Independent Consultant' issues the final completion certificate or the provisional certificate in accordance with the APEL Concession Agreement. Further, our Company has been appointed to provide operation and maintenance services from the 'commercial operations date' till the 'termination date' specified in the APEL Concession Agreement.

8. Programme Management Services, Implementation Services, Construction Supervision Services cum Operations & Maintenance Contract dated September 6, 2007 between EHEL and our Company

EHEL has entered into Programme Management Services, Implementation Services, Construction Supervision Services cum Operations & Maintenance Contract dated September 6, 2007 (the "**EHEL O&M Contract**") with our Company. Pursuant to the EHEL O&M Contract, our Company has agreed to undertake 'operation and maintenance' in accordance with the operation and maintenance requirements under the EHEL Concession Agreement as well as routine maintenance and periodic overlay of the project during the operation period. EHEL has further entrusted the work of programme management services, implementation services and construction supervision services to our Company so as to insulate EHEL against all construction risks under the 'EPC Contracts'.

Our Company has been appointed to provide such services from October 1, 2007 till the 'commercial operations date', which shall be the date on which the 'Independent Consultant' issues the final completion certificate or the provisional certificate in accordance with the EHEL Concession Agreement. Further, our Company has been appointed to provide operation and maintenance services from the 'commercial operations date' till the 'termination date' specified in the EHEL Concession Agreement.

9. Operations & Maintenance Contract dated March 30, 2004 between TRDCL and our Company

TRDCL has entered into an Operations & Maintenance Contract dated March 30, 2004 (the "**TRDCL O&M Contract**") with our Company. Pursuant to the TRDCL O&M Contract, TRDCL has entrusted our Company with the responsibility for routine and periodic maintenance of the project and revert back responsibilities for the entire concession period in accordance with the TRDCL Concession Agreement.

Our Company is appointed from the date of intimation as to the issuance of notice to proceed under the 'EPC Contract' till the 'commercial operations date', which shall be the date on which the 'Project

Engineer' issues the final completion certificate or the provisional certificate in accordance with the TRDCL Concession Agreement.

10. Operations & Maintenance Contract dated April 6, 2009 between IRIDCL and our Company

IRIDCL has entered into an Operations & Maintenance Contract dated April 6, 2009 (the "**IRIDCL O&M Contract**") with our Company. Pursuant to the IRIDCL O&M Contract, IRIDCL has has entrusted our Company with the responsibility for routine and periodic maintenance of the project during the operations period in accordance with the IRIDCL Concession Agreement.

The obligation of our Company towards the operation and maintenance services are conditional upon IRIDCL giving our Company a notice regarding the 'commercial operations date', which shall be the date on which the 'Independent Engineer' issues the final completion certificate or the provisional certificate in accordance with the IRIDCL Concession Agreement. Our Company is appointed from the effective date (which shall be the date three months prior to the 'commercial operations date') till the completion of the concession period.

11. Development Agreement dated October 1, 2009 between PSRDCL and our Company and Services Agreement dated October 5, 2009 between PSRDCL and our Company

PSRDCL has entered into a Development Agreement dated October 1, 2009 (the "**PSRDCL Development Agreement**") and a Design cum Services Agreement dated October 5, 2009 with our Company. Pursuant to the PSRDCL Development Agreement, our Company shall be responsible for design, engineering, procurement and construction works including obligations *inter alia* to design the project facility, coordination of the works, applications to various authorities for permits and approvals, rectification of defects in the project facility and designation of authorized personnel/ representatives for carrying out the works.

Our Company shall complete the construction works, as required under the PSRDCL Concession Agreement to obtain the 'Completion Certificate' to achieve the commercial operations date within a period of 910 days from the construction commencement date.

12. Development Agreement dated October 9, 2009 between HREL and our Company and Services Agreement dated October 15, 2009 between HREL and our Company

HREL has entered into a Development Agreement dated October 9, 2009 (the "**HREL Development Agreement**") and a Design cum Services Agreement dated October 15, 2009 with our Company. Pursuant to the HREL Development Agreement, our Company shall be responsible for design, engineering, procurement and construction works including obligations *inter alia* to design the project facility, coordination of the works, applications to various authorities for permits and approvals, rectification of defects in the project facility and designation of authorized personnel/ representatives for carrying out the works.

Our Company shall complete the construction works, as required under the HREL Concession Agreement to obtain the 'Completion Certificate' to achieve the commercial operations date within a period of 910 days from the construction commencement date.

13. Programme Management Services, Implementation Services, Construction Supervision Services cum O&M Contracts dated October 18, 2009 between JRPICL and our Company

JRPICL has entered into Programme Management Services, Implementation Services, Construction Supervision Services cum O&M Contracts dated October 18, 2009 ("**JPRICL O&M Agreements**") with our Company. Pursuant to the JPRICL O&M Agreements, our Company shall undertake to provide programme management services during the construction phase including preparation and finalization of the project agreements, obtaining necessary project approvals and preparing monthly reports. Our Company shall provide construction supervision services and implementation of day-to-day activities as well as routine maintenance services.

Our Company has been appointed to provide such services from the commencement date (180 days from the signing of the JPRICL Concession Agreements) till the end of the commercial operations date and the O&M services from the commercial operations date until the end of the concession period.

Engineering, Procurement and Construction Contracts

In the ordinary course of our business, we typically enter into engineering, procurement and construction contracts ("**EPC Contracts**") with certain contractors and sub-contractors. The contractors appointed under such EPC Contracts provide their services on a '*fixed-price*' or '*item-rate*' basis.

In item-rate based contracts, the construction cost per unit with the contractor is agreed based on the reference rates for various components of construction, including steel, cement and bitumen at the time of the construction agreement. These contracts generally contain construction price escalation provisions linked to increases in raw material costs relative to the agreed reference rates in accordance with pre-determined formula. Accordingly, we bear the risk of increased costs of raw materials to the extent we outsource construction activities pursuant to contracts other than fixed price contracts.

Under fixed price contracts, the contractor is responsible for procurement of raw materials and bears all risks related to escalation in cost of raw materials and quantity variation.

REGULATIONS AND POLICIES

Our Company is engaged in the business of execution of surface transport projects, including development of projects, investments in or sponsoring medium-sized projects, supervision of the construction of all projects under implementation, operation and management of toll roads and acting as project advisors for certain local governments. Our projects require, at various stages, the sanction of the concerned authorities under the relevant state legislation and local bye-laws. The following is an overview of the important laws and regulations which are relevant to our business in the surface transportation infrastructure sector in India. The regulations set out below are not exhaustive, and are only intended to provide general information to Bidders and is neither designed nor intended to be a substitute for professional legal advice.

Taxation statutes such as the Income Tax Act, 1961, Central Sales Tax Act, 1956 and applicable local sales tax statutes, labour regulations such as the Employees' State Insurance Act, 1948 and the Employees' Provident Fund and Miscellaneous Act, 1952, and other miscellaneous regulations and statutes such as the Trade Marks Act, 1999 apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Further, the statements mentioned below neither analyse nor purport to analyse the provisions of the Finance Bill, 2010. For details of government approvals obtained by us, see the section titled "Government and Other Approvals" on page 373.

CENTRAL LAWS

National Highways Act, 1956 (the "NH Act")

The central government is responsible for the development and maintenance of National Highways and may delegate any function relating to development of National Highways to the relevant state government in whose jurisdiction the National Highway falls, or to any officer or authority subordinate to the central or the concerned state government.

The central government may also enter into an agreement with any person (being, either an individual, a partnership firm, a company, a joint venture, a consortium or any other form of legal entity, Indian or foreign, capable of financing from own resources or funds raised from financial institutions, banks or open market) in relation to the development and maintenance of the whole or any part of a National Highway. Such agreement may provide for designing and building a project and operating and maintaining it, collecting fees from users during an agreed period, which period together with construction period is usually referred to as the 'concession period'. Upon expiry of the 'concession period', the right of the person to collect fees and his obligation to operate and maintain the project ceases and the facility stands transferred to the central government.

The central government may declare a highway as a National Highway and acquire land for such purpose. It may, by a notification in this regard, declare its intention to acquire any land when it is satisfied that the building, maintenance, management or operation of a National Highway, on such land should be undertaken for 'public purpose'. The NH Act prescribes the procedure for the same.

National Highway (Collection of Fees by any Person for the Use of Section of National Highways/ Permanent Bridge/ Temporary Bridge on National Highway) Rules, 1997 (the "NH Rules")

As provided under the NH Rules, the central government may enter into an agreement with any person in relation to the development and maintenance of whole or any part of a National Highway/ 'permanent bridge'/ 'temporary bridge' on a National Highway as it may decide, pursuant to which such person may be permitted to invest his own funds for the development or maintenance of a section of National Highway or any 'permanent bridge'/ 'temporary bridge' on a National Highway. Further, such person shall be entitled to collect and retain the fees, at agreed rates, from different categories of mechanical vehicles for an agreed period for the use of the facilities thus created, subject to the terms and conditions of the agreement and the NH Rules. Further, the rates for the collection of fees are decided and specified by the central government. Once the period of collection of fees by such person is completed, all rights pertaining to the facility created would be deemed to have been taken over by the central government.

National Highways Fee (Determination of Rates and Collection) Rules, 2008 (the "NH Fee Rules")

Pursuant to the NH Fee Rules, the central government may, by a notification, levy fee for use of any section of a National Highway, 'permanent bridge', bypass or tunnel forming part of a National Highway, as the case may be. However, the central government may, by notification, exempt any section of a National Highway, 'permanent bridge', bypass or tunnel constructed through a public funded project.

The collection of fee shall commence within 45 days from the date of completion of the section a 'National Highway', 'permanent bridge', bypass or tunnel constructed through a public funded project. In case of a 'private investment project', the collection of such fee shall be made in accordance with the terms of the agreement entered into by the concessionaire.

National Highways Authority of India Act, 1988 (the "NHAI Act")

The NHAI Act provides for the constitution of the NHAI for the development, maintenance and management of National Highways. Pursuant to the same, the NHAI was set up in 1995. The NHAI has the power to enter into and perform any contract necessary for the discharge of its functions under the NHAI Act. The NHAI Act prescribes a limit in relation to the value of the contracts that may be entered into by NHAI. However, such contracts may exceed the value so specified with the prior approval of the central government. Any land required by NHAI for discharging its functions under the NHAI Act, 1988 shall be deemed to be land needed for a 'public purpose' and such land may be acquired under the provisions of Land Acquisition Act, 1894 or any other corresponding law for the time being in force.

Projects may be offered on BOT basis to private agencies. The concession period can be upto a maximum of 30 years, after which the road is transferred back to NHAI by the concessionares.

The bidding for the projects takes place in two stages as per the process provided below:

- In the pre-qualification stage, NHAI selects certain bidders on the basis of technical and financial expertise, prior experience in implementing similar projects and previous track record; and
- In the second stage, NHAI invites commercial bids from the pre-qualified bidders on the basis of which the right to develop the project is awarded.

Where projects are funded by multilateral funding agencies, the selection takes place in consultation and concurrence with the funding organization. For other types of projects, selection is as per standards work procedures.

Private sector participation in the road sector is sought to be promoted through various initiatives including:

- The government ensures that all preparatory work including land acquisition and utility removal is completed before awarding of the project;
- Right of way is made available to the concessionaires free from all encumbrances;
- NHAI / Government of India may provide capital grant up to 40% of project cost to enhance viability on a case to case basis;
- 100% tax exemption for 5 years and 30% relief for next five years, which may be availed of in 20 years;
- Concession period allowed up to 30 years;
- In BOT projects entrepreneurs are allowed to collect and retain tolls; and
- Duty free import of specified modern high capacity equipment for highway construction.

In addition to the above, there are also certain other legislations that are relevant to the road sector which include the Road Transport Corporation Act, 1950, National Highways Rules, 1957, National Highways (Temporary Bridges) Rules, 1964, National Highways (Fees for the Use of National Highways Section and Permanent Bridge Public Funded Project) Rules, 1997, National Highways (Rate of Fee) Rules, 1997, National Highways Tribunal (Procedure) Rules, 2003, Central Road Fund Act, 2000 and Central Road Fund (State Roads) Rules 2007.

Provisions under the Constitution of India and other legislations in relation to collection of toll

Entry 59, List II of Schedule VII read with Article 246 of the Constitution of India vests the states with the power to levy tolls. Pursuant to the Indian Tolls Act, 1851, the state governments have been vested with the power to levy tolls at such rates as they deem fit. The tolls levied under the Indian Tolls Act, 1851, are deemed to be 'public revenue'. The collection of tolls can be placed under any person as the state governments deem fit under the said Act. Further, all police officers are bound to assist the toll collectors in the implementation of the Indian Tolls Act, 1851.

LAWS RELATING TO LAND ACQUISITION

Land Acquisition Act, 1894 (the "LA Act")

Land holdings are subject to the LA Act which provides for the compulsory acquisition of land by the appropriate government for 'public purposes' including planned development and town and rural planning. However, any person having an interest in such land has the right to object and claim compensation. The award of compensation must be made within two years from the date of declaration of the acquisition. Any person who does not accept the compensation awarded may make an application for the matter to be referred to the appropriate civil court, whether his objection is with respect to the quantum of compensation, the apportionment of the compensation among the persons interested, etc.

Urban Land (Ceiling and Regulation) Act, 1976 (the "ULCA")

The ULCA prescribes the limits to urban areas that can be acquired by a single entity. The ULCA allows the government to take over a person's property and fixes ceilings on vacant and urban land. Under the ULCA, excess vacant land is required to be surrendered to a competent authority for a minimum level of compensation. Alternatively, the competent authority has been empowered to allow the land to be developed for permitted purposes. Even though the ULCA has been repealed, it remains in force in certain States like Haryana, Punjab, Uttar Pradesh, Gujarat, Karnataka, Madhya Pradesh, Rajasthan, Orissa and the Union Territories.

LAWS REGULATING TRANSFER OF PROPERTY

Transfer of Property Act, 1882 (the "TP Act")

The TP Act governs the various methods by which the transfer of property, including the transfer of immovable property or the interest in relation to such property, between individuals, firms and companies takes place. The TP Act provides for the transfer of property through sale, gift or exchange, while an interest in the property can be transferred by way of a lease or mortgage.

The TP Act stipulates the general principles relating to the transfer of property including identifying the categories of property that are capable of being transferred, the persons competent to transfer such property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in property.

Indian Easements Act, 1882 (the "Easements Act")

The law relating to easements and licences in property is governed by the Easements Act. The right of easement has been defined under the Easements Act to mean a right which the owner or occupier of any land possesses over the land of another for beneficial enjoyment of his land. Such right may allow the owner of the land to do and continue to do something or to prevent and continue to prevent something being done, in or upon any parcel of land which is not his own.

Easementary rights may be acquired or created by (a) an express grant; or (b) a grant or reservation implied from a certain transfer of property; or (c) by prescription, on account of long use, for a period of twenty years without interruption; or (d) local custom.

The Registration Act, 1908 (the "Registration Act")

The Registration Act details the formalities for registering an instrument. Section 17 of the Registration Act identifies documents for which registration is compulsory and includes, *inter alia*, any non-testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in the present or in future, any right, title or interest, whether vested or contingent, in immovable property of the value of Rs. 100 or more, and a lease of immovable property for any term exceeding one year or reserving a yearly rent. The Registration Act also stipulates the time for registration, the place for registration and the persons who may present documents for registration.

Any document which is required to be compulsorily registered but is not registered will not affect the subject property, nor be received as evidence of any transaction affecting such property (except as evidence of a contract in a suit for specific performance or as evidence of part performance of a contract under the TP Act or as evidence of any collateral transaction not required to be effected by registered instrument), unless it has been registered.

The Indian Stamp Act, 1899 (the "Stamp Act")

Stamp duty is payable on all instruments/ documents evidencing a transfer or creation or extinguishment of any right, title or interest in immoveable property. The Stamp Act provides for the imposition of stamp duty at the specified rates on instruments listed in Schedule I of the Stamp Act. However, under the Constitution of India, the states are also empowered to prescribe or alter the stamp duty payable on such documents executed within the state.

Instruments chargeable to duty under the Stamp Act but which have not been duly stamped, are incapable of being admitted in court as evidence of the transaction contained therein. The Stamp Act also provides for impounding of instruments by certain specified authorities and bodies and imposition of penalties, for instruments which are not sufficiently stamped or not stamped at all. Instruments which have not been properly stamped instruments can be validated by paying a penalty of up to 10 times of the total duty payable on such instruments.

LAWS RELATING TO ENVIRONMENT

Infrastructure projects, including surface transport projects, must also ensure compliance with environmental legislation such as the Water (Prevention and Control of Pollution) Act 1974 ("**Water Pollution Act**"), the Air (Prevention and Control of Pollution) Act, 1981 ("**Air Pollution Act**") and the Environment Protection Act, 1986 ("**Environment Act**") and rules made therein such as the Hazardous Waste (Management and Handing) Rules, 1989, the Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989 and the Environment Protection Rules, 1986.

The Water Pollution Act aims to prevent and control water pollution. This legislation provides for the constitution of a Central Pollution Control Board (the "**Central Board**") and State Pollution Control Boards (the "**State Boards**"). The functions of the Central Board include coordination of activities of the State Boards, collecting data relating to water pollution and the measures for the prevention and control of water pollution and prescription of standards for streams or wells. The State Boards are responsible for the planning of programmes for the prevention and control of pollution of streams and wells, collecting and disseminating information relating to water pollution and its prevention and control, inspection of sewage or trade effluents, works and plants for their treatment and to review the specifications and data relating to plants set up for treatment and purification of water, laying down or annulling the effluent standards for trade effluents and for the quality of the receiving waters, and laying down standards for treatment of trade effluents to be discharged. This legislation debars any person from establishing any industry, operation or process or any treatment and disposal system, which is likely to discharge trade effluent into a stream, well or sewer without taking prior consent of the concerned State Board.

The Central Board and State Boards constituted under the Water Pollution Act are also required to perform functions as per the Air Pollution Act for the prevention and control of air pollution. The Air Pollution Act aims for the prevention, control and abatement of air pollution. It is mandated under this Act that no person can, without the previous consent of the concerned State Pollution Control Board, establish or operate any industrial plant in an air pollution control area.

The Environment Act has been enacted for the protection and improvement of the environment. The Act empowers the central government to take measures to protect and improve the environment such as by laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and so on. The central government may make rules for regulating environmental pollution.

With respect to forest conservation, the Forest (Conservation) Act, 1980 prevents state governments from making any order directing that any forest land be used for a non-forest purpose or that any forest land is assigned through lease or otherwise to any private person or corporation not owned or controlled by the government without the approval of the central government. The Ministry of Environment and Forests mandates that 'Environment Impact Assessment' must be conducted for projects. In the process, the said Ministry receives proposals for the setting up of projects and assesses their impact on the environment before granting clearances to the projects.

The Environment Impact Assessment Notification S.O. 1533, issued on September 14, 2006 (the "**EIA Notification**") under the provisions of Environment (Protection) Act 1986, prescribes that new construction projects require prior environmental clearance of the Ministry of Environment and Forests, GoI. The environmental clearance must be obtained from the Ministry of Environment and Forests, GoI according to the procedure specified in the EIA Notification. No construction work, preliminary or other, relating to the setting up of a project can be undertaken until such clearance is obtained.

Under the EIA Notification, the environmental clearance process for new projects consists of four stages – screening, scoping, public consultation and appraisal. After completion of public consultation, the applicant is required to make appropriate changes in the draft 'Environment Impact Assessment Report' and the 'Environment Management Plan'. The final Environment Impact Assessment Report has to be submitted to the concerned regulatory authority for its appraisal. The regulatory authority is required to give its decision within 105 days of the receipt of the final Environment Impact Assessment Report.

LAWS RELATING TO EMPLOYMENT

The employment of construction workers is regulated by a wide variety of generally applicable labour laws, including the Contract Labour (Regulation and Abolition) Act, 1970, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996, the Payment of Wages Act, 1936, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979, the Factories Act, 1948, the Employees' State Insurance Act, 1948, the Employees' Provident Funds Miscellaneous Provisions Act, 1952, the Payment of Gratuity Act, 1972 and the various Shops and Commercial Establishments Acts.

The Minimum Wages Act, 1948

State governments may stipulate the minimum wages applicable to a particular industry. The minimum wages may consist of a basic rate of wages and a special allowance, or a basic rate of wages and the cash value of the concessions in respect of supplies of essential commodities, or an all-inclusive rate allowing for the basic rate, the cost of living allowance and the cash value of the concessions, if any.

Workmen are required to be paid for overtime at overtime rates stipulated by the appropriate government. Contravention of the provisions of this legislation may result in imprisonment for a term of up to six months or a fine up to Rs. 500 or both.

The Factories Act, 1948 (the "Factories Act")

The Factories Act defines a 'factory' to mean any premises on which on any day in the previous 12 months, 10 or more workers are or were working and on which a manufacturing process is being carried on or is ordinarily carried on with the aid of power; or at least 20 workers are or were working on any day in the preceding 12 months and on which a manufacturing process is being carried on or is ordinarily carried on without the aid of power. State governments prescribe rules with respect to the prior submission of plans, their approval for the establishment of factories and the registration and licensing of factories.

The Factories Act provides that the 'occupier' of a factory (defined as the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors) shall ensure the health, safety and welfare of all workers while they are at work in the factory, especially in respect of safety and proper maintenance of the factory such that it does not pose health risks, the safe use, handling, storage and transport of factory articles and substances, provision of adequate instruction, training and supervision to ensure workers' health and safety, cleanliness and safe working conditions.

If there is a contravention of any of the provisions of the Factories Act or the rules framed thereunder, the occupier and manager of the factory may be punished with imprisonment for a term of up to two years or with a fine of up to Rs.100,000 or with both, and in case of contravention continuing after conviction, with a fine of up to Rs.1,000 per day of contravention. In case of a contravention which results in an accident causing death or serious bodily injury, the fine shall not be less than Rs.25,000 in the case of an accident causing death, and Rs.5,000 in the case of an accident causing serious bodily injury.

The Contract Labour (Regulation and Abolition) Act, 1970 (the "CLRA")

The CLRA requires establishments that employ or have employed on any day in the previous 12 months, 20 or more workmen as contract labour to be registered and prescribes certain obligations with respect to the welfare and health of contract labour.

The CLRA places an obligation on the principal employer of an establishment to which the CLRA applies to make an application for registration of the establishment. In the absence of registration, contract labour cannot be employed in the establishment. Likewise, every contractor to whom the CLRA applies is required to obtain a licence and not to undertake or execute any work through contract labour except under and in accordance with the licence issued.

To ensure the welfare and health of contract labour, the CLRA imposes certain obligations on the contractor including the establishment of canteens, rest rooms, washing facilities, first aid facilities, provision of drinking water and payment of wages. In the event that the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period.

A person in contravention of the provisions of the CLRA may be punished with a fine or imprisonment, or both.

The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 (the "Construction Workers Act")

The Construction Workers Act provides for the establishment of 'Boards' at the state level to regulate the administration of the Construction Workers Act. All enterprises involved in construction are required to be registered within 60 days from the commencement of the construction works. The Construction Workers Act also provides for regulation of employment and conditions of service of building and other construction workers including safety, health and welfare measures in every establishment which employs or employed during the preceding year, 10 or more workers in building or other construction work. However, it does not apply in respect of residential houses constructed for one's own purpose at a cost of less than Rs. one million and in respect of other activities to which the provisions of the Factories Act, 1948 and the Mines Act, 1952 apply. Every employer must give notice of commencement of building or other construction work within 60 days from the commencement of the construction works.

Comprehensive health and safety measures for construction workers have been provided through the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Central Rules, 1998. The Construction Workers Act provides for constitution of safety committees in every establishment employing 500 or more workers with equal representation from workers and employers in addition to appointment of safety officers qualified in the field. Any violation of the provisions for safety measures is punishable with a fine or imprisonment or both.

The Payment of Gratuity Act, 1972 (the "Gratuity Act")

The Gratuity Act establishes a scheme for the payment of gratuity to employees engaged in every factory, mine, oil field, plantation, port and railway company, every shop or establishment in which ten or more persons are employed or were employed on any day of the preceding twelve months and in such other establishments in which ten or more persons are employed or were employed on any day of the preceding twelve months, as the central government may, by notification, specify. Penalties are prescribed for non-compliance with statutory provisions.

Under the Gratuity Act, an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement, resignation, superannuation, death or disablement due to accident or disease. However, the entitlement to gratuity in the event of death or disablement will not be contingent upon an employee having completed five years of continuous service. The maximum amount of gratuity payable may not exceed Rs. 0.35 million.

Employees State Insurance Act, 1948 (the "ESI Act")

The ESI Act provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. It applies to, *inter alia*, seasonal power using factories employing ten or more persons and non-power using factories employing 20 or more persons. Every factory or establishment to which the ESI Act applies is required to be registered in the manner prescribed in the ESI Act. Under the ESI Act every employee (including casual and temporary employees), whether employed directly or through a contractor, who is in receipt of wages upto Rs. 7,500 per month is entitled to be insured.

In respect of such employees, both the employer and the employee must make certain contributions to the Employee State Insurance Corporation. Currently, the employee's contribution rate is 1.75% of the wages and that of employer's is 4.75% of the wages paid/payable in respect of the employee in every wage period.

The ESI Act states that a principal employer, who has paid contribution in respect of an employee employed by or through an immediate employer, shall be entitled to recover the amount of the contribution so paid from the immediate employer, either by deduction from any amount payable to him by the principal employer under any contract, or as a debt payable by the immediate employer.

Employees Provident Fund and Miscellaneous Provisions Act, 1952 (the "EPF Act")

The EPF Act provides for the institution of compulsory provident fund, pension fund and deposit linked insurance funds for the benefit of employees in factories and other establishments. A liability is placed both on the employer and the employee to make certain contributions to the funds mentioned above.

Payment of Bonus Act, 1965 (the "Bonus Act")

Pursuant to the Bonus Act an employee in a factory or in any establishment where 20 or more persons are employed on any day during an accounting year, who has worked for at least 30 working days in a year is eligible to be paid a bonus. Contravention of the provisions of the Bonus Act by a company is punishable with imprisonment for a term of up to six months or a fine of up to Rs.1,000 or both, against persons in charge of, and responsible to the company for the conduct of the business of the company at the time of contravention.

Inter-state Migrant Workers Act, 1979

The Inter-state Migrant Workers Act, 1979 applies to any establishment or contractor who employees five or more inter-state migrant workmen (whether or not in addition to other workmen) on any day of the preceding twelve months. An 'inter-state migrant workman' is defined under Section 2(e) to include any person who is recruited by or through a contractor in one state under an agreement or other arrangement for employment in an establishment in another state, whether with or without the knowledge of the principal employer in relation to such establishment. All such establishments employing migrant workers must be registered otherwise such workmen cannot be employed by them.

STATE LAWS

The significant state legislations, in the states where our Company operates, and their salient features are as provided hereinbelow.

The Rajasthan Highways Act, 1995

The Rajasthan Highways Act, 1995 empowers the state government to acquire land for the purposes of highways. It further provides that this acquisition must be in accordance with the provisions of the LA Act.

Rajasthan Road Development Act, 2002 ("RRDA")

RRDA, *inter alia*, provides for the development of and private participation in the development of, roads in Rajasthan. 'Development' has been defined to include construction, maintenance, upgradation, strengthening, widening and improvement. Also, 'road' as defined in the statute includes:-

i) all land appurtenant thereto,
ii) all approach roads, bridges, flyovers, culverts, tunnels, causeways, carriage-ways and other structures on, over, along or across such roads, and
iii) all fences, trees, posts and boundary, two hundred metre and kilometre stones of such road, but does not include a National Highway.

RRDA empowers the state government to enter into agreements with any person or any local body for development of any road. Such person or local body shall be entitled to collect and retain the whole or such portion of the fees for such period as may be agreed upon by the state government and such person or local body having regard to the expenditure involved in the development of the road and collection of the fees, interest on the capital invested, reasonable return expected from the investment and the volume of traffic. Such person or body shall also have the power to regulate and control traffic in accordance with the Motor Vehicles Act, 1988 on such road.

The state government may, by notification in the official gazette, levy fees at prescribed rates, for the services or benefits rendered in relation to the use of roads or any section thereof developed after the commencement of this statute. Such fees, when levied, shall be collected in accordance with the rules made under the RRDA.

The Karnataka Highways Act, 1964

The Karnataka Highways Act, 1964 empowers the state government to enter into an agreement with any person for the construction, development or maintenance of the whole or any part of a highway. For this purpose, the state government may lease out to such person any land belonging to it. The person carrying out this business shall be entitled to receive a fee for his service at such rate as may be notified by the state government in the official gazette. Such person shall also have the power to regulate traffic in accordance with Chapter VIII of the Motor Vehicles Act, 1988.

The Kerala Highway Protection Act, 1999

The Kerala Highway Protection Act, 1999 empowers a 'Highway Authority', appointed by the state government, to enter into contracts on behalf of the state government for the purposes of executing highway development schemes prepared by it.

The Kerala Road Fund Act, 2001

The Kerala Road Fund Act, 2001 empowers the state government to enter into a concession agreement with any person selected through competitive public bidding for the purposes of construction of a transport facility. Under the terms of the concession agreement, either the concessionaire or the state government shall be entitled to levy and collect user fees on a motor vehicle using the transport facility. The rate of fees shall be fixed by the 'Kerala Road Fund Board'. As a parallel power, the concessionaire or the state government, as the case may be and as per the concession agreement, shall have the powers to regulate and control traffic on the transport facility as per the provisions of Chapter VIII of the Motor Vehicles Act, 1988.

The Kerala Road Fund Act, 2001 also provides that the state government may provide financial assistance to the concessionaire. Such assistance may be funded or non-funded. Funded assistance would include (i) participation in equity; (ii) providing subsidy (not exceeding 25% of total cost); (iii) extending loans. Non-funded assistance includes (i) guaranteeing in respect of liability arising out of the concession agreement; (ii) conferring development rights in respect of any land, etc.

When the concession agreement is terminated by the state government without the consent of the concessionaire and in the absence of any default by it, then such concessionaire shall be entitled to compensation for such termination.

The Tamil Nadu Highways Act, 2001

The Tamil Nadu Highways Act, 2001 provides that the state government may, in consultation with the 'State Highways Authority', appointed by the state government, enter into an agreement with any person for the construction, development, maintenance or repair of the whole or any part of any highway. The legislation provides the state government the power to acquire land for the purposes of highways or for the construction of any structures incidental thereto. For such purpose, the state government is required to provide the owner of the land a notice to show-cause as to why such land should not be acquired. If the land is acquired, the owner thereof shall be entitled to a compensation which shall be determined as per the provisions of the Tamil Nadu Highways Act, 2001.

Laws for Classification of Land User

Usually, land is classified under one or more categories, such as residential, commercial or agricultural. Land classified under a specified category is permitted to be used only for such purpose. In order to use land for any other purpose, the classification of the land needs to be changed in the appropriate land records by making an application to the relevant municipal or land revenue authorities. In addition, some state governments have imposed certain restrictions on the transfer of property within such states. These restrictions include, among others, a prohibition on the transfer of agricultural land to non-agriculturalists, a prohibition on the transfer of land to a person not domiciled in the relevant state and restrictions on the transfer of land in favour of a person not belonging to a certain tribe.

Laws Governing Development of Agricultural Land

The acquisition of land is regulated by state land reform laws, which prescribe limits up to which an entity may acquire agricultural land. Any transfer of land that results in the aggregate land holdings of the acquirer in the state to exceed this ceiling is void, and the surplus land is deemed, from the date of the transfer, to have been vested in the state government free of all encumbrances. When local authorities declare certain agricultural areas as earmarked for townships, lands are acquired by different entities. While granting licenses for development of townships, the authorities generally levy development/external development charges for provision of peripheral services. Such licenses require approvals of layout plans for development and building plans for construction activities. The licenses are transferable on permission of the appropriate authority. Similar to urban development laws, approvals of the layout plans and building plans, if applicable, need to be obtained.

Service Tax

Service tax is charged on taxable services as defined in Chapter V of Finance Act, 1994, which requires a service provider of taxable services to collect service tax from a service recipient and pay such tax to the government. Several taxable services are enumerated under these service tax provisions which include construction services, including construction of residential and commercial complexes. However, road construction services provided by the company are specifically exempted from service tax.

Value Added Tax ("VAT")

VAT is charged by laws enacted by each state on a sale of goods effected in the relevant states. In the case of construction contracts, VAT is charged on the value of property in goods transferred contracts. VAT is payable on road construction contracts. VAT is not chargeable on the value of services which do not involve a transfer of goods.

REGULATIONS REGARDING FOREIGN INVESTMENT

Foreign investment in Indian securities is governed by the provisions of the FEMA read with the applicable FEMA Regulations and the FDI Policy issued in November 2006 by the DIPP. Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made.

Under the Industrial Policy and FEMA, Foreign Direct Investment ("***FDI***") up to 100% is permitted under the automatic route in projects for construction and maintenance of roads, highways, vehicular bridges, toll roads, vehicular bridges and ports and harbours. Further, subject to certain conditions and guidelines, the Industrial Policy and FEMA further permit up to 100% FDI in built-up infrastructure and construction development projects which include, but are not restricted to, housing, commercial, premises, hotels, resorts, hospitals, educational institutions, recreational facilities and city and regional level infrastructure.

Under the automatic route, no prior approval of the GoI is required for the issue of securities by Indian companies/acquisition of securities of Indian companies, subject to the sectoral caps and other prescribed conditions. Investors are required to file the required documentation with the RBI within 30 days of such issue/acquisition of securities. If the foreign investor has any previous joint venture/tie-up or a technology transfer/trademark agreement in the "same field" in India as on January 12, 2005, prior approval from the FIPB is required even if that activity falls under the automatic route, except as otherwise provided.

Under the approval route, prior approval from the FIPB/RBI is required. FDI for the items or activities that cannot be brought in under the automatic route may be brought in through the approval route. Approvals are accorded on the recommendation of the FIPB, which is chaired by the Secretary, DIPP, with the Union Finance Secretary, Commerce Secretary and other key Secretaries of the GoI as its members.

Investment by FIIs

FIIs including institutions such as pension funds, mutual funds, investment trusts, insurance and reinsurance companies, international or multilateral organizations or their agencies, foreign governmental agencies, sovereign wealth funds, foreign central banks, asset management companies, investment managers or advisors, banks, trustees, endowment funds, university funds, foundation or charitable trusts or societies and institutional portfolio managers can invest in all the securities traded on the primary and secondary markets in India. FIIs are required to obtain an initial registration from the SEBI and a general permission from the RBI to engage in transactions regulated under the FEMA. FIIs must also comply with the provisions of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time ("**FII Regulations**"). The initial registration and the RBI's general permission together enable the registered FII to buy (subject to the ownership restrictions discussed below) and sell freely, securities issued by Indian companies, to realize capital gains or investments made through the initial amount invested in India, to subscribe or renounce rights issues for shares, to appoint a domestic custodian for custody of investments held and to repatriate the capital, capital gains, dividends, income received by way of interest and any compensation received towards sale or renunciation of rights issues of shares.

FIIs are permitted to purchase shares of an Indian company through public/private placement under:

i. Regulation 5 (1) of the FEMA Regulations, subject to terms and conditions specified under Schedule 1 of the FEMA Regulations ("**FDI Route**").
ii. Regulation 5 (2) of the FEMA Regulations subject to terms and conditions specified under Schedule 2 of the FEMA Regulations ("**PIS Route**").

In case of investments under FDI Route, investments are made either directly to the company account, or through a foreign currency denominated account maintained by the FII with an authorised dealer, wherein Form FC-GPR is required to be filed by the company. Form FC-GPR is a filing requirement essentially for investments made by non-residents under the 'automatic route' or 'approval route' falling under Schedule 1 of the FEMA Regulations.

In case of investments under the PIS Route, investments are made through special non-resident rupee account, wherein Form LEC (FII) is required to be filed by the designated bank of the FII concerned.

Form LEC (FII) is essentially a filing requirement for FII investment (both in the primary as well as the secondary market) made through the PIS Route.

Foreign investment under the FDI Route is restricted/ prohibited in sectors provided in part A and part B of Annexure A to Schedule 1 of the FEMA Regulations.

Ownership Restrictions of FIIs

The issue of securities to a single FII under the PIS Route should not exceed 10% of the issued and paid-up capital of the company. In respect of an FII investing in securities on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total issued and paid-up capital. The aggregate FII holding in a company cannot exceed 24% of its total paid-up capital.

The said 24% limit can be increased up to 100% by passing a resolution by the board of directors followed by passing a special resolution to that effect by the shareholders of the company. As on the date of filing of this Red Herring Prospectus, no such resolutions have been passed either by our Board or the shareholders of our Company.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of Regulation 15A(1) of the FII Regulations, an FII may issue, deal or hold, offshore derivative instruments such as "Participatory Notes", equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed on any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "know your client" requirements. An FII or their Sub-Account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity. FIIs and their Sub-Accounts are not allowed to issue offshore derivative instruments with underlying as derivatives.

Calculation of total foreign investment in Indian companies

Pursuant to Press Note 2 (2009 Series), effective from February 13, 2009, issued by the DIPP ("**Press Note 2**") read with the clarificatory guidelines for downstream investment under Press Note 4 (2009 Series) dated February 25, 2009 issued by the DIPP ("**Press Note 4**", collectively with Press Note 2, the "**Press Notes**"), all investments made directly by a non-resident into an Indian company would be considered as foreign investment.

Such foreign investments into an Indian company which is undertaking operations in various economic activities and sectors ("**Operating Company**") would have to comply with the relevant sectoral conditions on entry route, conditionalities and caps. Foreign investments into an Indian company, being an Operating Company and making investments through equity, preference or compulsory convertible debentures in another Indian company ("**Operating cum Investing Company**") would have to comply with the relevant sectoral conditions on entry route, conditionalities and caps in regard of the sector in which such company is operating. Foreign investment into an Indian company making investments through equity, preference or compulsory convertible debentures in another Indian company ("**Investing Company**") will require the prior approval of the FIPB, regardless of the amount or extent of foreign investment. Further, foreign investment in an Indian company without any downstream investment and operations requires FIPB approval regardless of the amount or extent of foreign investment.

The Press Notes further provide that foreign investment in an Investing Company would not be considered as 'foreign investment' if such Investing Company is 'owned' and 'controlled' by resident Indian citizens and Indian companies, which are owned and controlled by resident Indian citizens.

An Indian company would be considered to be 'owned' by resident Indian citizens and Indian companies, which are owned and controlled by resident Indian citizens if more than 50% of the equity interest in it is beneficially owned by resident Indian citizens and Indian companies, which are owned and controlled ultimately by resident Indian citizens. Further, an Indian company would be considered to be "controlled" by resident Indian citizens and Indian companies, which are owned and controlled by resident Indian citizens if the power to appoint a majority of its directors vests with the resident Indian citizens and Indian companies, which are owned and controlled by resident Indian citizens.

Downstream investment by such Indian companies would not be considered towards indirect foreign investment, regardless of whether such companies are Operating Companies, Operating cum Investing companies, Investing Companies or Indian companies without any operations.

In case of Investing Companies which are either 'owned' or 'controlled' by Non-Resident entities, only such investment made by such Investing Company would be considered as indirect foreign investment and not the foreign investment in the Investing Company. However, if the Investing Company continues to be *beneficially* 'owned' and 'controlled' by resident Indian citizens and Indian companies, which are owned and controlled by resident Indian citizens, any further foreign investment by such Investing Company would not be considered as indirect foreign direct investment in the subject Indian company and would be outside the purview of Press Note 2.

As per applicable laws, a member of a company, whose name is entered in the register of members, is entitled to all beneficial interests in the shares of the said company. However, beneficial ownership would also mean holding of a beneficial interest in the shares of a company, while the shares are registered in someone else's name. In such cases, where beneficial ownership lies with someone else, the same can further be evidenced by Form 22B which needs to be filed with Registrar of Companies by the company (upon receipt of declaration by the registered and beneficial owner regarding transfer of beneficial interest).

Press Note 4 provides guidelines relating to downstream investments by Indian companies that have foreign investment. These guidelines are based on the principle that downstream investments by Indian companies owned or controlled by foreign entities should follow the same rules as those applicable to direct foreign investment. In respect of downstream investments by Indian companies that are not owned or controlled by foreign entities, there would not be any restrictions.

For the purpose of downstream investments, Press Note 4 classifies Indian companies into (i) operating companies, (ii) operating-and-investing companies and (iii) investing companies. In connection with foreign investment in these categories of Indian companies, Press Note 4 provides that:

1. *Operating company*: Foreign investment in an operating company will need to comply with the terms and conditions for foreign investment in the relevant sector(s) in which such company operates;

2. *Operating-and-investing company*: Foreign investment in such a company will need to comply with the terms and conditions for foreign investment in the relevant sector(s) in which such company operates. Further, the investee Indian company in which downstream investments are made by such company will need to comply with the terms and conditions for foreign investment in the relevant sectors in which the investee Indian company operates; and

3. *Investing company*: An "investing company" has been defined under Press Note 4 as an Indian company holding only direct or indirect investments in other Indian companies other than for trading of such holdings. Any foreign investment in such company will require the prior approval of the FIPB.

Press Note 4 further provides that foreign investment in an Indian company that does not have (i) any operations, and (ii) any downstream investments, will require the prior approval of the FIPB.

It may, however, be noted that in case of Indian companies which are wholly owned subsidiaries of Operating cum Investing Companies/ Investing Companies, the entire foreign investment in the Operating cum Investment Companies/ Investing Companies will be considered as indirect foreign investment.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief Corporate History of our Company

Our Company was incorporated under the Companies Act, 1956 on November 29, 2000 as "Consolidated Toll Network India Private Limited". The name of our Company was changed to "Consolidated Toll Network India Limited" pursuant to change in the status of our Company to a public limited company. The word "private" was deleted from the name of our Company pursuant to a special resolution of the shareholders of our Company dated March 28, 2002. The fresh certificate of incorporation consequent to change of name was issued by the RoC on July 22, 2002. The name of our Company was further changed to "Consolidated Transportation Networks Limited", indicating the growing business profile of our Company, pursuant to a special resolution of the shareholders of our Company dated July 5, 2004 and a fresh certificate of incorporation was granted to our Company by the RoC on September 24, 2004. Subsequently, the name of our Company was changed to "IL&FS Transportation Networks Limited" pursuant to a special resolution of the shareholders of our Company dated September 29, 2005 and a fresh certificate of incorporation was granted to our Company by the RoC on October 18, 2005. The said change of the name of our Company was intended to avail the benefit of the 'IL&FS' brand, its goodwill in the surface transport sector and to establish affiliation of our Company with the IL&FS group.

There has been no change in the activities being carried out by our Company since its incorporation.

As on the date of this Red Herring Prospectus, the total number of holders of Equity Shares is 13, including an aggregate of eight Equity Shares, six Equity Shares held jointly by IL&FS with each of Mr. Hari Sankaran, Mr. Avinash Bagul, Mr. K. Ramchand, Mr. M. M. Wagle, Mr. Ajay Menon and Mr. Manu Kochhar, and two Equity Shares held jointly by IL&FS with Mr. Krishna Ghag.

Our Company is not operating under any injunction or restraining order.

For further details in relation to our business including description of our activities, services, market of each segment, our growth, profits due to foreign operations, technology, market, managerial competence and capacity built-up, our standing with reference to our prominent competitors, see the section titled "Our Business" on page 70.

Changes in the Registered Office

Since incorporation, the Registered Office of our Company has been situated at 'The IL&FS Financial Centre', Plot No. C 22, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051, India and there have been no changes to the same.

Major Events and Milestones

Calender Year	Events
February, 2001	Commercial Operation of 'NOIDA Toll Bridge' project
November, 2001	Concession for 'North Karnataka Expressway' project was awarded to North Karnataka Expressway Limited by the NHAI
December, 2001	Investment in the equity share capital of North Karnataka Expressway Limited
March, 2002	Equity investment by ORIX Auto & Business Solutions Limited*
February, 2003	Commercial Operation of 'Ahmedabad Mehsana Toll Road' project
December, 2003	Further equity investment by ORIX Auto & Business Solutions Limited*
March 2004	Concession for 'Thiruvanathapuram City Roads Improvement Project' granted to Thiruvanathapuram Road Development Company Limited by the Kerala Road Fund Board
	Investment in the equity share capital of Thiruvananthapuram Road Development Company Limited
July, 2004	Commercial Operation of 'North Karnataka Expressway' project
March, 2005	Concession for 'West Gujarat Expressway' project granted to West Gujarat Expressway Limited by the NHAI
	Investment in the equity share capital of West Gujarat Expressway Limited
January, 2006	Partnership & Development Agreement for 'Mega Highways' project granted to Road Infrastructure Development Company of Rajasthan Limited by the Government of

Calender Year	Events
	Rajasthan
March, 2006	Investment in the equity share capital of Noida Toll Bridge Company Limited
	Concession for 'Andhra Pradesh Expressway' project awarded to Andhra Pradesh Expressway Limited by NHAI
	Investment in the equity share capital of Andhra Pradesh Expressway Limited
December, 2006	Investment in the equity share capital of Gujarat Toll Road Investment Company Limited
	Equity investment by Trinity Capital (Two) Limited*
March, 2007	Equity investment by GS Strategic Investments Limited*
January, 2007	Programme Development Agreement for 'Chhattisgarh Accelerated Road Development Programme' executed between Government of Chhattisgarh and Infrastructure Leasing & Financial Services Limited
August, 2007	Concession for 'East Hyderabad Expressway' project awarded to East Hyderabad Expressway Limited by the Hyderabad Urban Development Authority and Hyderabad Growth Corridor Limited
October, 2007	Investment in the equity share capital of East Hyderabad Expressway Limited
February, 2008	Programme Development Agreement for 'Jharkhand Accelerated Road Development Programme' executed between Government of Jharkhand and Infrastructure Leasing & Financial Services Limited
March, 2008	Commercial Operation of Phase – I of 'Thiruvanathapuram City Roads Improvement Project'
	Further equity investment by Trinity Capital (Two) Limited and GS Strategic Investments Limited*
	Equity investment by SCB Asian Infrastructure Fund*
	Acquistion of Elsamex S.A.
May, 2008	Commercial Operation of 'West Gujarat Expressway' project
December, 2008	Investment in equity share capital of Vansh Nimay Infraprojects Limited
March, 2009	Commercial Operation of the 'Mega Highways, Project.
April, 2009	Concession for the 'Beawar Gomti' project awarded to ITNL Road Infrastructure Development Company Limited by the Department of Road Transport & Highways
May, 2009	Amendment to the concession in relation to 'Thiruvanathapuram City Roads Improvement Project' granted to Thiruvanathapuram Road Development Company Limited by the Kerala Road Fund Board
August, 2009	'Letter of Award' issued for the project '4 laning of Warora Chandrapur Bamni Road in the state of Maharashtra'
September 2009	Concession for the 'Ranchi Ring Road' project awarded to Jharkhand Road Projects Implementation Company Limited by the Government of Jharkhand
	Concession for the 'Pune Sholapur' project awarded to Pune Sholapur Road Development Company Limited by the NHAI
	Commercial Operation of 'Andhra Pradesh Expressway' project.
October 2009	Concession for the 'Hazaribagh Ranchi' project awarded to Hazaribagh Ranchi Expressway Limited by the NHAI
	Concession for the 'Patratu Dam Ramgarh Road' project awarded to Jharkhand Road Projects Implementation Company Limited by the Government of Jharkhand
	Concession for the 'Ranchi - Patratu Dam' project awarded to Jharkhand Road Projects Implementation Company Limited by the Government of Jharkhand
December 2009	Concession for the 'Gurgaon Metro' project awarded to Rapid MetroRail Gurgaon Limited by the Haryana Urban Development Authority
	'Letter of Award' issued for the project 'Moradabad Bareilly section of NH-21 in the state of Uttar Pradesh'

** For further details, see the sections titled "Capital Structure" and "History and Certain Corporate Matters" on pages 30 and 145, respectively.*

Changes in the activities of our Company during the last five years

Except as otherwise stated in the sections titled "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations", on pages 70 and 300, respectively, there have been no changes in the activities of our Company during the last five years preceding the date of this Red Herring Prospectus, which may have had a material effect on our profits or loss, including discontinuance of our lines of business, loss of agencies or markets and similar factors.

Awards and Accreditations

Year	Awards / Accreditations
October 2008	ISO 9001:2000 certification awarded to our Company by Alberk QA International Technical Control and Certification Limited
August 2008	'ITNL Material Testing Laboratory' at Chhattisgarh awarded certification by the Bureau Veritas Certification (India) Private Limited

Time and Cost Overrun

In respect of projects undertaken by our Company since its incorporation, there were time and cost overruns in relation to some of our projects, details of which are set forth in the following table:

Projects under construction	Time Overrun (in months)	Cost Overrun (Rs. million)
Andhra Pradesh Expressway*	6*	320*
West Gujarat Expressway**	-	350**

* *The project is undertaken by Andra Pradesh Expressway Limited. The time overrun was primarily due to delay in handing over of land and certain force majeure events. The concession agreement does however provide for compensation to be paid to the relevant concessionaire upon the occurence of such delays. We believe that the time overrun is unlikely to impact the future revenues accruing to Andra Pradesh Expressway Limited.. The cost overrun was primarily due to an increase in interest rates since the time of financial closure.*

** *The project is undertaken by West Gujarat Expressway Limited. The cost overrun was primarily due to increase in construction material and interest costs.*

In addition to the above, the cost of the 'Thiruvananthapuram City Roads' project was originally estimated to be as Rs. 2,213.90 million. However, due to certain reasons, including *inter alia*, non handing over of encumbrance free land, only a certain part of the total length of the project road was completed by November 2006 at a cost of Rs. 1,100 million. The said part of the project has been considered as '*Phase I*' of the project. The remainder of the project is intended to be completed as '*Phase II*' and '*Phase III*' of the project.

For details in relation to efforts made by our Company in relation to the cost overruns, see the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 300.

Main Objects

The main objects of our Company as contained in our Memorandum are:

1. To contract with the central and state governments and/or their departments and/or their companies and/or their respective agencies and private companies, public companies, body corporates and other agencies to promote, develop, finance, establish, build, construct, equip, operate, maintain, control, upgrade, regulate, modify physical, social and other infrastructural facilities including approach roads, minor and major bridges, flyovers, inter-changes, culverts, tunnels, links, buildings, toll booths, waterways, marketing facilities, warehouses, watersupply, sewerage, effluent treatment, road, port, rail, and air transport and any other modes of transport, power generation and distribution, street lights, housing, hospitals, schools, colleges and technical training centres, police stations, fire stations, recreation facilities, commercial complexes, hotels, modern communication systems, common facilities centres on a 'build own transfer' basis, 'build own operate' basis, 'build own operate transfer' basis, 'build own operate maintain' basis and all contractual formats and to arrange for financing of the above activities as well as to develop the land around such facilities for commercial or other use and to charge, demand, collect, retain, contract, auction, and to levy toll, fees, cess, rents from users of such and other ancillary facilities from time to time.

Amendments to our Memorandum

The following changes have been made to our Memorandum since incorporation:

Date of Shareholders' Approval	Amendment
January 6, 2001	Clause V of our Memorandum was amended whereby the authorised share capital of our Company was increased from Rs. 20 million divided into 2,000,000 Equity Shares to Rs. 250 million divided into 25,000,000 Equity Shares.
March 28, 2002	Our Memorandum was amended to substitute the name of our Company from "Consolidated Toll Network India Private Limited" to "Consolidated Toll Network India Limited".
December 27, 2003	Clause V of our Memorandum was amended whereby the authorised share capital of our Company was increased from Rs. 250 million divided into 25,000,000 Equity Shares to Rs. 350 million divided into 35,000,000 Equity Shares and that the paid-up capital of our Company was to be a minimum of Rs. 500,000.
July 5, 2004	Our Memorandum was amended to substitute the name of our Company from "Consolidated Toll Network India Limited" to "Consolidated Transportation Networks Limited".
September 29, 2005	Our Memorandum was amended to substitute the name of our Company from "Consolidated Transportation Networks Limited" to "IL&FS Transportation Networks Limited".
September 29, 2005	Clause V of our Memorandum was amended whereby the authorised share capital of our Company was increased from Rs. 350 million divided into 35,000,000 Equity Shares to Rs. 1,250 million divided into 125,000,000 Equity Shares.
September 20, 2006	Clause V of our Memorandum was amended whereby the authorised share capital of our Company was increased from 1,250 million divided into 125,000,000 Equity Shares to Rs. 1,700 million divided into 170,000,000 Equity Shares.
September 12, 2007	Clause V of our Memorandum was amended whereby the authorised share capital of our Company was increased from 1,700 million divided into 170,000,000 Equity Shares to Rs. 2,500 million divided into 250,000,000 Equity Shares.

Recent Acquisitions

The companies mentioned below have been acquired by our Company (either directly or through its Subsidiaries) and have become its subsidiaries.

1. Elsamex S.A; and
2. Vansh Nimay Infraprojects Limited.

For details of the business of the aforementioned Subsidiaries and their business, see the sections titled "History and Certain Coporate Matters – Subsidiaries – Elsamex S.A", "History and Certain Coporate Matters – Subsidiaries – Vansh Nimay Infraprojects Limited" and "Our Business" on pages 148, 154 and 70, respectively.

Holding Company

Our Promoter, IL&FS, is our holding company. For details in relation to IL&FS, see the section titled "Our Promoter and Promoter Group" on page 217.

List of Subsidiaries, Joint Ventures and Associates

Subsidiaries

The following are the Subsidiaries of our Company:

1) ITNL Road Infrastructure Development Company Limited;
2) Gujarat Road and Infrastructure Company Limited;
3) East Hyderabad Expressway Limited;
4) ITNL International Pte Limited;
5) Elsamex S.A;
6) ITNL Enso Rail Systems Limited;
7) Vansh Nimay Infraprojects Limited;
8) Elsamex India Private Limited;
9) Elsamex Internacional SL;
10) Elsamex Portugal S.A;

11) Grusamar Ingenieria Y Consulting SL;
12) Inversiones Tyndrum, S.A.;
13) Intevial-Gestao Integral Rodoviaria S.A.;
14) Mantenimiento Y Conservacion De Vialidades, S.A. de C.V;
15) Proyectos de Gestion, Sistemas, Calculo y Analisis, S.A.;
16) Sanchez Marcos Senalizacion E Imagen, S.A.;
17) Senalizacion Viales E Imagen, S.A.;
18) Centro De Investigacion Elpidio Sanchez Marcos SA;
19) Control 7, SA;
20) Geotecnia 7, SA;
21) ESM Mantenimiento Integral S.A. de C.V;
22) Grusamar Albania SHPK;
23) Atenea Seguridad y Medio Ambiente S.A;
24) Ecoasfalt Construction Company Private Limited;
25) Proyectos y Promociones Inmobiliarias Elpidio Sanchez Marcos, S.L.;
26) Instituto Tecnico De La Vialidad Y Del Transporte, S.A;
27) Yala Construction Co Private Limited;
28) Hazaribagh Ranchi Expressway Limited;
29) Pune Sholapur Road Development Company Limited;
30) Rapid MetroRail Gurgaon Limited;
31) North Karnataka Expressway Limited;
32) West Gujarat Expressway Limited; and
33) Moradabad Bareilly Expressway Limited.

Joint Ventures

We are a joint venture partner in the following entity:

1) Noida Toll Bridge Company Limited.

Associates

The following are the associates of our Company:

1) Thiruvananthapuram Road Development Company Limited;
2) Andhra Pradesh Expressway Limited;
3) ITNL Toll Management Services Limited;
4) Narketpally Addanki Expressway Limited; and
5) Warora Chandrapur Ballarpur Toll Road Limited.

Details of Subsidiaries

The significant details of our Subsidiaries are as provided below:

1) ITNL Road Infrastructure Development Company Limited ("IRIDCL")

IRIDCL was incorporated on October 26, 2007, under the Companies Act and received its certificate for commencement of business on January 29, 2008. Its CIN is U45400MH2007PLC175415. The registered office of IRIDCL is situated at 'The IL&FS Financial Centre', Plot No. C-22, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051, India. IRIDCL is presently engaged in the business of promoting, developing, establishing, building, constructing, equipping, operating, maintaining, controlling, upgrading, regulating, modifying and/or taking over the roads/ lanes.

IRIDCL was originally incorporated as 'ITNL Chhattisgarh Road Infrastructure Company Limited'. Subsequently, its name was changed to 'ITNL Road Infrastructure Development Company Limited' and a fresh certificate of incorporation was issued on January 17, 2009.

Shareholding Pattern

The equity shares of IRIDCL are not listed on any stock exchange. The shareholding pattern of IRIDCL as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
Our Company	39,999,940	100.00
Our Company jointly with Mr. K. Ramchand	10	Negligible
Our Company jointly with Mr. Narayanan Doraiswamy	10	Negligible
Our Company jointly with Mr. Chandrakant Jagasia	10	Negligible
Our Company jointly with Mr. Ajay Menon	10	Negligible
Our Company jointly with Mr. Krishna Ghag	10	Negligible
Our Company jointly with Mr. Ravi Sreehari	10	Negligible
Total	**40,000,000**	**100.00**

There has been no change in the capital structure of IRIDCL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of the company currently comprises of:

1. Mr Mukund Sapre;
2. Mr M. K. Mohan;
3. Mr Cherian George; and
4. Mr Harish Mathur.

2) Gujarat Road and Infrastructure Company Limited ("GRICL")

GRICL was incorporated on June 2, 1999, under Companies Act and obtained the certificate for commencement of business on August 4, 2000. The registered office of GRICL is situated at the Office of the Secretary, Roads and Buildings Department, Government of Gujarat Block 14, 2nd Floor, Sachivalaya, Gandhinagar 382 010, Gujarat, India.

GRICL was originally incorporated as 'Gujarat Toll Road Investment Company Limited', as a non-banking financial company, registered under the Reserve Bank of India Act, 1945 bearing registration number N.01.00423. Subsequently, the name of the company was changed to 'Gujarat Road and Infrastructure Company Limited' and a fresh certificate pursuant to change of name was provided on June 12, 2007. GRICL was de-registered as a non-banking financial company by the RBI pursuant to its order dated March 12, 2007. Ahmedabad Mehsana Toll Road Company Limited and the Vadodara Halol Toll Road Company Limited had been merged with GRICL pursuant to the Gujarat High Court's order dated May 11, 2005. GRICL is engaged in the business of operating and maintaining the 'Ahmedabad Mehsana Road Project' and the 'Vadodara Halol Road Project'.

Shareholding Pattern

The equity shares of GRICL are not listed on any stock exchange. The shareholding pattern of GRICL as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
Equity Shares		
Our Company	76,542,250	83.61
Government of Gujarat	15,000,000	16.39
Our Company jointly with Mr. Hari Sankaran	3	Negligible
Our Company jointly with Mr. K Ramchand	3	Negligible
Our Company jointly with Mr. Mukund Sapre	3	Negligible
Our Company jointly with Mr. Naresh Sasanwar	3	Negligible
Mr. Satyanarayansingh Rathore	2	Negligible
Mr. P. P. Vakharia	2	Negligible
Our Company jointly with Mr. Ankit Sheth	2	Negligible
Mr. R. K. Chauhan	1	Negligible
Our Company jointly with Mr. Arun K Saha	1	Negligible

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
Our Company jointly with Mr. Avinash Bagul	1	Negligible
Total	**91,542,271**	**100.00**

Further, the Government of Gujarat holds 35,000,000 non cumulative redeemable convertible preference shares of Rs. 10 each of GRICL.

There has been no change in the capital structure of GRICL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of GRICL currently comprises of:

1. Mr. Satyanarayansingh Rathore;
2. Mr. Arvind Kumar Sharma;
3. Mr. P.C. Purabia;
4. Mr. Paresh Purshotamdas Vakharia;
5. Mr. Rashik K.Chauhan;
6. Mr. K. Ramchand;
7. Mr. Ashok Tolaram Totlani;
8. Mr. Manu Kochhar;
9. Mr. Cherian George; and
10. Mr. Bandish H. Parghi.

3) East Hyderabad Expressway Limited ("EHEL")

EHEL was incorporated on July 5, 2007, under the Companies Act and obtained the certificate for commencement of business on September 28, 2007. Its CIN is U45203MH2007 PLC172133. The registered office of EHEL is situated at 'The IL&FS Financial Centre', Plot No. C-22, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051, India. EHEL is presently engaged in the business of designing, construction, development, finance, operation, maintenance, controlling and upgradation of access-controlled expressway as ring roads to Hyderabad.

Shareholding Pattern

The equity shares of EHEL are not listed on any stock exchange. The shareholding pattern of EHEL as of February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs 10 each	% of issued capital
Our Company	21,689,350	74.00
KMC Construction Limited	7,620,600	26.00
Our Company jointly with Mr. K. Ramchand	10	Negligible
Our Company jointly with Mr. Ajay Menon	10	Negligible
Our Company jointly with Mr. Narayanan Doraiswamy	10	Negligible
Our Company jointly with Mr. Ravi Sreehari	10	Negligible
Our Company jointly with Mr. Krishna Ghag	10	Negligible
Total	**29,310,000**	**100.00**

There has been no change in the capital structure of EHEL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of EHEL currently comprises of:

1. Mr. Ramesh C. Bawa;
2. Mr. Mukund Sapre;
3. Mr Cherian George; and

4. Mr. Harish Mathur.

4) ITNL International Pte Limited ("IIPL")

IIPL was incorporated on September 19, 2008 in the Republic of Singapore. The registration number of IIPL is 200818474G. The registered office of IIPL is situated at 1 Temasek Avenue #27-01 Millenia Tower, Singapore 039192. IIPL is engaged in the business of acting as an investment company.

Shareholding Pattern

The equity shares of IIPL are not listed on any stock exchange. The shareholding pattern IIPL as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of US$ 1 each*	% of issued capital
Our Company	28,050,001	100.00
Total	**28,050,001**	**100.00**

* *For details regarding the exchange rates and currency of presentation in this Red Herring Prospectus, see the section titled "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation" on page x.*

Except for increase in the paid up share capital of IIPL from US$ 5.40 million to US$ 28.05 million by allotment of 22,650,000 equity shares of US$1 each to our Company on October 1, 2009 there has been no change in the capital structure of the company in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of IIPL currently comprises of:

1. Mr. Teh Kwang Hwee;
2. Mr. K. Ramchand; and
3. Mr. Arun K. Saha.

5) Elsamex S.A

Elsamex S.A was incorporated on December 9, 1977 in the Kingdom of Spain. The registration number of Elsamex S.A is A-28504728. The registered office of Elsamex S.A is situated at c/san Severo 18, Parque Empresarial Barajas Bark, Madrid, 28042, Spain. Elsamex S.A is engaged in the business of construction and maintenance of roads and buildings.

On March 18, 2008, IL&FS Maritime Offshore Pte Limited ("**IMOPL**"), currently, one of our Group Companies and then a wholly owned subsidiary of our Company, acquired 76,226 equity shares of € 60.10 of Elsamex S.A for a total consideration of €. 12.15 million, representing 100% of the then paid up equity share capital of Elsamex S.A, pursuant to a share purchase agreement dated March 18, 2008 entered into among IMOPL, Grupo Elpidio Sanchez Marcos, S.A, Mr. Luis Sanchez-Marcos and Mr. Elpidio Sanchez-Marcos, the then equity shareholders of Elsamex S.A. Thereafter, pursuant to a stock purchase agreement dated September 24, 2008 entered among IMOPL, ITNL International Pte Limited ("**IIPL**", a Subsidiary of our Company), our Company and Elsamex S.A, IMOPL transferred the said 76,226 equity shares of € 60.10 of Elsamex S.A in favour of IIPL, for a total consideration equivalent to €. 12.15 million, consituting 51.14% of the then paid up share capital of Elsamex S.A. Subsequently, pursuant to a series of allotments during the period April 2008 and August 2009, our Company has acquired 251,539 equity shares of face value € 60.10 each of Elsamex S.A, for an aggregate consideration of € 40.09 million.

While appropriate valuation was conducted in accordance with the provisions of the Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004, as amended from time to time, for investment by the Company in IL&FS Maritime Offshore Pte Limited, currently, one of the Group Companies and then a wholly owned subsidiary of the Company, no valuation was conducted on the equity shares of Elsamex S.A.

Shareholding Pattern

The equity shares of Elsamex S.A are not listed on any stock exchange. The shareholding pattern of Elsamex S.A as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of € 60.10 each*	% of issued capital
IIPL	76,226	22.61
Our Company	260,949	77.39
Total	**337,175**	**100.00**

* *For details regarding the exchange rates and currency of presentation in this Red Herring Prospectus, see the section titled "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation" on page x.*

Except for issuance of 9,410 equity shares to our Company on September 29, 2009, there has been no change in the capital structure of the company in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of Elsamex SA currently comprises of:

1. Mr. Ravi Parthasarathy;
2. Mr. Murli Dhar Khattar;
3. Mr Sachin Baldeoprasad Gupta;
4. Mr. Fernando Bardisa Jordá;
5. Mr. K. Ramchand; and
6. Mr. Arun K. Saha.

Financial performance

The audited financial results of Elsamex S.A for Fiscals 2008, 2007 and 2006, are set forth below:

(In Rs. million, except per share data)

	Fiscal 2008	Fiscal 2007	Fiscal 2006
Sales and other income	6,712.17	6,836.07	7,915.59
Profit/ (Loss) after tax	24.56	(444.04)	69.90
Equity capital	990.55	266.19	266.79
Reserves and Surplus (excluding revaluation reserves) (1)	1,305.73	137.74	583.08
Earnings/ (Loss) per share (basic)	101.65	(5,828.85)	919.77
Earnings/ (Loss) per share (diluted) (2)	101.65	(5,828.85)	919.77
Net asset value (2) per share	9,505.77	5,296.48	11,150.22

(1) *Net of miscellaneous expenditure not written off.*
(2) *Face value of each equity share is Euro 60.10*

6) ITNL Enso Rail Systems Limited ("IERSL")

IERSL was incorporated on February 19, 2008, under the Companies Act and obtained the certificate for commencement of business on April 10, 2008. The registered office of IERSL is situated at 2nd Floor, Ambience Corporate Tower, Ambience Island, National Highway #8, Gurgaon, Haryana 122 001. The registered office of the company was shifted from 'The IL&FS Financial Centre', Plot No. C-22, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, India pursuant to approval of the Company Law Board on March 18, 2009 with effect from April 1, 2009. IERSL is engaged in the business development and implementation of metro rail projects for providing rapid transit systems for moving people in cities and suburban areas and other related projects. IERSL has been incorporated pursuant to a 'joint venture agreement' dated February 4, 2008 entered into between our Company with ENSO Limited and Mr. Sanjiv Rai**.** For further details in this regard, see the section titled 'History and Certain Corporate Matters – Material Corporate Agreements' on page 175.

Shareholding Pattern

The equity shares of IERSL are not listed on any stock exchange. The shareholding pattern of IERSL as of February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10	% of issued capital
Our Company	13,999,960	70.00
Enso Limited	3,749,990	25.00
Enso Infrastructures Private Limited	1,250,000	
Our Company jointly with Mr. K. Ramchand	10	Negligible
Mr Vinay Maloo	10	Negligible
Our Company jointly with Mr. Jagdish Agrawal	10	Negligible
Our Company jointly with Mr. Ajay Menon	10	Negligible
Our Company jointly with Mr. Krishna Ghag	10	Negligible
SRKK Advisors Private Limited	1,000,000	5.00
Total	**20,000,000**	**100.00**

Except for (a) issuance and allotment of 5,000,000 equity shares of Rs. 10 each on December 17, 2009; (b) issuance and allotment of 5,000,000 equity shares of Rs. 10 each on August 19, 2009, (c) increase in the authorised share capital of the company from Rs. 100 million to Rs. 150 million pursuant to an AGM dated May 19, 2009 and (d) increase in the authorised share capital of the company from Rs. 150 million to Rs. 250 million pursuant to a resolution passed at an EGM dated September 22, 2009, there has been no change in the capital structure of the company in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of IERSL currently comprises of:

1. Mr. K. Ramchand;
2. Mr. Mukund Sapre;
3. Mr. Vinay Maloo;
4. Mr. Rameshwar Lal Kabra;
5. Mr. M.D. Khattar;
6. Mr. Sanjiv Rai; and
7. Mr. Cherian George.

7) Vansh Nimay Infraprojects Limited ("VNIL")

VNIL was incorporated on December 12, 2006 under the Companies Act. Its CIN is U 45201 MH 2006 PLC 166149. The registered office of VNIL is situated at 'The IL&FS Financial Centre', Plot No. C 22, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051. VNIL is engaged in the business of running, operating and maintaining public transport service within the limits of Nagpur Municipal Corporation.

VNIL was initially incorporated as a private company, in the name of Vansh Nimay Infraprojects Private Limited, thereafter it was converted into a public limited company and the name was changed to Vansh Nimay Infraprojects Limited and a fresh certificate of incorporation was issued on May 28, 2009 by the Registrar of Companies, Maharashtra.

On January 7, 2009, our Company was allotted 4,000,000 equity shares of Rs. 10 each representing 40% of the total paid up share capital of VNIL for a total consideration of Rs. 40 million. On March 25, 2009, 4,000,000 equity shares of Rs. 10 each representing 40% of the total paid up share capital of VNIL were transferred from ORIX Auto Infrastructure Services Limited in favour of our Company (including 20 equity shares of VNIL in favour of our Company held jointly with two individuals) for a total consideration of Rs. 40 million, pursuant to letters dated March 23, 2009 and March 24, 2009 and the 'Amended and Restated Subscription-cum-Shareholders' Agreement' dated December 18, 2008 (the "**VNIL SSA**"). No independent valuation was conducted on the equity shares of VNIL, prior to the transaction. For further details in relation to the VNIL SSA, see the section titled "History and Certain Corporate Matters – Material Corporate Agreements" on page 175.

The registered office of the company was shifted from L-8/13, Raghuji Nagar, Nagpur - 09 to Plot No.

94 Marol Co-operative Industrial Estate, Andheri-Kurla Road, Andheri (East) Mumbai 400 059 by passing a resolution by the board of directors at its meeting held on April 1, 2009, which was further shifted to the above mentioned address with effect from June 1, 2009 by passing a resolution by the board of directors at their meeting held on May 14, 2009.

Shareholding Pattern

The shareholding patternof VNIL as on February 5, 2010 is set forth below:

Name of Shareholder	Number of equity shares of Rs 10 each	% of issued capital
Our Company	7,999,960	80.00
Vansh Infotech Private Limited	1,000,000	10.00
Dayajeet Nimay Bus Logistics Private Limited	1,000,000	10.00
Our Company jointly with Ajay Menon	10	Negligible
Our Company jointly with Narayanan Doraiswamy	10	Negligible
Our Company jointly with Ravi Sreehari	10	Negligible
Our Company jointly with Krishna Ghag	10	Negligible
Total	**10,000,000**	**100.00**

There has been no change in the capital structure of VNIL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of the company currently comprises of:

1. Mr. Neeraj Kapadia;
2. Mr. Cherian George;
3. Mr. Ajay Dhawangale;
4. Mr. Ravi Sreehari; and
5. Mr. Mukund Sapre.

Financial performance

The audited financial results of VNIL for Fiscals 2009, 2008 and 2007 are set forth below:

(In Rs. million, except per share data)

	Fiscal 2009	Fiscal 2008	Fiscal 2007
Sales and other income	88.75	47.67	0.52
Profit/ (Loss) after tax	(43.04)	(24.34)	(0.20)
Equity capital	100.00	5.00	0.10
Reserves and Surplus (excluding revaluation reserves) (1)	(71.17)	(24.54)	(0.96)
Earnings/ (Loss) per share (basic) (Rs.)	(30.26)	(547.64)	(19.63)
Earnings/ (Loss) per share (diluted) (Rs.) (2)	(30.26)	(547.64)	(19.63)
Book value per share (Rs.) (2)	2.88	(39.08)	(9.63)

(1) Net of miscellaneous expenditure not written off.
(2) Face value of each equity share is Rs. 10

Significant notes of auditors for Fiscal 2007

The significant notes as appearing in the report of the auditor for the Fiscal 2007, are reproduced hereinebelow:

“3. As required by the Companies (Auditor’s Report) Order, 2003, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, of India and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we annex hereto a statement on the matters specified in paragraphs 4 & 5 of the said Order to the extent applicable.

4(iii) The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of account."

Significant notes of auditors for Fiscal 2008

The significant notes as appearing in the report of the auditor for the Fiscal 2008, are reproduced hereinebelow:

"3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, of India and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we annex hereto a statement on the matters specified in paragraphs 4 & 5 of the said Order to the extent applicable.

4(ii) In our opinion, proper books of account as required by law have been kept by the company so far appears from our examination of those books;"

Significant notes of auditors for Fiscal 2009

The significant notes as appearing in the report of the auditor for the Fiscal 2007, are reproduced hereinebelow:

"3 As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 (the 'act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4.(vi) The Company has not accepted any deposits from public within the meaning of the provisions of Sections 58A and 58AA or any other relevant provisions of the act, and the rules framed there under."

8) Elsamex India Private Limited ("EIPL")

EIPL was incorporated on January 5, 1999 under the Companies Act. The CIN of EIPL is U74140DL1999PTC097789. The registered office of EIPL is situated at 1304, 1304-A, 43 Chiranjiv Tower, Nehru Place, New Delhi 110 019, India and is engaged in the business of civil construction, contract of roads making, bridges, structures, earthwork etc., supervision of infrastructure projects including roads and highways. EIPL being a subsidiary of Elsamex S.A, has become the subsidiary of our Company with effect from March 18, 2008.

Shareholding Pattern

The equity shares of EIPL are not listed on any stock exchange. The shareholding pattern of EIPL as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
Elsamex S.A	42,000	70.00
Mr. Himnashu Vashist	16,900	28.17
Ms. Gauri Vashist	1,100	1.83
Total	**60,000**	**100.00**

There has been no change in the capital structure of EIPL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of EIPL currently comprises of:

1. Mr. Ronald E. Baker;
2. Mr. Himnashu Vashist;
3. Mr. Cherian George;
4. Mr. M.B. Bajulge; and
5. Mr. Harish Mathur.

9) Elsamex Internacional SL ("EISL")

EISL was incorporated on December 28, 2001 in the Kingdom of Spain. The registration number of EISL is B-83191569. The registered office of EISL is situated at c/san Severo 18, Parque Empresarial Barajas Park, Madrid, 28042, Spain. EISL is engaged in the business of construction and maintenance of roads and buildings overseas. EISL being a subsidiary of Elsamex S.A, has become the subsidiary of our Company with effect from March 18, 2008.

Shareholding Pattern

The equity shares of EISL are not listed on any stock exchange. The shareholding pattern of EISL as on February 5, 2010 is as follows:

Name of Shareholder	Number of shares of € 5.00 each*	% of issued capital
Grusamar Ingenieria Y Consulting S.L.	1	0.01
Elsamex S.A	2,862,110	99.99
Total	**2,862,111**	**100.00**

* *For details regarding the exchange rates and currency of presentation in this Red Herring Prospectus, see the section titled "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation" on page x.*

There has been no change in the capital structure of EISL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of EISL currently comprises of:

1. Mr. K. Ramchand;
2. Mr. Arun K. Saha;
3. Mr. Sachin Gupta;
4. Mr. Fernando Bardisa Jorda;
5. Mr. Jose Luis Gonzalez Romero; and
6. Mr. Jose Mª Mendez-Vigo de Hita.

10) Elsamex Portugal S.A

Elsamex Portugal S.A. was incorporated on September 3, 1997 as Asgm Ingeniería Y Sistemas De Gestión, S.A in Portugal. On February 7, 2001 the name of the company was changed to Elsamex Portugal - Engenharia e Sistemas de Gestao, S. A. The registration number of Elsamex Portugal S.A. is NIF: 503970450. The registered office of the company is situated at Rua Quiunta Das Romeiras Edificio Eduardo Viana, n, 104 6 esqu., 1495-236, Alges, Portugal. It is engaged in the business of maintaining buildings and roads.

Shareholding Pattern

The equity shares of Elsamex Portugal S.A. are not listed on any stock exchange. The shareholding pattern of the company as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of € 5 each*	% of issued capital
EISL	49,000	70.00
Thomas Espirito Santo	10,150	14.50
Eloi Fernandes Ribeiro	5,775	8.25
Elsamex Portugal S.A.	3,500	5.00
Eduardo Mira Fernandes	1,575	2.25

Name of Shareholder	Number of equity shares of € 5 each*	% of issued capital
Total	**70,000**	**100.00**

* *For details regarding the exchange rates and currency of presentation in this Red Herring Prospectus, see the section titled "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation" on page x.*

Except for purchase of 3,500 equity shares by Elsamex Portugal S.A. from Teotoneo Bouca on November 6, 2009, there has been no change in the capital structure of Elsamex Portugal S.A. in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of Elsamex Portugal S.A currently comprises of:

1. Mr. Tomas Expirito Santo;
2. Mr. Víctor Clerigo; and
3. Mr. Jose Mendez- Vigo de Hita.

11) Grusamar Ingenieria Y Consulting SL ("GICSL")

GICSL was incorporated on June 11, 2002 in the Kingdom of Spain. The registration number of GICSL is B-83341933. The registered office of GICSL is situated at c/san Severo 18, Parque Empresarial Barajas Park, Madrid, 28042, Spain. GICSL is engaged in the business of consultancy, drafting of projects and control and surveillance of quality in the works. GICSL being a subsidiary of Elsamex S.A, has become the subsidiary of our Company with effect from March 18, 2008.

Shareholding Pattern

The equity shares of GICSL are not listed on any stock exchange. The shareholding pattern of GICSL as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of € 119.50 each*	% of issued capital
Elsamex S.A	29,245	99.99
EISL	1	0.01
Total	**29,246**	**100.00**

* *For details regarding the exchange rates and currency of presentation in this Red Herring Prospectus, see the section titled "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation" on page x.*

There has been no change in the capital structure of GICSL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of GICSL currently comprises of:

1. Mr. Sachin Baldeoprasad Gupta;
2. Mr. Fernando Bardisa Jorda;
3. Mr. K. Ramchand;
4. Mr. Arun K. Saha; and
5. Mr. Jose Mª Mendez-Vigo de Hita.

12) Inversiones Tyndrum, S.A. ("ITSA")

ITSA was incorporated on October 30, 2003 in the Kingdom of Spain. The registration number of ITSA is A-84106954. The registered office of ITSA is situated at C/Velazquez 17-3, 28011, Madrid, Spain. ITSA is an intermediate holding company, holding shares of CIESM and Atenea.

Shareholding Pattern

The equity shares of ITSA are not listed on any stock exchange. The shareholding pattern of ITSA as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of €. 500 each*	% of issued capital
Elsamex SA	371	100.00
Total	**371**	**100.00**

* *For details regarding the exchange rates and currency of presentation in this Red Herring Prospectus, see the section titled "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation" on page x.*

There has been no change in the capital structure of ITSA in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of ITSA currently comprises of one director, Mr. Bernard Cunningham.

13) Intevial-Gestao Integral Rodoviaria S.A. ("Intevial")

Intevial was incorporated on September 3, 1997 in Portugal. The registration number of Intevial is NIF: 503970352. The registered office of Intevial is situated at Edificio Atlas II- Av. Jose Gomes Ferreira, n, 11, sala 44, 1495-139, ALGES, Portugal. The company is engaged in the business of maintaining buildings.

Shareholding Pattern

The equity shares of Intevial are not listed on any stock exchange. The shareholding pattern of Intevial as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of € 5 each*	% of issued capital
Elsamex internacional, S.L.	150,000	100
Total	**150,000**	**100.00**

* *For details regarding the exchange rates and currency of presentation in this Red Herring Prospectus, see the section titled "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation" on page x.*

There has been no change in the capital structure of Intevial in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of Intevial currently comprises of:

1. Mr. Jose Luis Gonzalez;
2. Mr. Jose Mª Méndez-Vigo de Hita; and
3. Mr. Ignacio Chueca.

14) Mantenimiento Y Conservacion De Vialidades, S.A. de C.V ("Macovi")

Macovi was incorporated on March 1, 2006 in Mexico. The registration number of Macovi is MCV-060301-G80. The registered office of Macovi is situated at Ignacio Pérez Sur No 24, Col Centro, C.P. 76000, Querétaro, Qro, Mexico. Macovi is engaged in the business of maintenance and conservation of roads.

Shareholding Pattern

The equity shares of Macovi are not listed on any stock exchange. The shareholding pattern of Macovi as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of $1 (Mexican peso) each*	% of issued capital

Name of Shareholder	Number of equity shares of $1 (Mexican peso) each*	% of issued capital
Elsamex Internacional, S.L.	6,112,000	64.00
Agacel, Agregados Y Asfaltos, S.A.	3,438,000	36.00
Total	**9,550,000**	**100.00**

* *For details regarding the exchange rates and currency of presentation in this Red Herring Prospectus, see the section titled "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation" on page x.*

There has been no change in the capital structure of Macovi in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of Macovi currently comprises of:

1. Mr. Fernando Bardisa Jorda;
2. Mr. Jose Mª Méndez-Vigo de Hita; and
3. Mr. Antonio Quinonero Pastor.

15) Proyectos de Gestion, Sistemas, Calculo y Analisis, S.A. ("Progescan")

Progescan was incorporated on February 26, 1996 in the Kingdom of Spain. The registration number of Progescan is A-35425321. The registered office of Progescan is situated at C/ San Severo 18, Parque Empresarial Barajas Park, 28042, Madrid, Spain. Progescan is engaged in the business of computing systems. Progescan being a subsidiary of Elsamex S.A, has become the subsidiary of our Company with effect from March 18, 2008.

Shareholding Pattern

The equity shares of Progescan are not listed on any stock exchange. The shareholding pattern of Progescan as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of €. 60.10 each*	% of issued capital
Elsamex S.A.	995	99.50
CIESM	5	0.50
Total	**1,000**	**100.0**

* *For details regarding the exchange rates and currency of presentation in this Red Herring Prospectus, see the section titled "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation" on page x.*

There has been no change in the capital structure of Progescan in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of Progescan currently comprises of:

1. Mr. Sachin Baldeoprasad Gupta;
2. Mr. K. Ramchand; and
3. Mr. Arun K. Saha.

16) Sanchez Marcos Senalizacion E Imagen, S.A. ("SMSI")

SMSI was incorporated on September 6, 1999 in the Kingdom of Spain. The registration number of SMSI is A-82423583. The registered office of SMSI is situated at C/San Severo 18, Parque Empresarial Barajas Park, Madrid, 28042, Spain. SMSI is engaged in the business of providing mobile phones for the companies of the Elsamex group as well as to outsiders. SMSI being a subsidiary of Elsamex S.A, has become the subsidiary of our Company with effect from March 18, 2008.

Shareholding Pattern

The equity shares of SMSI are not listed on any stock exchange. The shareholding pattern of SMSI as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of €. 60 each*	% of issued capital
Elsamex SA	2,498	99.92
CIESM	2	0.08
Total	**2,500**	**100.00**

* *For details regarding the exchange rates and currency of presentation in this Red Herring Prospectus, see the section titled "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation" on page x.*

There has been no change in the capital structure of SMSI in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of SMSI currently comprises of:

1. Mr. Sachin Gupta;
2. Mr. K.Ramchand; and
3. Mr. Arun K Saha.

17) Senalizacion Viales E Imagen, S.A. ("Sevimagen")

Sevimagen was incorporated on March 18, 1994 in the Kingdom of Spain. The registration number of Sevimagen is A-26210039. The registered office of Sevimagen is situated at Polígono Industrial, La Variante, C/ La Grajera nº 226140-Lardero (La Rioja), Spain. Sevimagen is engaged in the business of traffic signs fabrication and materials for image design. Sevimagen being a subsidiary of Elsamex S.A, has become the subsidiary of our Company with effect from March 18, 2008.

Shareholding Pattern

The equity shares of Sevimagen are not listed on any stock exchange. The shareholding pattern of Sevimagen as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of €. 60.10 each*	% of issued capital
Elsamex S.A.	11,448	100.00
Total	**11,448**	**100.00**

* *For details regarding the exchange rates and currency of presentation in this Red Herring Prospectus, see the section titled "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation" on page x.*

There has been no change in the capital structure of Sevimagen in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of Sevimagen currently comprises of:

1. Mr. Fernando Bardisa Jorda;
2. Mr. Jose Luis Gonzalez Romero; and
3. Mr. José Mª Méndez-Vigo de Hita.

18) Centro De Investigacion Elpidio Sanchez Marcos, SA ("CIESM")

CIESM was incorporated on December 21, 1990 in the Kingdom of Spain. The registration number of CIESM is A-79837597. The registered office of CIESM is situated at c/san Severo 18, Parque Empresarial Barajas Park, Madrid, 28042, Spain. CIESM is engaged in the business of laboratory investigation.

Shareholding Pattern

The equity shares of CIESM are not listed on any stock exchange. The shareholding pattern of CIESM as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of €. 9.60 each*	% of issued capital
Elsamex SA	3,110	24.88
Inversiones Tyndrum	9,390	75.12
Total	**12,500**	**100.00**

* *For details regarding the exchange rates and currency of presentation in this Red Herring Prospectus, see the section titled "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation" on page x.*

There has been no change in the capital structure of CIESM in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of CIESM currently comprises of:

1. Mr. Aurelio Angel Ruiz Rubio;
2. Mr. K. Ramchand; and
3. Mr. Ramon Tomas Raz.

19) Control 7, SA ("CSA")

CSA was incorporated on July 19, 1990 in Kingdom of Spain. The registration number of CSA is A-50361179. The registered office of CSA is situated at Poligono Malpica Santa Isabel, Calle E, Parcelas 59-60-61, Nave 9, Zaragoza, Spain. CSA is engaged in the business of laboratory investigation in Aragon, Spain.

Shareholding Pattern

The equity shares of CSA are not listed on any stock exchange. The shareholding pattern of CSA as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of €.60.10 each*	% of issued capital
CIESM SA	9,152	99.98
Elsamex SA	8	0.02
Total	**9,160**	**100.00**

* *For details regarding the exchange rates and currency of presentation in this Red Herring Prospectus, see the section titled "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation" on page x.*

There has been no change in the capital structure of CSA in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of CSA currently comprises of:

1. Mr. Aurelio Angel Ruiz Rubio;
2. Mr. K. Ramchand; and
3. Mr. Ramon Tomas Raz.

20) Geotecnia 7, SA ("GSA")

GSA was incorporated on July 19, 2005 in the Kingdom of Spain. The registration number of GSA is A-99069759. The registered office of GSA is situated at Poligono Industrial Malpica-Santa Isabel, Calle E, Parcelas 59-60-61,50057, Zaragoza, Spain. GSA is engaged in the business of laboratory investigation in Aragon, Spain.

Shareholding Pattern

The equity shares of GSA are not listed on any stock exchange. The shareholding pattern of GSA as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of € 60.11 each*	% of issued capital
Centro de Investigación Elpidio Sanchez Marcos, S.A.	1,000	100.00
Total	**1,000**	**100.00**

* *For details regarding the exchange rates and currency of presentation in this Red Herring Prospectus, see the section titled "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation" on page x.*

There has been no change in the capital structure of GSA in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of GSA currently comprises of:

1. Mr. Ramon Tomas Raz;
2. Mr. Ignacio Chueca Garcia; and
3. Mr. Luis Budia Marigil.

21) ESM Mantenimiento Integral S.A. de C.V ("ESM")

ESM was incorporated on February 17, 2006 in Mexico. The registration number of ESM is EMI-060220-4R1. The registered office of ESM is situated at Presidente Masarik No. 61 Piso 7, Col. Chapulptepec Morales, 11570 Mexico DF, Mexico. ESM is engaged in the business of integral maintenance, technical assistance and execution of public and private works.

Shareholding Pattern

The equity shares of ESM are not listed on any stock exchange. The shareholding pattern of ESM as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of $500 (Mexican peso) each*	% of issued capital
EISL	99	99.00
Elsamex S.A.	1	1.00
Total	**100**	**100.00**

* *For details regarding the exchange rates and currency of presentation in this Red Herring Prospectus, see the section titled "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation" on page x.*

There has been no change in the capital structure of ESM in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of ESM currently comprises of:

1. Mr. Fernando Bardisa Jorda;
2. Mr.Jose Maria Mendez- Vigo de Hita; and
3. Mr. Antonio Qunionero Pastor.

22) Grusamar Albania SHPK

Grusamar Albania SHPK was incorporated on January 17, 2005 in Albania. The registration number of Grusamar Albania SHPK is K71616013K. The registered office of the company is situated at R.r. Hik K

Kolli No. 26/2 Tirana, Albania. The company envisages engaging in the business of road projects, studies and supervision.

Shareholding Pattern

The equity shares of Grusamar Albania SHPL are not listed on any stock exchange. The shareholding pattern of Grusamar Albania SHPL as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Leks 1.000 each*	% of issued capital
Grusamar Ingenieria Y Consulting SL	51	51.00
Lluka Llukani	49	49.00
Total	**100**	**100.00**

* *For details regarding the exchange rates and currency of presentation in this Red Herring Prospectus, see the section titled "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation" on page x.*

There has been no change in the capital structure of Grusamar Albania SHPL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of Grusamar Albania SHPK comprises of:

1. Mr. Lluka Llukani; and
2. Mr. Emanuele Interlando.

23) Atenea Seguridad y Medio Ambiente S.A ("Atenea")

Atenea was incorporated on January 11, 2001 in the Kingdom of Spain. The registration number of Atenea is A-82876905. The registered office of Atenea is situated at C/SAN Severo 30, Parque Empresarial Barajas Park, Madrid, 28042, Spain. It is presently engaged in the business of security and health during the execution of works.

Shareholding Pattern

The equity shares of Atenea are not listed on any stock exchange. The shareholding pattern of Atenea as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of €. 60 each*	% of issued capital
Inversiones Tyndrum	1,193	54.97
Elsamex SA	869	40.05
Eusebio Aguilera	108	4.98
Total	**2,170**	**100.00**

* *For details regarding the exchange rates and currency of presentation in this Red Herring Prospectus, see the section titled "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation" on page x.*

There has been no change in the capital structure of Atena in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of Atenea currently comprises of:

1. Mr. Sachin Baldeoprasad Gupta;
2. Mr. K. Ramchand;
3. Mr. Arun K. Saha;
4. Mr. Fernando Bardisa Jorda; and
5. Mr. Jose Mª Mendez-Vigo de Hita

24) Ecoasfalt Construction Company Private Limited

Ecoasfalt Construction Company Private Limited was incorporated on April 2, 2003 under the Companies Act. The CIN of the company is U45203DL2003PTC119713. The registered office of Ecoasfalt Construction Company Private Limited is situated at 1304/1304A, 43 Chiranjiv Towers, Nehru Place, New Delhi 110 019, India. and is engaged in the business of civil construction, contract of roads making, bridges, structures, earthwork etc., supervision of infrastructure projects including roads and highways.

Shareholding Pattern

The equity shares of Ecoasfalt Construction Company Private Limited are not listed on any stock exchange. The shareholding pattern of the company as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
Inversiones Tyndrum, Spain	131,572	70.00
Nandini Triguna	55,388	29.47
K K Bugga	1,000	0.53
Total	**187,960**	**100.00**

There has been no change in the capital structure of Ecoasfalt Construction Company Private Limited in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of Ecoasfalt Construction Company Private Limited currently comprises of:

1. Mr. Ajay Menon.;
2. Mr. M.B. Bajulge; and
3. Mr. Naresh Sasanwar.

25) Proyectos y Promociones Inmobiliarias Elpidio Sanchez Marcos, S.L. ("Propinsa")

Propinsa was incorporated on June 6, 2005 in Kingdom of Spain. The registration number of Propinsa is B-84396373. The registered office of Propinsa is situated at C/San Severo 18, Parque Empresarial Barajas Park, Madrid, 28042, Spain. Propinsa is engaged in the business of real estate activities. Propinsa being a subsidiary of Elsamex S.A, has become the subsidiary of our Company with effect from March 18, 2008.

Shareholding Pattern

The equity shares of Propinsa are not listed on any stock exchange. The shareholding pattern of Propinsa as on February 5, 2010 is as follows:

Name of Shareholder	Number of shares of €. 10 each*	% of issued capital
Elsamex S.A	1	0.33
Sanchez Marcos Senalizacion E Imagen S.A.	300	99.67
Total	**301**	**100.00**

* *For details regarding the exchange rates and currency of presentation in this Red Herring Prospectus, see the section titled "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation" on page x.*

There has been no change in the capital structure of Propinsa in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of Propinsa currently comprises of:

1. Mr. Sachin Baldeoprasad Gupta;
2. Mr. K. Ramchand; and
3. Mr. Arun K. Saha.

26) Instituto Tecnico De La Vialidad Y Del Transporte, S.A ("Intevia")

Intevia was incorporated on May 20, 1994 in the Kingdom of Spain. The registration number of Intevia is A-80921570. The registered office of Intevia is situated at C/San Severo 18, Parque Empresarial Barajas Park, Madrid, 28042, Spain. It is engaged in the business of technical project drafting for the execution of works. Intevia being a subsidiary of Elsamex S.A, has become the subsidiary of our Company with effect from March 18, 2008.

Shareholding Pattern

The equity shares of Intevia are not listed on any stock exchange. The shareholding pattern of Intevia as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of € 60.11 each*	% of issued capital
Centro de Investigación Elpidio Sanchez Marcos, S.A.	5,000	50.00
Elsamex S.A.	5,000	50.00
Total	**10,000**	**100.00**

* *For details regarding the exchange rates and currency of presentation in this Red Herring Prospectus, see the section titled "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation" on page x.*

There has been no change in the capital structure of Intevia in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of Propinsa currently comprises of:

1. Mr. Sachin Baldeoprasad Gupta;
2. Mr. K. Ramchand; and
3. Mr. Arun K. Saha.

27) Yala Construction Co Private Limited ("Yala Construction")

Yala Construction was incorporated on February 4, 2000 under the Companies Act. The CIN of Yala Construction is U45201DL2000PTC103620. The registered office of Yala Construction is situated at 1304/1304 A, 43, Chiranjiv Tower, Nehru Place, New Delhi -110 019, India. Yala Construction is engaged in the business of civil construction, contract of roads making, bridges, structures, earthwork etc., supervision of infrastructure projects including roads and highways. Yala Construction being a subsidiary of Elsamex S.A, has become the subsidiary of our Company with effect from March 18, 2008.

Shareholding Pattern

The equity shares of Yala Construction are not listed on any stock exchange. The shareholding pattern of Yala Construction as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
Elsamex International Spain	225,690	27
Elsamex S.A Spain	359,878	43
Mr. Himanshu Vashist	21,300	2.55
Ms. Kanta Vashist	229,658	27.45
Total	**836,526**	**100.00**

Except for increase in the authorized share capital of the company from Rs. 10 million to Rs. 30 million pursuant to an AGM dated September 29, 2009, there has been no change in the capital structure of Yala Construction in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of Yala Construction currently comprises of:

1. Mr. Ronald E Baker;
2. Mr. Himanshu Vashist;
3. Mr. Naresh Sasanwar;
4. Mr. Harish Mathur; and
5. Mr. M.B. Bajulge.

28) Hazaribagh Ranchi Expressway Limited ("HREL")

Hazaribagh Ranchi Expressway Limited was incorporated on March 19, 2009 under the Companies Act and received its certificate for commencement of business on May 19, 2009. Its CIN is U45203MH2009PLC191070. The registered office of HREL is situated at 'The IL&FS Financial Centre', Plot No. C-22, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400051. HREL is engaged in the business of design, engineering, finance, procurement, construction, operation and maintenance of four laning of the Hazaribagh- Ranchi section of NH-33 in the State of Jharkhand.

The company was initially incorporated as 'ITNL Highways Development Company Limited'. Subsequently, the name of the company was changed to its present name pursuant to a fresh certificate of incorporation issued by the Registrar of Companies, Mumbai, Maharashtra on May 11, 2009.

Shareholding Pattern

The equity shares of HREL are not listed on any stock exchange. The shareholding pattern of HREL as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs 10 each	% of issued capital
Our Company	36,940	73.88
Punj Lloyd Limited	13,000	26.00
Mr. Ajay Menon	10	0.02
Mr. Krishna Ghag	10	0.02
Mr. Ravi Sreehari	10	0.02
Mr. Naresh Sasanwar	10	0.02
Mr. Vijay Kini	10	0.02
Mr. Chandrakant Jagasia	10	0.02
Total	**50,000**	**100.00**

Except for increase in the authorised share capital of the company from Rs. 500,000 to Rs. 100,000,000 pursuant to a resolution of the shareholders of the company dated October 5, 2009, there has been no change in the capital structure of the company in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of Hazaribagh Ranchi Expressway Limited currently comprises of:

1. Mr. Krishna Ghag;
2. Mr. Harish Mathur;
3. Mr. M.K. Mohan;
4. Mr. Mukund Sapre;
5. Mr. Sanjay Bhargava;
6. Dr. V.K. Raina;
7. Dr. Nishant Shrivastava; and
8. Mr. Danny Samuel.

29) Pune Sholapur Road Development Company Limited ("PSRDCL")

PSRDCL was incorporated on August 21, 2009 under the Companies Act and obtained its certificate for commencement of business on September 3, 2009. Its CIN is U45203MH2009PLC195154. The registered office of PSRDCL is situated at 'The IL&FS Financial Centre', Plot No. C-22, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051. PSRDCL is engaged in the business of design, engineering, finance, procurement, construction, operation and maintenance ofthe 'Pune – Sholapur' section of the existing two lane road to four lanes of dual carriageway of NH-9 in the state of Maharashtra.

Shareholding Pattern

The equity shares of PSRDCL are not listed on any stock exchange. The shareholding pattern of the company as on February 5, 2010 is as under:

Name of Shareholder	Number of equity shares of Rs 10 each	% of issued capital
Our Company	49,940	99.88
Mr. Cherian George	10	0.02
Mr. Krishna Ghag	10	0.02
Mr. Ravi Sreehari	10	0.02
Mr. Naresh Sasanwar	10	0.02
Mr. Ajay Menon	10	0.02
Mr. Narayanan Doraiswamy	10	0.02
Total	**50,000**	**100.00**

Except for increase in the authorized share capital of the company from Rs. 500,000 to Rs. 150,000,000 pursuant to a resolution of the shareholders on October 5, 2009, there has been no change in the capital structure of the company in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of PSRDCL currently comprises of:

1. Mr. Krishna Ghag;
2. Mr. Harish Mathur;
3. Mr. M.K. Mohan;
4. Mr. Mukund Sapre;
5. Mr. Manish Agarwal;
6. Dr. V.K. Raina;
7. Mr. Sachin Gajjar; and
8. Mr. Danny Samuel.

30) Rapid MetroRail Gurgaon Limited ("RMGL")

RMGL was incorporated on May 21, 2009 and obtained its certificate for commencement of business on June 12, 2009. Its CIN is U60200HR2009PLC039116. The registered office of RMGL is situated at the 2nd Floor, Ambience Corporate Towers, Ambience Island, National Highway # 8, Gurgaon, Haryana. RMGL is engaged in the business of implementing and executing a 'metro rail' project in Gurgaon, Haryana.

Shareholding Pattern

The equity shares of RMGL are not listed on any stock exchange. The shareholding pattern of RMGL as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
IERSL	49,940	100.00
IERSL and Mr. Jagdish Parshad Aggarwal	10	Negligible
IERSL and Mr. Suresh Chand Mittal	10	Negligible
IERSL and Mr. Pritam Kumar	10	Negligible
IERSL and Mr. Soumendra Das	10	Negligible
IERSL and Mr. Ashish Tyagi	10	Negligible
IERSL and Mr. Dheeraj Kumar	10	Negligible
Total	**50,000**	**100.00**

There has been no change in the capital structure of RMGL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of RMGL currently comprises of:

1. Mr. Sanjiv Rai;
2. Mr. Jagdish Parshad Aggarwal; and
3. Mr. Pritam Kumar.

31) North Karnataka Expressway Limited ("NKEL")

NKEL was incorporated on October 15, 2001. Its CIN is U45203MH2001PLC163992. The registered office of NKEL is situated at 'The IL&FS Financial Centre', Plot No. C 22, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051, India. It is presently engaged in the business of upgradation, operation and maintenance of the 'Belgaum Maharashtra Border Road' on NH-4.

NKEL was initially incorporated as 'North Karnataka Expressway Private Limited', a private limited company. Thereafter, it was converted into a public limited company and a fresh certificate of incorporation was issued on September 25, 2002.

Shareholding Pattern

The equity shares of NKEL are not listed on any stock exchange. The shareholding pattern of NKEL on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
ITCL (as trustee of IRIT)	29,101,639	49.00
Our Company	15,144,646	25.50
Punj Lloyd Limited	7,572,400	12.75
IL&FS	7,572,365	12.75
IL&FS jointly with Mr. K. Ramchand	10	Negligible
Our Company jointly with Mr. Narayanan Doraiswamy	10	Negligible
IL&FS jointly with Mr. M. M. Wagle	10	Negligible
Our Company jointly with Mr. Krishna Ghag	10	Negligible
Our Company jointly with Mr. Ajay Menon	10	Negligible
Total	**59,391,100**	**100.00**

There has been no change in the capital structure of NKEL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of NKEL currently comprises of:

1. Mr. Cherian George;
2. Mr. Pradeep Puri;
3. Mr.V. K. Kaushik; and
4. Mr. Harish Mathur.

32) West Gujarat Expressway Limited ("WGEL")

WGEL was incorporated on March 14, 2005 under the Companies Act and obtained the certificate for commencement of business on May 24, 2005. Its CIN is U60200MH2005PLC151958. The registered office of WGEL is situated at 'The IL&FS Financial Centre', Plot No. C 22, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051, India. It is presently engaged, in the upgradation, operation, maintenance and implementation of the 'Jetpur-Gondal-Rajkot' road project in Gujarat.

Shareholding Pattern

The equity shares of shares of WGEL are not listed on any stock exchange. The shareholding pattern of WGEL as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each.	% of issued capital
Equity Shares		
IL&FS	10,200,000	51.00
Our Company	9,799,940	49.00
Our Company jointly with Mr. K. Ramchand	10	Negligible
Our Company jointly with Mr. Narayanan Doraiswamy	10	Negligible
Our Company jointly with Mr. Krishna Ghag	10	Negligible
Our Company jointly with Mr. Ajay Menon	10	Negligible
Our Company jointly with Mr. Sunil Dhawan	10	Negligible
Our Company jointly with Mr. Chandrakant Jagasia	10	Negligible
Total	**20,000,000**	**100.00**
Preference Shares		
Our Company	20,000,000	100.00
Total	**20,000,000**	**100.00**

There has been no change in the capital structure of WGEL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors currently comprises of:

1. Mr. Pradeep Puri;
2. Mr. Ramesh C. Bawa;
3. Mr. Avinash Bagul;
4. Mr. M. K. Mohan;
5. Mr. Cherian George; and
6. Mr. Harish Mathur.

33) Moradabad Bareilly Expressway Limited ("MBEL")

MBEL was incorporated on January 11, 2010 under the Companies Act and obtained the certificate for commencement of business on January 27, 2010. The registered office of WGEL is situated at 'The IL&FS Financial Centre', Plot No. C 22, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051, India. It is presently engaged in the business of designing, engineering, financing, procurement, construction, operation and maintenance of four laning of 'Moradabad Bareilly' section from km 148.000 to km 262.000 of NH-24 in the state of Uttar Pradesh under 'NHDP Phase III' on a 'design, build, finance, operate and transfer' basis.

Shareholding Pattern

The equity shares of shares of MBEL are not listed on any stock exchange. The shareholding pattern of MBEL as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each.	% of issued capital
Our Company	49,940	99.88
Mr. Cherian George	10	Negligible
Mr. Krishna Ghag	10	Negligible
Mr. Ravi Sreehari	10	Negligible
Mr. Ajay Menon	10	Negligible
Mr. Narayanan Doraiswamy	10	Negligible
Mr. Chandrakant Jagasia	10	Negligible
Total	**50,000**	**100.00**

There has been no change in the capital structure of MBEL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors currently comprises of:

1. Mr. Krishna Ghag;
2. Mr. Ravi Shreehari; and
3. Mr. Ajay Menon.

Previous public issues

None of our Subsidiaries have completed any public or rights issue in the three years preceding this Red Herring Prospectus.

Sick companies or companies under winding up

Except for IRIL, IRDCL and IEL whose names have been struck off by the concerned registrar of companies pursuant to applications filed by such companies under Section 560 of the Companies Act, none of our Subsidiaries have become sick companies under the SICA, or are currently under winding up.

Negative Net Worth

Further, except for Elsamex India Private Limited and Ecoasfalt Construction Company Private Limited, none of our Subsidiaries have negative Net Worth on date of end of the respective financial years audited and mentioned therein.

Litigation

For information on details relating to the litigation in relation to our Subsidiaries, see the section titled "Outstanding Litigation and Material Developments" on page 333.

Other Confirmations

The accumulated profits or losses of our Subsidiaries have been accounted for by our Company in the restated audited consolidated financial statements of our Company included in this Red Herring Prospectus. For further details, see the section titled "Financial Statements" on page F-1.

Details of Joint Ventures

For further details regarding NTBCL, see the sections titled "History and Certain Corporate Matters – Material Corporate Agreements" and "Our Group Companies" on pages 175 and 223, respectively.

Details of Associates

Significant details of the associates of our Company are as provided below:

a) Thiruvananthapuram Road Development Company Limited ("TRDCL")

TRDCL was incorporated on March 1, 2004 and obtained its certificate for commencement of business on March 23, 2004. Its CIN is U45203MH2004 PLC144789. The registered office of TRDCL is situated at 'The IL&FS Financial Centre', Plot No. C-22, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051. TRDCL is engaged in the business of development, establishment, upgradation, operation, maintenance and implementation of the "Thiruvananthapuram City Roads Improvement" Project

Shareholding Pattern

The equity shares of shares of TRDCL are not listed on any stock exchange. The shareholding pattern of TRDCL as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
Our Company	13,025,000	49.93
Punj Lloyd Limited	13,025,000	49.93
Mr. K. Ramchand	10	Negligible
Mr. Hari Sankaran	10	Negligible
Mr. Ravi Sreehari	10	Negligible
Mr. Krishna Ghag	10	Negligible
Mr. Ajay Menon	10	Negligible
Mr. Sunil Dhawan	10	Negligible
Mr. Narayanan Doraiswamy	10	Negligible
Total	**26,050,070**	**100.00**

There has been no change in the capital structure of TRDCL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors currently comprises of:

1. Mr. V. K. Kaushik;
2. Mr. S. C. Sachdeva;
3. Mr. R. C. Bawa;
4. Mr. Mukund Sapre;
5. Mr. Pradeep Kulshrestha;
6. Mr. Cherian George;
7. Mr Ravi Keshwani; and
8. Mr. Harish Mathur.

b) Andhra Pradesh Expressway Limited ("APEL")

APEL was incorporated on November 11, 2005, under the Companies Act and obtained the certificate for commencement of business on January 10, 2006. Its CIN is U63031MH2005PLC157256. The registered office of APEL is situated at 'The IL&FS Financial Centre', Plot No.C-22, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051, India. APEL is presently engaged in the business of strengthening the existing four lanes and widening of the existing road stretches from 'Kotakata-Kurnool' section of NH-7.

Shareholding Pattern

The equity shares of APEL are not listed on any stock exchange. The shareholding pattern of APEL as of February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
IL&FS	17,187,000	51.00
Our Company	16,513,000	49.00
Our Company jointly with Mr. K Ramchand	10	Negligible
Our Company jointly with Mr. Krishan Ghag	10	Negligible
Our Company jointly with Mr. Narayanan Doraiswamy	10	Negligible
Our Company jointly with Mr. Mukund Sapre	10	Negligible
Our Company jointly with Mr. Ajay Menon	10	Negligible
Our Company jointly with Mr. Ravi Sreehari	10	Negligible
Total	**33,700,060**	**100.00**

There has been no change in the capital structure of APEL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of APEL currently comprises of:

1. Mr. Pradeep Puri;
2. Mr. Mukund Sapre;
3. Mr. R.C Bawa;
4. Mr. Avinash Bagul;
5. Mr. M. K. Mohan;
6. Mr. Manu Kochhar;
7. Mr. Cherian George; and
8. Mr. Harish Mathur.

c) ITNL Toll Management Services Limited ("ITMSL")

ITMSL was incorporated on June 22, 2007 and obtained the certificate for commencement of business on June 26, 2007. The registered office of ITMSL is situated at Toll Plaza, DND Flyway, Noida 201 301, Uttar Pradesh. ITMSL is engaged in the business of operations, toll collection, routine and procedure maintenance, engineering, design, supply, installation, commissioning of toll and traffic management systems with respect to infrastructure facilities including roads, minor and major bridges, flyover, inter-changes, culverts, tunnels, links, buildings, toll plazas, waterways, ports, railways, airports and other modes of transport, vehicle parking.

Shareholding Pattern

The equity shares of ITMSL are not listed on any stock exchange. The shareholding pattern of ITMSL as of February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
NTBCL	25,497	50.99
Our Company	24,498	48.99
NTBCL jointly with Mr. Pradeep Puri	1	Negligible
NTBCL jointly with Ms. Pooja Agarawal	1	Negligible
NTBCL jointly with Ms. Monisha Macedo	1	Negligible
Our Company jointly with Mr. Tarun Kumar Banerjee	1	Negligible
Our Company jointly with Mr. Rajiv Jain	1	Negligible
Total	**50,000**	**100.00**

There has been no change in the capital structure of ITMSL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of ITMSL currently comprises of:

1. Mr. Pradeep Puri;
2. Ms. Monisha Macedo; and
3. Mr. M. K. Mohan (alternate director being Mr. Sandeep Mendiratta)

d) Narketpally Addanki Expressway Limited ("NAEL")

NAEL was incorporated on December 29, 2009 and obtained the certificate for commencement of business on December 31, 2009. The registered office of NAEL is situated at 6-3-1089/G/10 and 11, Gulmohar Avenue, Rajbhavan Road, Somajiguda, Hyderabad 500 082. NAEL is engaged in the business of design, construction, development, operation and maintenance of the four laning of the Narketpalli-Addanki- Medaramitla road (SH 2) from Km. 0.00 to Km. 212.50 in the state of Andhra Pradesh on a BOT basis.

Shareholding Pattern

The equity shares of NAEL are not listed on any stock exchange. The shareholding pattern of NAEL as of February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
Ramky Infrastructure Limited	24,998	50.00
Mr. Y.R. Nagaraja	1	Negligible
Mr. S. Vijaya Rami Reddy	1	Negligible
Our Company	24,970	50.00
Mr. Ajay Menon	10	Negligible
Mr. Krishna Ghag	10	Negligible
Mr. Ravi Sreehari	10	Negligible
Total	**50,000**	**100.00**

There has been no change in the capital structure of NAEL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of NAEL currently comprises of:

1. Mr. Y.R. Nagaraja;
2. Mr. S. Vijaya Rami Reddy;
3. Mr. Ravi Sreehari; and
4. Mr. Sachin Gajjar.

e) Warora Chandrapur Ballarpur Toll Road Limited ("WCBRL")

WCBRL was incorporated on October 30, 2009 and obtained the certificate for commencement of business on December 12, 2009. The registered office of WCBRL is situated at fourth floor, Madhu Madhav Tower, Laxmi Bhuvan Square, Dharampeth, Nagpur 440 101. WCBRL is engaged in the business of designing, building, financing, operating and transfering of the Warora Chandrapur Ballarpur Toll Road.

Shareholding Pattern

The equity shares of WCBRL are not listed on any stock exchange. The shareholding pattern of WCBRL as of February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
Vishvaraj Infrastructure Limited	20,000	40.00
Our Company	17,490	34.98
Diva Media Private Limited	5,000	10.00
Mr. Arun Lakhani	2,500	5.00
Ms. Vandana Arun Lakhani	2,500	5.00
Mr. Dattatraya Ghogare	2,500	5.00
Mr. Ravi Sreehari	10	Negligible
Total	**50,000**	**100.00**

There has been no change in the capital structure of WCBRL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of WCBRL currently comprises of:

1. Mr. Arun Hanumandas Lakhani;
2. Mrs. Vandana Arun Lakhani;
3. Mr. M.K. Mohan; and

4. Mr. Harish Mathur.

Guarantees given to third parties by Promoter

For details in relation to guarantees provided by our Promoter to third parties, see the section titled "Related Party Transactions" on page 298.

Material Corporate Agreements

1. Subscription Agreement dated February 9, 2007 between our Company, IL&FS and GS Strategic Investments Limited

Our Company has entered into a subscription agreement dated February 9, 2007 ("**GS Subscription Agreement**") with IL&FS and GS Strategic Investments Limited ("**GS**"). Pursuant to the GS Subscription Agreement, our Company has allotted 8,330,000 Equity Shares (each a "**Subscriber Shares**") for Rs. 100 per Subscriber Share (the "**Subscription Amount**") to GS for an aggregate investment of Rs. 833 million, subject to the terms and conditions set forth therein with all rights and advantages attached to them, as are attached to the Equity Shares, as on the date of issue and allotment of the Subscriber Shares and vesting of all obligations of the parties to the GS Subscription Agreement ("**Closing**").

Certain conditions precedents were required to be satisfied by our Company prior to the prescribed date, as per the provisions of the GS Subscription Agreement. While our Company had fulfilled certain of such conditions, GS has granted a further period till March 31, 2010 to our Company to fulfil the remaining of such conditions.

2. Shareholders Agreement dated February 9, 2007 between our Company, IL&FS, IL&FS EWT, GS, Trinity Capital (Two) Limited and deed of Adherence dated March 5, 2009 between our Company and Standard Chartered IL&FS Asia Infrastructure Growth Fund Company Pte. Limited

Our Company had entered into a shareholders agreement ("**Principal SHA**") dated February 9, 2007 with IL&FS, Trinity Capital (Two) Limited (**"Trikona"**), Mr. Manu Kocchar (in his capacity as the trustee of IL&FS EWT) and GS for regulation of rights of the shareholders in our Company.

Further, our Company has entered into a 'deed of adherence' dated March 5, 2009 (the "**ITNL Deed of Adherence**") with Standard Chartered IL&FS Asia Infrastructure Growth Fund Company Pte. Limited ("**SCI Asia**"). The ITNL Deed of Adherence is supplemental to the Principal SHA and SCI Asia, with each of our Company, IL&FS, GS, Trikona, IL&FS EWT and SCB Asian Infrastructure Fund ("**SAIF**"), shall observe, perform and be bound by the terms of the Principal SHA which are capable of applying to SCI Asia and which have not been performed, as on the date of the ITNL Deed of Adherence, to the intent and effect that SCI Asia shall be deemed, with effect from the date on which it is registered as a member of our Company, to be a party to the Principal SHA.

However, pursuant to a letter dated July 31, 2009 issued by our Company and IL&FS to GS, Trikona, IL&FS EWT and SCI Asia (collectively, the "**Investors**"), the Investors have consented to the termination of the Prinicpal SHA and the ITNL Deed of Adherence with effect from the filing of the Draft Red Herring Prospectus. However, in the event our Company is unable to undertake this Issue, on terms acceptable to the Investors, before March 31, 2010, or any extended period as may be approved by the Investors, the Principal SHA and the ITNL Deed of Adherence shall be reinstated with full force and effect, as if the Principal SHA and the ITNL Deed of Adherence had not been terminated.

3. Share purchase agreement dated September 22, 2009 ("Bessemer SPA") between Bessemer India Capital Holdings II Limited and Mr. Ravi Parthasarathy, Mr. Hari Sankaran, Mr. Arun K. Saha, Mr. Vibhav Kapoor, Mr. Ramesh C. Bawa, Mr. K. Ramchand, Mr. Shahzaad Dalal and Mr. Sachin Gupta (as trustees of IL&FS EWT)

Bessemer is a company duly organised and existing under the laws of Mauritius since June 29, 2007 bearing Registration No. 072299C1/GBL with its principal place of business at IFS Court, Twenty Eight, Cybercity, Ebene, Mauritius. Bessemer is presently not registered with the Securities and Exchange Board of India.

Pursuant to the Bessemer SPA, IL&FS EWT has agreed to transfer 4,132,231 Equity Shares in favour of Bessemer India Capital Holdings II Limited ("**Bessemer**"). Upon fulfilment of certain conditions precedent in the Bessemer SPA, Bessemer shall be required to pay a consideration of an amount of Rs. 1,000 million for the purchase of such Equity Shares, being Rs. 242 per Equity Share.

Bessemer shall be required to be provided with such quarterly, semi and annual financial statements as are prepared and submitted by our Company as required under the applicable laws, pursuant to the listing of our Equity Shares. Each party to the Bessemer SPA have agreed to indemnify the other party against all damages which arise out of or may result from, *inter alia*, the breach of the terms of the Bessemer SPA, the falsity and inaccuracy of the representations and warranties of such party in the Bessemer SPA. Further, the parties have agreed to resolve any dispute in relation to the Bessemer SPA by arbitration in accordance with the Rules of the Singapore International Arbitration Center.

Under the terms of the SPA, the transfer of Equity Shares was to consummate subject to fulfillment of the certain conditions precedent specified within the SPA (unless waived in writing by the parties to the SPA) on or prior to the closing date specified within the SPA. On satisfaction of such conditions precedent by both IL&FS EWT and Bessemer, the remittance towards consideration for sale of the Equity Shares aggregating to Rs. 1,000 million was made by Bessemer on October 14, 2009 in favour of IL&FS EWT. Thereafter, on October 20, 2009, 4,132,231 Equity Shares were transferred by IL&FS EWT to Bessemer. Consequently, Bessemer's name has been recorded as a member of the Company in its 'register of members'. Bessemer currently holds 4,132,231 Equity Shares constituting 2.41% of the pre-Issue paid-up share capital of the Company. For further details in relation to the transfer of 4,132,231 Equity Shares, see the section titled "Capital Structure" on page 30.

Shareholders'Agreements related to our Projects

4. Amended and Restated Subscription-cum-Shareholders' Agreement dated December 18, 2008 between Vansh Nimay Infraprojects Limited, our Company, Vansh Infotech Private Limited, Dayajeet Nimay Bus Logistics Private Limited and ORIX Auto Infrastructure Services Limited

Vansh Nimay Infraprojects Limited ("**VNIL**" and formerly, Vansh Nimay Infraprojects Private Limited) has entered into an 'Amended and Restated Subscription-cum-Shareholders' Agreement' dated December 18, 2008 (the "**VNIL SSA**") with our Company, Vansh Infotech Private Limited ("**VIPL**"), Dayajeet Nimay Bus Logistics Private Limited ("**DNBL**") and ORIX Auto Infrastructure Services Limited ("**OAISL**"). The Nagpur Municipal Corporation (the "**NMC**") had resolved to appoint an agent for mobilisation, running, operating and maintaining the 'City Bus Services' on a 'build-own-operate' basis in the city of Nagpur, Maharashtra (the "**Nagpur Project**") for a specified concession period of 10 years (the "**Nagpur Concession Period**"). VNIL was incorporated to implement the Nagpur Project and accordingly a concession agreement was executed between the NMC and VNIL.

Mr. Ajay Nanaji Dhawangale, Mr. Neeraj Hasmukh Kapadia, the directors of VIPL and DNBL had entered into a shareholders agreement dated June 16, 2007 (the "**Original SSA**"). As on the date of the VNIL SSA, the individual shareholding of Mr. Ajay Nanaji Dhawangale and Mr. Neeraj Hasmukh Kapadia had been transferred in favour of and held by VIPL and DNBL, respectively. The VNIL SSA has been entered into in light of the lack of financial capabilities of VIPL and DNBL to implement the Nagpur Project. Further, NMC, pursuant to its letter dated October 3, 2008 (bearing reference number MC/33/2008) has conveyed its consent to VNIL to permit our Company and OAISL to invest in the equity share capital of VNIL.

The VNIL SSA supersedes the terms of the Original SSA.

Restriction on transfer of shares: None of the shareholders of VNIL shall transfer any equity shares held by them in VNIL, or any right, title or interest therein or thereto, except as expressly permitted by the provisions of the VNIL SSA. Any purported transfer of equity shares of VNIL in violation of the provisions of the VNIL SSA shall be considered void *ab initio*, and VNIL shall not register any such transfer. Further, subject to the terms of the VNIL SSA, no transfer of the equity shares of VNIL shall be made unless (a) the concerned transferee has agreed to be bound by the terms of the VNIL SSA and has executed a 'deed of adherence', (b) the transfer complies with all provisions of the VNIL SSA and (c) such transfer is in compliance with the applicable laws.

Tag-Along Rights: In the event the other shareholders of VNIL do not purchase the equity shares being offered by the concerned shareholder, such other shareholders shall have the right but not the obligation to require the third party purchasing the equity shares, to purchase from such other shareholders all or part of the equity shares held by them, for the same consideration per equity share and upon the same terms and conditions.

Duration of agreement: The VNIL SSA shall remain in force until the concerned parties thereto continue to be shareholders of VNIL. Further, upon listing of the equity shares of VNIL on any of the stock exchanges, the provisions relating to restriction on transfer of shares, pre-emptive rights of the concerned parties and rights of first refusal, as contained in the VNIL SSA shall stand terminated and not be binding on the parties thereto.

Precedence of Concession Agreement: In case of any contradiction in the provisions of the VNIL SSA and the concession agreement entered between VNIL and NMC in relation to the Nagpur Project, the provisions of such concession agreement shall prevail.

Pursuant to letters dated March 23, 2009 and March 24, 2009, OAISL has transferred its shareholding of approximately 4,000,000 equity shares of VNIL in favour of our Company.

5. Shareholders' Agreement dated June 20, 2005 between West Gujarat Expressway Limited, IL&FS and our Company

West Gujarat Expressway Limited ("**WGEL**") has entered into a shareholders' agreement dated June 20, 2005 ("**WGEL SHA**") with IL&FS and our Company pursuant to which IL&FS and our Company has invested in and subscribed to the equity shares of WGEL. Certain significant terms and conditions of the WGEL SHA are as provided herein below:

Shareholding Pattern: The authorised share capital of WGEL shall be increased (from Rs. 200 million divided into 20,000,000 equity shares of Rs. 10 each, as on the date of the WGEL SHA) to cover further investments towards the project in accordance with a concession agreement dated March 22, 2005 entered into between NHAI and WGEL (the "**WGEL Concession Agreement**" and such project, the "**WGEL Project**") providing for the rights and obligations of WGEL with respect to such project including the right and obligation to design, finance, construct, operate and maintain the same, and subject to the provisions of the articles of association of WGEL.

The parties to the WGEL SHA shall ensure that, subject to the WGEL Concession Agreement and other documents related thereto, the effective shareholding of IL&FS in the issued paid-up equity capital of WGEL shall not be less than (a) 51% during the 'Construction Period' (as defined in the WGEL Concession Agreement) and for three years following the commercial operations date of the WGEL Project (being the date on which an 'independent consultant' appointed pursuant to the WGEL Concession Agreement has issued the certificates required thereunder), and (b) 26% during the balance remaining 'Operations Period' (as defined in the WGEL Concession Agreement).

Pursuant to the transaction contemplated under the WGEL Concession Agreement, the equity capital structure of WGEL shall be as follows:

Name of equity shareholder	Number of equity shares	Amount (in Rs. Millions)
IL&FS	10,200,000	102.00
Our Company	9,800,000	98.00
Total	**20,000,000**	**200.00**

***Obligations of the WGEL*:** WGEL shall make necessary changes in its memorandum and articles of association so as to bring it in consonance with the WGEL SHA. It shall confirm to NHAI as may be required under the WGEL Concession Agreement that the shareholding in WGEL by the parties to the WGEL SHA are not diluted in any manner, which has not been approved by the NHAI and their shareholdings are free from all encumbrances. Further, WGEL shall appoint the nominee from IL&FS as 'Director in-charge/ CEO/Managing Director of SPV' with the consent of the board of directors of WGEL.

Obligations of IL&FS: IL&FS shall, *inter alia*, arrange such financing arrangements as would be necessary to finance the cost of the WGEL Project and to meet the requirements thereof and other obligations under the WGEL Concession Agreement in this regard, in a timely manner.

Obligations of our Company: Our Company shall, *inter alia*, co-ordinate with NHAI for execution of an 'EPC Contract' and shall be responsible for all technical aspects of the WGEL Project, including designing and constructing the WGEL Project in accordance with the WGEL Concession Agreement, preparing and ensuring compliance with construction schedule, 'Method Statement & Quality Assurance Manual' submitted to NHAI along with the bid, ensuring environmental and legal compliance as stipulated in the WGEL Concession Agreement. Further, our Company shall obtain at its own cost, such facilities as may be required by it for the purposes of the WGEL Project and the performance of its obligations under the WGEL Concession Agreement. It shall also provide by itself, on behalf of WGEL all guarantees including performance bank guarantees required as part of the WGEL Concession Agreement and other related financing documents till the conclusion of the 'Defects Liability' period (as stipulated under the WGEL Concession Agreement). Further, our Company shall be responsible for operation and maintenance of the WGEL Project in accordance with the operation and maintenance requirements after the commercial operations date.

Management of WGEL:

i) *Constitution:* The board of director of WGEL shall comprise of not less than three and not more than 12 directors. Not more than one-third of such directors shall be non-retiring. For so long as IL&FS holds not less than 51% of the paid-up equity capital of WGEL, it shall be entitled to appoint four directors as its nominee directors of WGEL, out of whom, one director shall be not liable to retire by rotation. For so long as our Company holds not less than 49% of the paid-up equity capital of WGEL, it shall be entitled to appoint two directors as its nominee director of WGEL, out of whom, one director shall be not liable to retire by rotation.

ii) *Specified Matters:* Certain matters specified in the WGEL SHA (including, reorganisation in the business, creation of charge, change in the capital structure etc.) may be effected only by a resolution of the board of directors pursuant to the affirmative vote of the nominee directors of IL&FS and our Company.

Restrictions on Transfer of Shares: If a party to the WGEL SHA proposes to transfer the equity shares held by it in WGEL, the other parties thereto shall have the right to be offered the first right of purchase or refusal, in proportion of their shareholding in WGEL.

Scope and Duration of the Agreement: The WGEL SHA shall remain valid until it is terminated by the consent of the parties thereto. If any of the parties thereto withdraws its shareholding either by way of transfer or sale, or if any party is declared insolvent or ordered to be wound up, the WGEL SHA shall stand terminated.

Precedence of Concession Agreement: In the event of any contradiction between the provisions of the WGEL SHA and the WGEL Concession Agreement, the provisions of the WGEL Concession Agreement shall prevail.

6. Share Subscription Agreement dated March 14, 2007 between WGEL, IL&FS and our Company

WGEL has entered into a share subscription agreement dated March 14, 2007 ("**WGEL SSA**") with IL&FS and our Company pursuant to which IL&FS and our Company (collectively, the "**WGEL Investors**") has invested in redeemable optionally convertible cumulative participating fully paid preference shares of WGEL, having a face value of Rs. 10 each (the "**WGEL Preference Shares**"). Certain significant terms and conditions of the WGEL SSA are as provided herein below:

Terms and conditions of investment:

- Subject to the terms of the WGEL SSA, the WGEL Investors shall subscribe for cash at par to 20,000,000 WGEL Preference Shares for an aggregate consideration of Rs. 200 million of which our Company shall invest Rs. 98 million;

- The terms, preferences, rights and privileges of the WGEL Preference Shares shall be senior to all other series of stock in the WGEL. Each WGEL Preference Share shall be convertible at par at the option of the WGEL Investors or the registered holder of such WGEL Preference Share into one fully paid equity share of WGEL (the "**Conversion Ratio**") on September 22, 2025, or consequent to obtaining permission of the NHAI, to change the shareholding structure of WGEL, whichever is earlier, exercisable within a written notice of three business days;

- Subject to applicable laws, the WGEL Preference Shares shall carry a coupon of 2% p.a. accrued annually in arrears (the "**Coupon**"). An additional coupon of consisting of 95% (the "**Additional Coupon**") of the balance distributable profits would accrue to the WGEL Preference Shares;

- The Coupon and the Additional Coupon shall be payable annually only if WGEL has surplus cash after servicing the lenders of WGEL and meeting 'plough back' requirements towards the capital expenditure as may be decided by the board of directors of WGEL. The unpaid Coupon and the Additional Coupon shall carry a special coupon at 10% p.a. compounded with annual rests and shall accrue as 'special coupon' to the WGEL Investors in addition to the Coupon and the Additional Coupon;

- The holders of WGEL Preference Shares shall have the right to nominate directors on the board of directors of WGEL. Further, the board of directors of WGEL shall have a maximum of 12 directors, with 2 nomination rights of our Company as an equity shareholder of WGEL, 3 nomination rights of IL&FS as an equity shareholder of WGEL, and 2 nomination rights for the holders of WGEL Preference Shares;

- The holders of WGEL Preference Shares shall be entitled to vote on the every resolution placed before any general meeting, if the Coupon has remain unpaid for an aggregate period of not less than two years preceding the date of commencement of the meeting;

- In the event of any repayment of capital by WGEL, the holders of the WGEL Preference Shares shall have a right to be repaid in full the amount of the capital paid-up on the WGEL Preference Shares in priority to any repayment of capital to the holders of equity shares of WGEL and in the event of there remaining any surplus after the entire capital has been repaid, the holders of the WGEL Preference Shares shall be entitled to participate therein in proportion to the number of WGEL Preference Shares held by them;

- The WGEL Preference Shares, if not converted, shall be redeemable at par in a single tranche on September 22, 2025.

Pursuant to the exercise of the a call option granted to our Company, all the WGEL Preference Shares are currently held by our Company pursuant to a transfer of the WGEL Preference Shares held by IL&FS on June 10, 2009.

7. Shareholders' Agreement dated April 21, 2006 between Andhra Pradesh Expressway Limited, IL&FS and our Company

Andhra Pradesh Expressway Limited ("**APEL**") has entered into a shareholders' agreement dated April 21, 2006 ("**APEL SHA**") with IL&FS and our Company pursuant to which IL&FS and our Company has invested in and subscribed to the equity shares of APEL. Certain significant terms and conditions of the APEL SHA are as provided herein below:

Shareholding Pattern: The authorised share capital of APEL shall be increased (from Rs. 0.50 million divided into 50,000 equity shares of Rs. 10 each, as on the date of the APEL SHA) to cover further investments towards the project in accordance with a concession agreement dated March 20, 2006 entered into between NHAI and APEL (the "**APEL Concession Agreement**" and such project, the

"**APEL Project**") providing for the rights and obligations of APEL with respect to such project including the right and obligation to design, finance, construct, operate and maintain the same, and subject to the provisions of the articles of association of APEL.

The parties to the APEL SHA shall ensure that the shareholding of IL&FS and our Company in the issued and paid-up equity capital of APEL and each party to the APEL SHA's shareholding in the aggregate shareholding of IL&FS and our Company, taken collectively, in the issued and paid-up equity share capital of APEL shall be in accordance with the provisions of the APEL Concession Agreement.

Pursuant to the transaction contemplated under the APEL Concession Agreement, the equity capital structure of APEL shall be as follows:

Name of equity shareholder	Number of equity shares	Amount (in Rs. Millions)
IL&FS	17,187,000	171.87
Our Company	16,513,000	165.13
Total	**33,700,000**	**337.00**

Obligations of our Company: Our Company shall maintain the shareholding pattern as stipulated under the provisions of the APEL Concession Agreement and the covenants of other documents related thereto, and as on the date of the APEL SHA. Further, our Company shall, *inter alia*, co-ordinate with NHAI for execution of an 'EPC Contract' and shall be responsible for all technical aspects of the APEL Project, including designing and constructing of the APEL Project in accordance with the APEL Concession Agreement, preparing and ensuring compliance with construction schedule, 'Method Statement & Quality Assurance Manual' submitted to NHAI along with the bid, ensuring environmental and legal compliance as stipulated in the APEL Concession Agreement. Also, our Company shall obtain at its own cost, such facilities as may be required by it for the purposes of the APEL Project and the performance of its obligations under the APEL Concession Agreement. It shall also provide by itself, on behalf of APEL all guarantees including performance bank guarantees required as part of the APEL Concession Agreement and other related financing documents till the conclusion of the 'Defects Liability' period (as stipulated under the APEL Concession Agreement). Further, our Company shall be responsible for operation and maintenance of the APEL Project in accordance with the operation and maintenance requirements after the commercial operations date.

Management of APEL:

i) *Constitution:* The board of director of APEL shall comprise of not less than three and not more than 12 directors. Not more than one-third of such directors shall be non-retiring. For so long as IL&FS holds not less than 51% of the paid-up equity capital of APEL, it shall be entitled to appoint three directors as its nominee director of APEL, out of whom, one director shall be not liable to retire by rotation. For so long as our Company holds not less than 49% of the paid-up equity capital of APEL, it shall be entitled to appoint two directors as its nominee director of APEL, out of whom, one director shall be not liable to retire by rotation.

ii) *Specified Matters:* Certain matters specified in the APEL SHA (including, reorganisation of the business, creation of charge, change in the capital structure etc.) may be effected only by a resolution of the board of directors pursuant to the affirmative vote of the nominee directors of IL&FS and our Company.

Restrictions on Transfer of Shares: If a party to the APEL SHA proposes to transfer the equity shares held by it in APEL, the other parties thereto shall have the right to be offered the first right of purchase or refusal, in proportion of their shareholding in APEL.

Scope and Duration of the Agreement: The APEL SHA shall remain valid until it is terminated by the consent of the parties thereto. If any of the parties thereto withdraws its shareholding either by way of transfer or sale, or if any party is declared insolvent or ordered to be wound up, then the APEL SHA shall stand terminated with respect to such party only.

Precedence of Concession Agreement: In the event of any contradiction between the provisions of the APEL SHA and the APEL Concession Agreement, the provisions of the APEL Concession Agreement shall prevail.

8. Shareholders' Agreement dated March 29, 2004 between Thiruvananthapuram Road Development Company Limited, Punj Lloyd Limited and our Company

Thiruvananthapuram Road Development Company Limited ("**TRDCL**") has entered into a shareholders' agreement dated March 29, 2004 ("**TRDCL SHA**") with Punj Lloyd Limited ("**PLL**") and our Company pursuant to which PLL and our Company has invested in and subscribed to the equity shares of TRDCL. Certain significant terms and conditions of the TRDCL SHA are as provided herein below:

Shareholding Pattern: The authorised share capital of TRDCL shall be increased (from Rs. 10 million divided into 1,000,000 equity shares of Rs. 10 each, as on the date of the TRDCL SHA) to cover further investments towards the 'project' in accordance with a concession agreement dated March 16, 2004 entered into between Kerela Road Fund Board, the public works department, Government of Kerala and TRDCL (the "**TRDCL Concession Agreement**" and such project, the "**TRDCL Project**") providing for the rights and obligations of TRDCL with respect to such project including the right and obligation to design, finance, construct, operate and maintain the same, and subject to the provisions of the articles of association of TRDCL.

Pursuant to the transaction contemplated under the TRDCL Concession Agreement, the equity capital structure of TRDCL shall be as follows:

Name of Equity Shareholder	Number of Equity Shares	Amount (in Rs. Millions)
PLL	17,030,000	170.30
Our Company	17,030,000	170.30
Total	**34,060,000**	**340.60**

Obligations of our Company: Our Company shall, *inter alia*, arrange such financing arrangements as would be necessary to finance the cost of the TRDCL Project and to meet the requirements thereof and other obligations under the TRDCL Concession Agreement in this regard, in a timely manner. Further, our Company shall be responsible for operation and maintenance of the TRDCL Project in accordance with the operation and maintenance requirements after the commercial operations date except the rectification of defects occurred due to construction or design defects, for which PLL shall be responsible.

Management of TRDCL:

(i) *Constitution:* The board of director of TRDCL shall comprise of not less than three and not more than 15 directors. Not more than one-thirds of such directors shall be non-retiring. Till such time as our Company holds not less than 40% of the paid-up equity capital of TRDCL, it shall be entitled to appoint four directors as its nominee directors of TRDCL, out of whom, one director shall not be liable to retire by rotation. Till such time as PLL holds not less than 40% of the paid-up equity capital of TRDCL, it shall be entitled to appoint four directors as its nominee directors of TRDCL, out of whom, one director shall be not liable to retire by rotation.

ii) *Specified Matters:* Certain matters specified in the TRDCL SHA (including, reorganisation of the business, creation of charge, change in the capital structure etc.) may be effected only by a resolution of the board of directors pursuant to the affirmative vote of the nominee directors of our Company and PLL.

Restrictions on Transfer of Shares: If a party to the TRDCL SHA proposes to transfer the equity shares held by it in TRDCL, the other parties thereto shall have the right to be offered the first right of purchase or refusal, in proportion of their shareholding in TRDCL.

Scope and Duration of the Agreement: The TRDCL SHA shall remain valid until it is terminated by the consent of the parties thereto. If any of the parties thereto withdraws its shareholding either by way of transfer or sale, or if any party is declared insolvent or ordered to be wound up, then the TRDCL SHA shall stand terminated.

Precedence of Concession Agreement: In the event of any contradiction between the provisions of the TRDCL SHA and the TRDCL Concession Agreement, the provisions of the TRDCL Concession Agreement shall prevail.

9. Shareholders' Agreement dated December 31, 2001 between North Karnataka Expressway Limited, IL&FS, Punj Lloyd Limited and our Company

North Karnataka Expressway Limited ("**NKEL**"), formerly North Karnataka Expressway Private Limited) has entered into a shareholders' agreement dated December 31, 2001 ("**NKEL SHA**") with IL&FS, Punj Lloyd Limited ("**PLL**") and our Company pursuant to which IL&FS, PLL and our Company have invested in and subscribed to the equity shares of NKEL. Certain significant terms and conditions of the NKEL SHA are as provided herein below:

Shareholding Pattern: The authorised share capital of NKEL shall be increased (from Rs. 10 million divided into 1,000,000 equity shares of Rs. 10 each, as on the date of the NKEL SHA) to cover further investments towards such project as described in a concession agreement dated November 20, 2001 entered into between NHAI and NKEL (the "**NKEL Concession Agreement**" and such project, the "**NKEL Project**") providing for the rights and obligations of NKEL with respect to such project including the right and obligation to design, finance, construct, operate and maintain the same, and subject to the provisions of the articles of association of NKEL.

Pursuant to the transaction contemplated under the NKEL Concession Agreement, the equity capital structure of NKEL shall be as follows:

Name of equity shareholder	Number of equity shares	Amount (in Rs. Millions)
IL&FS	42,244,000	422.44
PLL	42,244,000	422.44
Our Company	16,093,000	160.93
Total	**100,581,000**	**1005.81**

Obligations of our Company: Our Company shall be responsible for operation and maintenance of the NKEL Project in accordance with the operation and maintenance requirements after the commercial operations except the rectification of defects occurred due to construction or design defects, for which PLL shall be responsible.

Management of NKEL:

i) *Constitution:* The board of director of NKEL shall comprise of not less than three and not more than 12 directors. Not more than one-third of such directors shall be non-retiring. For so long as IL&FS holds not less than 40% of the paid-up equity capital of NKEL, it shall be entitled to appoint four directors as its nominee directors of NKEL, out of whom, one director shall be not liable to retire by rotation. For so long as our Company holds not less than 15% of the paid-up equity capital of NKEL, it shall be entitled to appoint two directors as its nominee directors of NKEL, out of whom, one director shall be not liable to retire by rotation. For so long as PLL holds not less than 40% of the paid-up equity capital of NKEL, it shall be entitled to appoint four directors as its nominee directors of NKEL, out of whom, one director shall be not liable to retire by rotation.

ii) *Specified Matters:* Certain matters specified in the NKEL SHA (including, reorganisation of the business, creation of charge, change in the capital structure etc.) may be effected only by a resolution of the board of directors pursuant to the affirmative vote of the nominee directors of IL&FS, PLL and our Company.

Restrictions on Transfer of Shares: If a party to the NKEL SHA proposes to transfer the equity shares held by it in NKEL, the other parties thereto shall have the right to be offered the first right of purchase or refusal, in proportion of their shareholding in NKEL.

Scope and Duration of the Agreement: The NKEL SHA shall remain valid until it is terminated by the consent of the parties thereto. If any of the parties thereto withdraws its shareholding either by way of transfer or sale, or if any party is declared insolvent or ordered to be wound up, then the NKEL SHA shall stand terminated.

Precedence of Concession Agreement: In the event of any contradiction between the provisions of the NKEL SHA and the NKEL Concession Agreement, the provisions of the NKEL Concession Agreement shall prevail.

10. Subscription-cum-Shareholders Agreement dated October 30, 2007 between our Company, East Hyderabad Expressway Limited and KMC Constructions Limited

Our Company has entered into a 'subscription-cum-shareholders' agreement dated October 30, 2007 ("**EHEL SSA**") with East Hyderabad Expressway Limited (**"EHEL"**) and KMC Constructions Limited (**"KMC"**) in light of the consortium of our Company and KMC being declared as the successful bidder in relation to the road project from Pedda Amberpet to Bongulur in the state of Andhra Pradesh on BOT (annuity) basis. Our Company and KMC were awarded the contract to design, construct, develop, finance, operate and maintain an 'eight lane access controlled expressway' as a part of the 'Outer Ring Road Project' of the Hyderabad Urban Development Authority in Hyderabad (the "**EHEL Project**"). The consortium of our Company and KMC were consequently awarded the contract for the Project which was accepted pursuant to a 'letter of acceptance' dated June 14, 2007 ("**LoA**").

Pursuant to the LoA, our Company and KMC promoted and incorporated EHEL as an SPV for the EHEL Project. A concession agreement dated August 3, 2007 ("**EHEL Concession Agreement**") was entered into between the Hyderabad Urban Development Authority, the Hyderabad Growth Corridor Limited and EHEL.

Shareholding: Our Company and KMC shall subscribe to 21,652,400 equity shares and 7,607,600 equity shares respectively, in EHEL, on the satisfaction of the following significant conditions pursuant to the EHEL Concession Agreement:

- The aggregate holding of our Company and KMC in the issued and paid-up equity share capital of the EHEL shall not be less than (a) 51% during the 'construction period' and for three years following the 'commercial operation date' (as defined in the EHEL Concession Agreement); and (b) 26% during the balance remaining 'operations period' (as defined in the EHEL Concession Agreement);
- Our Company and KMC shall continue to hold a minimum equity shareholding equal to 51% and 10%, respectively, of the aggregate shareholding of the consortium of our Company and KMC, in the issued and paid-up equity share capital of the EHEL during the 'concession period' (as defined in the EHEL Concession Agreement); and
- The authorised equity share capital of EHEL shall be increased as duly authorised by its shareholders to Rs. 300 million comprising of 30,000,000 equity shares of face value of Rs. 10 each.

Restriction on transfer of equity shares: Subject to the restrictions under the EHEL Concession Agreement, in the event any party to the EHEL SHA proposes to transfer the equity shares held by it in EHEL, the same shall be transferred only in favour of the other parties thereto or their affiliates or subsidiaries at a price calculated on the book value of the paid-up equity shares of EHEL as on the date of the transfer, duly certified by an independent firm of chartered accountants. Such restriction shall, however, not apply to any transfer of equity shares of EHEL, *inter se,* between a party to the EHEL SHA and its associates or affiliates or *inter se* between its associates or affiliates who shall agree to be bound by the terms of the EHEL SHA. Further, the restriction on transfer of equity shares of EHEL shall not be applicable in case of pledge by the shareholders of EHEL in favour of its lenders.

Board of Directors: The board of directors of EHEL shall comprise of a maximum of 12 and a minimum of three directors, excluding lenders and independent directors. Further, not more than one thirds of the directors shall be non-retiring. Till such time as the Company holds not less than 74% of the paid-up equity share capital of EHEL, it shall be entitled to appoint at least three persons as its nominee directors of EHEL. Further, till such time as KMC holds not less than 26% of the paid-up equity share capital of

EHEL, it shall be entitled to appoint one person as a nominee director to EHEL. The Chairman of the board of directors of EHEL and the Managing Director shall be nominees of our Company.

Scope and Duration: The EHEL SSA shall come into force and effect on the date it is executed and shall continue to be in effect till our Company and KMC continue to be equity shareholders of EHEL. Furthermore, in the event the equity shares of EHEL are listed, the restrictions on transfer of equity shares as contained in the EHEL SHA shall terminate and shall not be binding on the parties thereto.

Precedence of Concession Agreement: In case of any contradiction in the provisions of the EHEL SSA and the EHEL Concession Agreement, the provisions of the EHEL Concession Agreement shall prevail.

11.(a) Shareholders' Agreement dated February 15, 2001 between Gujarat Road and Infrastructure Company Limited, formerly, Gujarat Toll Roads Investment Company Limited, IL&FS and ITCL

Gujarat Road and Infrastructure Company Limited, formerly, Gujarat Toll Roads Investment Company Limited (**"GRICL"**) has entered into a shareholders' agreement dated February 15, 2001 ("**GRICL SHA**") with IL&FS and ITCL. The Government of Gujarat ("**GoG**") had formulated a policy for private participation in *inter alia* the development, construction, maintenance of roads in the state of Gujarat. In pursuance thereof, the GoG and IL&FS set up GRICL as an SPV for making investments in operating companies which would undertake projects for the said purpose. The GoG, pursuant to its letter dated July 26, 2000 (bearing reference number Toll/1099-2(Private)) approved the incorporation of GRICL as the holding company, and to route its investments in Vadodara - Halol Toll Road Company Limited ("**VHTRL**") and the Ahmedabad - Mehasana Toll Road Company Limited ("**AMTRL**") without requiring any financial transactions.

GoG and IL&FS have undertaken to hold 80% of the initial paid-up equity capital of GRICL and ITCL has agreed to invest to the extent of Rs. 100 million which would constitute 20% of the remaining paid-up equity capital of GRICL. The significant terms and conditions of the GRICL SHA are as provided below:

Investments by GRICL: GRICL acts as a financial holding company and is engaged in the business of investing in identified SPVs, 'third party projects' ("**TPP**") and 'portfolio project investments' ("**PPI**"). GRICL has consequently agreed to invest upto Rs. 400 millon in VHTRL constituting at least 73% of its paid-up equity capital and also upto Rs. 550 million in AMTRL constituting 55.56% of its paid-up equity share capital.

In so far as other SPVs, TPPs and PPIs are concerned, GRICL may invest in them on the following conditions:

- *Conditions in relation to other SPVs:* (a) all specified matters, as provided in the GRICL SHA, which are specified in the approved terms of investment in a particular SPV shall require the approval of ITCL within a period of 15 days of the request for such approval; (b) such SPV should implement a mutually agreed framework for corporate governance which includes, *inter alia*, establishment of performance objectives, systems to ensure transparency in transactions and reward systems; and (c) the investment must be on such terms as specified in the GRICL SHA.

- *Conditions in relation to TPPs:* (a) all specified matters under the GRICL SHA which are specified in the approved terms of investment in a particular TPP shall require the approval of ITCL within a period of 15 days of the request for such approval; and (b) the investment must be on such terms as specified in the GRICL SHA.

- *Conditions in relation to PPIs:* (a) the investment in each PPI shall be less than 20% of the paid-up equity share capital of such PPI; and (b) the PPI shall be an unlisted company and the investment must be either in the equity share capital of the PPI or in such securities that are convertible into equity shares.

Shareholding: Consequent to the investments as contemplated in the GRICL SHA, the equity capital structure of GRICL shall be as follows:

Name of equity shareholder	Number of equity shares (in millions)	Amount (Rs. Millions)	%
GoG	15	150.00	30.00
IL&FS	25	250.00	50.00
ITCL	10	100.00	20.00
Total	**50**	**500.00**	**100 .00**

The proceeds from the investments pursuant to the GRICL SHA shall be utilised in the equity share capital of VHTRL and AMTRL, in such manner as specified in the GRICL SHA.

Issue of further shares: Any further issue of equity shares by GRICL shall be offered to the equity shareholders of GRICL in the same proportion as the equity share capital subscribed to by them. Any of the equity shareholders of GRICL may renounce the equity shares offered to it in favour of any affiliate (being, a person who controls or is controlled by the concerned equity shareholder of GRICL or is controlled by another person who controls or is controlled by the concerned equity shareholder of GRICL). However, the affiliate (a) should not be subject to insolvency, bankruptcy or other similar proceedings; (b) should execute a deed of adherence in relation to the GRICL SHA; and (c) should have a Net Worth and financial status to enable it to perform a the concerned Sponsor's obligations under the GRICL SHA.

Restrictions on Transfer of Equity Shares: None of the equity shareholders of GRICL shall transfer any equity shares held by them in GRICL, except in the manner and as expressly permitted in the GRICL SHA. Any purported transfer of equity shares of GRICL in violation of the provisions of the GRICL SHA shall not be registered by GRICL.

If any equity shareholder of GRICL proposes to transfer any or all of its equity shares in GRICL, the other equity shareholders shall have a pre-emptive right in relation thereto. The equity shareholder intending to transfer the equity shares to any third party shall serve a written notice to the other equity shareholders, which notice shall state the name of the transferring equity shareholder, the particulars of the proposed transferee, the number of equity shares to be transferred and the price at which the sale is proposed to be made. The other equity shareholders shall have the right to purchase those equity shares on a *pro rata* entitlement basis (based on the ratio of the equity shares held by the equity shareholder to the total number of issued and subscribed equity shares of GRICL) at the same price and on the same conditions on which they are proposed to be transferred.

Tag-Along Right: In the event IL&FS intends to transfer its equity shareholding in GRICL, ITCL and its affiliates shall have a 'tag-along right', such that they may cause the proposed transferee to purchase from them equity shares equal in number to the equity shares sought to be purchased from IL&FS multiplied by a fraction, the numerator of which shall be the total number of equity shares held by the ITCL and the denominator of which shall be the total number of equity shares held by the IL&FS. This right shall be exercised by delivering a notice within 15 days of the receipt of the notice of the proposed transfer. If such notice is not delivered, such right shall be deemed to have been waived.

Non-Disposal Undertaking: Till such time as ITCL's equity shareholding in the paid-up equity share capital of GRICL is more than 5%, GoG and IL&FS shall not transfer the equity shares held by them in GRICL in a manner that their aggregate holding in the paid-up equity capital of GRICL falls below 26%. They shall also maintain their equity shareholding at such a level to ensure that the ITCL can make an offer for sale of equity shares for the purposes of listing on the stock exchange at a later date.

***Corporate Governance*:**

Board of Directors: The board of directors of GRICL shall comprise of a maximum of 12 directors and a minimum of three directors. The GoG and IL&FS shall nominate four directors each. ITCL shall be entitled to nominate at least two directors, provided it holds not less than 5% of the paid-up equity share capital of GRICL. The nominee directors of ITCL shall be those whose period of office is not liable to retirement through rotation. Two independent directors shall be jointly selected by the GoG, IL&FS and ITCL.

From among these directors, the board of directors of GRICL shall select a Chairman, who shall be a nominee director of the GoG, and a Managing Director, who shall be a nominee director of IL&FS.

Board Specified Matters: Certain matters specified in the GRICL SHA (including, diversification of business, investment in securities, amendments in the memorandum and articles of associations etc.) may be effected only by a resolution of the board of directors pursuant to the affirmative vote of the nominee directors of ITCL.

***Initial public offering and listing**:* GRICL shall complete an IPO and achieve listing of its equity shares on at least one stock exchange by December 1, 2005. ITCL is entitled to participate in such IPO by making an offer for sale of its equity shares. The price of the equity shares, both as part of the IPO and as offered by ITCL, shall be mutually decided by GRICL and ICTL.

If GRICL is unable to obtain a listing by December 1, 2005, then ITCL shall be entitled to make an offer for sale of its equity shares to enable a listing on a stock exchange. In case such offer for sale is made, GoG and IL&FS shall offer such number of equity shares so as to maintain the minimum number of equity shares required for an offer for sale for the purposes of listing.

***Duration of agreement**:* The GRICL SHA continue to be in effect until terminated by the consent of all the parties thereto, provided that until the listing of equity shares, the 'pre-emptive right' and the 'tag-along right' of its equity shareholders shall survive the termination.

11.(b) Deed of Adherence dated December 28, 2006 between our Company and GRICL in relation to the GRICL SHA

Our Company has entered into a 'deed of adherence' dated December 28, 2006 with GRICL. As required under the GRICL SHA and pursuant to the said 'deed of adherence', our Company has consented to be bound by all provisions of the GRICL SHA, as if it was an original party thereto and the GRICL SHA shall have full effect and be binding on our Company. Our Company shall observe, perform and be bound by all terms and conditions of the GRICL SHA as are applicable and for the purposes thereto, its equity shareholding shall be aggregated with the equity shareholding of the other 'affiliated' equity shareholder and all rights and obligations of the concerned equity shareholder of the GRICL SHA shall be exercised by such equity shareholder and our Company jointly. The 'deed of adherence' shall be governed by and construed in accordance with the laws of the India.

12. Joint Venture Agreement dated February 4, 2008 between our Company, ENSO Limited and Mr. Sanjiv Rai

Our Company has entered into a joint venture agreement ("**JV Agreement**") dated February 4, 2008 with ENSO Limited ("**ENSO**") and Mr. Sanjiv Rai to incorporate a company to undertake *inter alia* activities in the areas of providing consultancy services, technology solutions, project management and operation and maintenance services in connection with the project involving urban and inter-urban mass and freight transportation system and any rail or related project (the "**IERSL**").

IERSL shall *inter alia* undertake the following activities and such other activities approved by the Board:

- Turn key assignments involving system integration, project management and operations and maintenance services fro mainline, metro, automated people mover, monorail and light rail transit system;
- Development of communication and power distribution systems in rail projects;
- Technology consultancy ad advisory assignments for the projects; and
- Develop, implement and maintain the projects and offer services in sourcing and vendor procurement for projects in India and abroad.

Incorporation of IERSL: IERSL shall be incorporated within 15 days of the execution of the JV Agreement or as may be mutually agreed by the parties, as 'ITNL ENSO Rail Systems Limited' with an initial equity share capital of Rs. 0.50 million divided into 50,000 equity shares of Rs. 10 each with our Company holding 30,000 equity shares and ENSO holding 20,000 equity shares in IERSL.

Shareholding and Capitalisation: The issued, subscribed and paid-up equity share capital of IERSL would be raised to Rs. 10 million divided into 100,000 equity shares of Rs. 10 each. Our Company would hold 57.50% of the equity share capital of IERSL, ENSO (including their nominees) would hold

37.50% of the equity share capital of IERSL and Mr. Sanjiv Rai would hold 5.00% of the equity share capital of IERSL.

Further, for the subscription of additional equity shares of IERSL, our Company shall issue 'draw down notices' to each of the equity shareholders of IERSL to pay the subscription amount within 15 days of such 'draw down notice' failing which a 'grace period' of 15 days shall be provided along with interest at the rate of 18% p.a. for allotment of such additional equity shares. In the event the additional equity shares of IERSL are not allotted, they shall be offered to the other shareholders ("**IERSL Offeree Shareholders**") who shall pay the subscription amount and obtain allotment of the equity shares in the ratio of their shareholding, within 15 days from the date of the offer. However, in the event one of the IERSL Offeree Shareholders declines to accept the equity shares offered, the other shareholders shall have the option to subscribe to all the equity shares offered. Further, if the IERSL Offeree Shareholders do not subscribe to the equity shares offered, the unsubscribed portion of the equity shares of IERSL will either be cancelled by our Company or will be offered to a third party.

All payment towards the subscription amount shall be paid to IERSL.

Further issue of equity shares: In case of a further issue of equity shares of IERSL, such equity shares, in the first instance, shall be offered to the existing equity shareholders of IERSL in the proportion of their respective equity shareholdings on that date.

Restriction on transfer of equity shares: The transfer of equity shares can be effected to one or more of the affiliates of the shareholders of IERSL on the condition that such shareholder shall repurchase the equity shares from the affiliate when it ceases to be an affiliate. Further, Mr. Sanjiv Rai can transfer his shareholding to his kith and kin by giving 15 days prior written notice, provided he repurchases such equity shares when his kith and kin cease to be so.

Right of first refusal: In the event the equity shareholders of IERSL intend to transfer all or part of their equity shareholding to a third party, they shall, in the first instance, offer such equity shares through a written notice to the existing equity shareholders of IERSL in proportion to their shareholding, being the IERSL Offeree Shareholders.

Tag Along Rights: In the event the IERSL Offeree Shareholders do not purchase the equity shares being offered by the concerned shareholder, such IERSL Offeree Shareholders shall have the right but not the obligation to require the third party purchasing the equity shares, to purchase from such other shareholders all or part of the equity shares held by them, for the same consideration per equity share and upon the same terms and conditions.

Board of Directors: The board of directors of IERSL shall comprise of six directors appointed by the shareholders of IERSL, of which four shall be nominated by our Company and two shall be nominated by ENSO. Mr. Sanjiv Rai shall be inducted as a director, provided he subscribes to the requisite shareholding. Our Company and ENSO shall have the right to remove and appoint another nominee director. They shall also be entitled, by notice in writing, to nominate alternate directors who shall be appointed on receipt of such notice by the board of directors of IERSL. The nominee directors shall have the same status and rights as the other directors of IERSL. Our Company shall appoint the Chairman of the board of directors of IERSL, who will have a second or casting vote.

Mr. Sanjiv Rai shall be designated as the President and Chief Executive Officer of IERSL for such time and on such terms as may be decided by the board of directors. He shall be assisted by Mr. Rajendra Jadhav who shall be responsible for 'business development'. The work stream allocation would be on a coordinated basis between the personnel of IERSL and the management of our Company and ENSO.

Issue or divestment of equity shares: In order to reward the employees of IERSL at a further date, a scheme shall be framed in terms of which our Company and ENSO shall divest 2.5% of their respective shareholdings in IERSL in favour of Mr. Sanjiv Rai and other employees of IERSL.

Duration and Termination: The JV Agreement will remain valid till such time as the shareholders of IERSL hold equity shares in it or until it is terminated by the consent of the parties thereto.

Restriction on assignment of rights: No party to the JV Agreement can assign their respective rights, benefits and obligations to any person except as otherwise mutually agreed by them in writing.

13. Deed of adherence dated March 24, 2006 entered between our Company and Noida Toll Bridge Company Limited ("NTBCL")

An 'Amended and Restated Shareholders Agreement' dated May 5, 2000 had been entered into among NTBCL, New Okhla Industrial Development Authority, IL&FS, Intertoll Management Services BV (a company incorporated under the laws of Netherlands), PAII (Mauritius) Company Limited (a company incorporated under the laws of Mauritius), Asian Infrastructure Mezzanine Capital Fund (an investment fund established under the laws of Cayman Islands), ITCL and Industrial Finance Corporation of India Limited. Pursuant to a deed of adherence dated March 24, 2006 entered between our Company and NTBCL, our Company has, *inter alia*, to exercise all rights and perform all rights and obligations of IL&FS under the said shareholders' agreement in accordance with the terms and conditions thereto, for so long as it holds any equity shares under the said shareholders' agreement.

14.(a) Agreements representing the economic interests of our Company in Andhra Pradesh Expressway Limited and North Karnataka Expressway Limited

ITCL, in its capacity as the trustee of IRIT has entered into 'call option' agreements with IL&FS and our Company, pursuant to which, IL&FS or our Company or IL&FS Infrastructure Equity Fund ("**IIEF**"), as the case may be, have provided an irrevocable option to IRIT to purchase, at its sole discretion, certain equity shares held by IL&FS or our Company or IIEF (the "**Call Option**", and such shares being referred to as the "**Option Shares**"), as the case may be, in each of Andhra Pradesh Expressway Limited ("**APEL**") and North Karnataka Expressway Limited ("**NKEL**").

Such rights shall be exercisable by IRIT within a stipulated period, which may be extended as mutually agreed (the "**Call Option Period**") in consideration of an amount (the "**Option Price**") paid to IL&FS or our Company or IIEF, as the case may be, by IRIT, on the date of execution of the respective 'call option agreements' and upon serving such notice (the "**Call Option Notice**") within such period as stipulated thereunder. The Option Shares shall be transferred to IRIT, pursuant to the respective 'call option agreements', in consideration of an amount (the "**Option Share Consideration**"), which shall include Option Price, such that a stipulated amount (the "**Exercise Price**") is payable simultaneous with the transfer of the Option Shares.

Details in relation to the 'call option agreements' entered into between IRIT and IL&FS or our Company or IIEF, as the case may be, and the terms and conditions specified thereunder are provided below.

S. No.	Date of execution of the agreement	Option Shares	Call Option Period	Option Price Paid	Exercise Price Payable	Call Option Notice
A.	***Andhra Pradesh Expressway Limited***					
	Call Option agreements entered between IRIT and IL&FS					
1.	March 14, 2007	8,421,630*	Period commencing from the 30th day from the date of allotment of Call Option and ending on 90th day after 'Commercial Operation Date'**	Rs. 80,005,485***	Rs. 4,210,815†	Written notice of 30 days to be issued by IRIT after the 'Commercial Operations Date'**, to IL&FS, or at an earlier date as may be agreed.
2.	March 14, 2007	4,296,750*	Period commencing from the 30th day after three years from the 'Commercial	Rs. 40,819,125***	Rs. 2,148,375†	Written notice of 30 days to be issued by IRIT after three years

S. No.	Date of execution of the agreement	Option Shares	Call Option Period	Option Price Paid	Exercise Price Payable	Call Option Notice
			Operation Date'** and ending on 90th day after three years from the 'Commercial Operation Date'**			from the 'Commercial Operations Date'**, to IL&FS, or at an earlier date as may be agreed.
3.	March 14, 2007	4,468,620*	Period commencing from the 30th day from the date of allotment of Call Option till expiry of the 'Concession Period'**	Rs. 42,451,890***	Rs. 2,234,310†	Written notice of 30 days to be issued by IRIT subsequent to receipt of written consent of NHAI, after three years from the 'Commercial Operations Date'**, to IL&FS, or at an earlier date as may be agreed.
	Call Option agreements between IRIT and our Company					
4.	March 14, 2007	8,091,370*	Period commencing from the 30th day from the date of allotment of Call Option and ending on 90th day after 'Commercial Operation Date'**	Rs. 76,868,015***	Rs. 4,045,685†	Written notice of 30 days to be issued by IRIT after the 'Commercial Operations Date'**, to our Company, or at an earlier date as may be agreed.
5.	March 14, 2007	4,128,250*	Period commencing from the 30th day after three years from the 'Commercial Operation Date'** and ending on 90th day after three years from the 'Commercial Operation Date'**	Rs. 39,218,375***	Rs. 2,064,125†	Written notice of 30 days to be issued by IRIT after three years from the 'Commercial Operations Date'**, to our Company, or at an earlier date as may be agreed.
B.	***North Karnataka Expressway Limited††***					
	Call Option agreement entered between IRIT and IL&FS					
6.	March 14, 2007	3,711,944*	Period commencing from the 30th day after three years	Rs. 35,263,468***	Rs. 1,855,972†	Written notice of 30 days to be issued by

S. No.	Date of execution of the agreement	Option Shares	Call Option Period	Option Price Paid	Exercise Price Payable	Call Option Notice
			from the 'Commercial Operation Date'▪ and ending on 90^{th} day after three years from the 'Commercial Operation Date'			IRIT after three years from the 'Commercial Operations Date'▪, to IL&FS, or at an earlier date as may be agreed.
7.	March 14, 2007	3,860,421*	Period commencing from the 30^{th} day from the date of allotment of Option till expiry of the 'Concession Period'	Rs. 36,673,999.50***	Rs. 1,930,210.50†	Written notice of 30 days to be issued by IRIT subsequent to the receipt of the written consent of the NHAI after three years from the 'Commercial Operations Date'.
Call Option agreement entered between IRIT and our Company						
8.	March 14, 2007	7,423,853*	Period commencing from the 30^{th} day after three years from the 'Commercial Operation Date'▪ and ending on 90^{th} day after three years from the 'Commercial Operation Date'▪. Pursuant to an amendment agreement dated December 31, 2008, the Call Option Period has been extended till June 30, 2009	Rs. 111,357,795▪▪	Rs. 2,969,541.20▪▪▪	Written notice of 30 days to be issued by IRIT after three years from the 'Commercial Operations Date'▪, to our Company, or at an earlier date as may be agreed.
Call Option agreement entered between IRIT and IIEF ^						
9.	March 14, 2007	3,711,979*	Period commencing from the 30^{th} day after three years from the 'Commercial Operation Date'▪ and ending on 90^{th} day after three years from the 'Commercial Operation Date'▪.	Rs. 55,679,685▪▪	Rs. 1,484,791.60▪▪▪	Written notice of 30 days to be issued by IRIT during the Call Option Period, to our Company, or at an earlier date as may be agreed.

Fully paid-up equity shares of face value of Rs. 10 each of APEL or NKEL, as applicable

[**] *As defined under the APEL Concession Agreement*
[***] *Calculated at the rate of Rs. 9.50 per Option Share*
[†] *Calculated at the rate of Rs. 0.50 per Option Share*
▪ *As defined under the NKEL Concession Agreement*
▪▪ *Calculated at the rate of Rs. 15.00 per Option Share*
▪▪▪ *Calculated at the rate of Rs. 0.40 per Option Share*
[††] *Pursuant to an agreement dated March 14, 2007 entered among IL&FS, IIEF, our Company (collectively, the "**Vendors**") and ITCL, in its capacity as trustee of IRIT, 29,101,639 equity shares of NKEL collectively held by the Vendors (with IL&FS, IIEF and our Company holding 9,357,635 equity shares, 17,363,600 equity shares and 2,380,404 equity shares respectively in NKEL) have been transferred in favour of IRIT at an aggregate consideration of Rs. 489,338,834.60. It may further be noted that NKEL is currently our associate company.*
⮙ *The agreement has been executed by Punj Lloyd Limited, through its power of attorney holder ITCL, in its capacity as trustee IIEF. It may be noted that Punj Lloyd Limited holds 7,572,400 equity shares in NKEL. Pursuant to an irrevocable power of attorney dated March 19, 2005, it had irrevocably appointed our Company to exercise all rights with respect to such 7,572,400 equity shares in NKEL and further authorised our Company to appoint any other attorney to exercise the rights delegated to our Company under the said power of attorney dated March 19, 2005. Our Company, pursuant to the said power of attorney dated March 19, 2005 executed another power of attorney dated March 29, 2005 and appointed IL&FS Trust Limited, in its capacity as trustee of IIEF, to exercise all rights with respect to the said 7,572,400 equity shares in NKEL including the right to transfer the same. IIEF has also purchased and acquired the entire economic interest in the said 7,572,400 equity shares in NKEL under a share purchase agreement dated March 24, 2005 entered into with our Company.*

Exercise of the Call Option: In consideration of the mutual covenants among IL&FS, our Company, IIEF and IRIT, as the case may be, and in consideration of the Option Price paid by IRIT to IL&FS or our Company or IIEF, as the case may be, on the date of execution of the 'call option' agreement, IL&FS or our Company or IIEF, as the case may be, grants the Call Option to IRIT to require IL&FS or our Company or IIEF, as the case may be, to transfer the Option Shares to IRIT at the Option Shares Consideration.

The Call Option may be exercised by IRIT at any time within the Call Option Period by issuing a Call Option Notice to IL&FS intimating IL&FS or our Company or IIEF, as the case may be, of exercise of the Call Option. IL&FS or our Company or IIEF, as the case may be, shall transfer the Option Shares to IRIT within 60 days from the date of receipt of the Call Option Notice. IL&FS or our Company or IIEF, as the case may be, shall communicate to IRIT, in writing, the achievement of the 'Commercial Operation Date', (as defined under the APEL Concession Agreement), within 15 days of the achievement of the same.

From the date of execution of the 'call-option agreement', all monetary benefits of IL&FS or our Company or IIEF, as the case may be, including bonus shares and dividends which shall accrue to the Option Shares, shall accrue to IRIT simultaneously with the completion of all the transactions contemplated therein and shall be set aside by IL&FS or our Company or IIEF, as the case may be, in a separate account for the benefit of IRIT. All other benefits arising on account of the Option Shares shall be deemed to have been assigned to IRIT. Simultaneously with the payment of the Exercise Price, IL&FS or our Company or IIEF, as the case may be, shall issue an instruction to the concerned depositary to transfer the Option Shares to IRIT. However, in the event the Call Option is not exercised by IRIT during the Call Option Period, and unless mutually agreed between IL&FS or our Company or IIEF, as the case may be, and IRIT, then either (a) IL&FS or our Company or IIEF, as the case may be, shall not be liable to refund to IRIT the Option Price, or (b) IL&FS or our Company or IIEF, as the case may be, and IRIT may terminate the agreement and IL&FS or our Company or IIEF, as the case may be, shall refund the Option Price without any interest received thereon within a period of 15 days from the date of termination, as may be applicable.

Conditions Precedent to the exercise of the Call Option: IL&FS or our Company or IIEF, as the case may be, and IRIT shall each have passed a board resolution approving the transaction contemplated in the 'call option' agreement and shall have obtained the consent of their lenders (if any), and other approvals, as may be applicable.

Significant undertakings by IL&FS: Subject to the restrictions contained in the APEL Concession Agreement and NKEL Concession Agreement, IL&FS or our Company or IIEF, as the case may be, shall keep indemnified IRIT from and against all losses, claims, damages, proceedings, penalties, judgments and expenses held to have arisen from any claims resulting from or arising out of any breach of any obligations of, undertakings, representations, warranties or covenants by IL&FS or our Company or IIEF, as the case may be, as contained in the 'call option' agreement at all times. Further, IL&FS or our Company or IIEF, as the case may be, shall not, prior to the exercise of the Call Option, transfer, dispose or create any encumbrance or charge over the Option Shares.

Duration and Termination: The 'call option' agreement shall come into force on payment of the Option Price and shall expire on the completion of the transactions contemplated therein or on the expiry of the Call Option Period if the Call Option has not been exercised during the Call Option Period unless mutually agreed otherwise in writing or unless the breach on the part of IL&FS or our Company or IIEF, as the case may be, or IRIT, as applicable, has not been in cured in terms of the 'call option' agreement.

14.(b) Agreements representing the economic interests of our Company in West Gujarat Expressway Limited

(i) Call Option Agreement dated March 14, 2007 between IL&FS and our Company in relation to the WGEL Preference Shares held by IL&FS

IL&FS has entered into a 'call option' agreement with our Company providing our Company an irrevocable option to purchase, at its sole discretion, 10,200,000 WGEL Preference Shares held by IL&FS (the "**WGEL Preference Call Option**", and such WGEL Preference Shares being referred to as the "**Option Preference Shares**").

Such right shall be exercisable by our Company within a period commencing from the 30th day from the date of allotment of the Option Preference Shares and ending on the 90th day after the 'Commercial Operations Date' (as defined in the WGEL Concession Agreement), which may be extended as mutually agreed (the "**WGEL Preference Call Option Period**") in consideration of Rs. 188.70 million calculated at the rate of Rs. 18.50 per Option Preference Share (the "**WGEL Preference Option Price**") paid by our Company to IL&FS, on the date of execution of the 'call option' agreement and upon serving a written notice of 30 days during the Call Option Period (the "**WGEL Preference Call Option Notice**"). The Option Preference Shares shall be transferred to our Company, in consideration of an amount, inclusive of the WGEL Preference Option Price, calculated at the rate of Rs. 19.50 per Option Preference Share (the "**WGEL Preference Consideration**"), which shall include WGEL Preference Option Price, such that a stipulated amount of Rs. 10.20 million calculated at the rate of Re. 1 per Option Preference Share (the "**WGEL Preference Exercise Price**") is payable within 15 days of the exercise of the WGEL Preference Call Option simultaneous with the transfer of the Option Preference Shares.

Certain significant terms of the said 'call option' agreement is as provided below:

Exercise of the WGEL Preference Call Option: The WGEL Preference Call Option may be exercised by our Company at any time within the WGEL Preference Call Option Period by issuing a WGEL Preference Call Option Notice to IL&FS intimating IL&FS of exercise of the WGEL Preference Call Option. IL&FS shall transfer the WGEL Preference Option Shares to our Company within 60 days from the date of receipt of the WGEL Preference Call Option Notice. All the monetary benefits of IL&FS, pursuant to the WGEL SSA, including the Coupon and the Addition Coupon, shall accrue to our Company simultaneous with the completion of the transaction contemplated in the agreement and shall be set aside by IL&FS in a separate account for the benefit of our Company.

All other benefits arising on account of the WGEL Preference Option Shares shall be deemed to have been assigned to our Company. Simultaneously with the payment of the WGEL Preference Exercise Price, IL&FS shall issue an instruction to the concerned depositary to transfer the WGEL Preference Option Shares to our Company. However, in the event the WGEL Preference Call Option is not exercised by our Company during the WGEL Preference Call Option Period, and unless mutually agreed between IL&FS or our Company then either (a) IL&FS shall not be liable to refund to our Company, the WGEL Preference Option Price, or (b) IL&FS or our Company may terminate the agreement and IL&FS shall refund the WGEL Preference Option Price without any interest received thereon within a period of 15 days from the date of termination, as may be applicable.

Significant undertakings by IL&FS: IL&FS shall keep indemnified our Company from and against all losses, claims, damages, proceedings, penalties, judgments and expenses held to have arisen from any claims resulting from or arising out of any breach of any obligations of, undertakings, representations, warranties or covenants by IL&FS as contained in the 'call option' agreement at all times. Further, IL&FS shall not, prior to the exercise of the WGEL Preference Call Option, transfer, dispose or create any encumbrance or charge over the Option Shares.

Duration and Termination: The 'call option' agreement shall come into force on payment of the WGEL Preference Option Price and shall expire on the completion of the transactions contemplated therein or on the expiry of the WGEL Preference Call Option Period if the WGEL Preference Call Option has not been exercised during the WGEL Preference Call Option Period unless mutually agreed otherwise in writing.

Pursuant to the exercise of the the call option granted to our Company in this agreement, all the WGEL Preference Shares are currently held by our Company pursuant to a transfer of the WGEL Preference Shares held by IL&FS on June 10, 2009.

(ii) *Call Option Agreement dated March 14, 2007 between IL&FS and our Company in relation to equity shares held by IL&FS in WGEL*

IL&FS has entered into a 'call option' agreement with our Company providing our Company an irrevocable option to purchase, at its sole discretion, 10,200,000 equity held by IL&FS (the "**WGEL Call Option**", and such equity shares being referred to as the "**WGEL Option Shares**").

In compliance with the WGEL SHA and the WGEL Concession Agreement, such WGEL Call Option shall be exercisable by our Company within a period commencing from the 30^{th} day after three years from the 'Commercial Operations Date' (as defined in the WGEL Concession Agreement) and ending on the 90^{th} day after three years from such 'Commercial Operations Date', which may be extended as mutually agreed (the "**WGEL Call Option Period**") in consideration of Rs. 1,249,996.25 calculated at the rate of Rs. 0.25 per WGEL Option Share (the "**WGEL Option Price**") paid by our Company to IL&FS, on the date of execution of the 'call option' agreement and upon serving a written notice of 30 days after three years from the 'Commercial Operations Date' (the "**WGEL Call Option Notice**"), or at an earlier date as may be mutually agreed. The WGEL Option Shares shall be transferred to our Company, in consideration of an amount, inclusive of the WGEL Option Price, calculated at the rate of Rs. 0.50 per WGEL Option Share (the "**WGEL Consideration**"), which shall include WGEL Option Price, such that a stipulated amount of Rs. 1,249,996.25 calculated at the rate of Re. 0.25 per WGEL Option Share (the "**WGEL Exercise Price**") is payable by our Company to IL&FS simultaneous with the transfer of the WGEL Option Shares.

Certain significant terms of the said 'call option' agreement is as provided below:

Exercise of the WGEL Call Option: The WGEL Call Option may be exercised by our Company at any time within the WGEL Call Option Period by issuing a WGEL Call Option Notice to IL&FS intimating IL&FS of exercise of the WGEL Call Option. IL&FS shall transfer the WGEL Option Shares to our Company within 60 days from the date of receipt of the WGEL Call Option Notice. All the monetary benefits of IL&FS, including bonus shares and dividends which will accrue to the WGEL Option Shares shall accrue to our Company simultaneous with the completion of the transaction contemplated in the agreement and shall be set aside by IL&FS in a separate account for the benefit of our Company.

All other benefits arising on account of the WGEL Option Shares shall be deemed to have been assigned to our Company. Simultaneously with the payment of the WGEL Exercise Price, IL&FS shall issue an instruction to the concerned depositary to transfer the WGEL Option Shares to our Company. However, in the event the WGEL Call Option is not exercised by our Company during the WGEL Call Option Period, and unless mutually agreed between IL&FS or our Company then either (a) IL&FS shall not be liable to refund to our Company, the WGEL Option Price, or (b) IL&FS or our Company may terminate the agreement and IL&FS shall refund the WGEL Option Price without any interest received thereon within a period of 15 days from the date of termination, as may be applicable.

Conditions Precedent to the exercise of the WGEL Call Option: IL&FS and our Company shall each have passed a board resolution approving the transaction contemplated in the 'call option' agreement and shall have obtained the consent and other approvals, as may be applicable.

Significant undertakings by IL&FS: IL&FS shall keep indemnified our Company from and against all losses, claims, damages, proceedings, penalties, judgments and expenses held to have arisen from any claims resulting from or arising out of any breach of any obligations of, undertakings, representations, warranties or covenants by IL&FS as contained in the 'call option' agreement at all times. Further, IL&FS shall not, prior to the exercise of the WGEL Call Option, transfer, dispose or create any encumbrance or charge over the WGEL Option Shares.

Duration and Termination: The 'call option' agreement shall come into force on payment of the WGEL Option Price and shall expire on the completion of the transactions contemplated therein or on the expiry of the WGEL Call Option Period if the WGEL Call Option has not been exercised during the WGEL Call Option Period unless mutually agreed otherwise in writing.

Pursuant to an amendment agreement dated March 30, 2007, IL&FS and our Company have mutually agreed to amend the WGEL Option Price for the equity shares of WGEL, payable by our Company to IL&FS, as follows:

a) a sum calculated at the rate of Rs. 0.25 for each WGEL Option Shares amounting to a total consideration of Rs. 1,249,996.25, being the WGEL Exercise Price, shall be paid by our Company to IL&FS simultaneous with the transfer of the WGEL Option Shares, if WGEL issues the WGEL Preference Shares before exercise of the WGEL Call Option; and

b) a sum calculated at the rate of Rs. 9.75 for each WGEL Option Share amounting to a total consideration of Rs. 48,749,853.75, being the WGEL Exercise Price, shall be paid by our Company to IL&FS simultaneous with the transfer of the WGEL Option Shares, if WGEL does not issue the WGEL Preference Shares before exercise of the WGEL Call Option.

14.(c) Subscription agreements with IL&FS for 'covered warrants' representing our economic interests in Road Infrastructure Development Company of Rajasthan Limited, Jharkhand Accelerated Road Development Company Limited and Chhatisgarh Highway Development Company Limited

IL&FS has entered into a subscription agreements ("**Covered Warrants Agreements**") with our Company pursuant to which our Company shall advance an amount to IL&FS in consideration of which IL&FS shall issue certain prescribed instruments having a face value of Rs. 10 each (the "**Covered Warrants**") aggregating to a prescribed amount (the "**Consideration Amount**"), representing the obligation of IL&FS to pay the Warrants Coupon (as defined below) on the Covered Warrants and repay the Consideration Amount through an identified revenue stream. The significant terms and conditions of the Covered Warrants Agreement are as provided hereinbelow:

Subscription to Covered Warrants:

- IL&FS shall issue certificates representing the Covered Warrants (the "**Warrants Certificate**") to our Company and upon delivery of the Warrants Certificate, our Company shall pay the Consideration Amount to IL&FS;

- Our Company shall subscribe, in one or more tranches, to the Covered Warrants within 15 days of receipt of demand notice from IL&FS signed by its authorised signatory;

- If and when rights shares are issued and allotted by Road Infrastructure Development Company of Rajasthan Limited ("**RIDCOR**"), Jharkhand Accelerated Road Development Company Limited ("**JARDCL**") or Chhatisgarh Highways Road Development Company Limited ("**CHDCL**"), as the case may be to IL&FS, IL&FS reserves the right to issue such number of additional 'covered warrants' having a face value of Rs. 10 each, at par, so that the subscription amount for subscription to such additional 'covered warrants' shall be equal to the subscription amount paid by IL&FS for subscribing to the rights shares issued by RIDCOR, JARDCL or CHDCL, as the case may be. Our Company or any holder of the Covered Warrants shall subscribe to such additional 'covered warrants' against payment to IL&FS of such price;

- IL&FS shall not transfer the equity shares held by it in RIDCOR, JARDCL or CHDCL, as the case may be, prior to the redemption of the Covered Warrants without the prior written consent of the holders of the Covered Warrants.

Terms and Conditions of Covered Warrants:

- *Holders of Covered Warrants:* Only entities which are bodies corporate incorporated or established in India may be holders of Covered Warrants;

- *Coupon:* The holders of Covered Warrants will be entitled to a coupon ("**Coupon**") representing a proportionate share of the dividend amount declared and paid by RIDCOR, JARDCL or CHDCL, as the case may be, on the:

  (i) Equity shares held by IL&FS in RIDCOR, JARDCL or CHDCL, as the case may be,;
  (ii) Any additional equity shares subscribed by IL&FS pursuant to a rights issue by RIDCOR, JARDCL or CHDCL, as the case may be, if any; and
  (iii) Bonus equity shares, if any, issued by IL&FS in respect of the equity shares held by it in RIDCOR, JARDCL or CHDCL, as the case may be.

  The Coupon shall be distributed among the holders of Covered Warrants in the proportion that the total amount of dividend received bears to the number of equity shares held by IL&FS in RIDCOR, JARDCL or CHDCL, as the case may be, as the Consideration Amount bears to the number of Covered Warrants issued by IL&FS. The receipt of dividend by IL&FS from RIDCOR, JARDCL or CHDCL, as the case may be, shall be a pre-requisite for payment of Coupon to the holder of Covered Warrants.

  If in any Fiscal, no dividend is paid by RIDCOR, JARDCL or CHDCL, respectively, the obligation of IL&FS to pay the Coupon for that Fiscal shall automatically lapse. The Coupon shall be payable by IL&FS annually within 15 days of receiving dividend from RIDCOR, JARDCL or CHDCL, as the case may be. Any failure by IL&FS in making such payment shall entitle the holder of the Covered Warrants to interest at 15% p.a., 12% p.a. and 12% p.a., respectively, from the date of expiry of the said period of 15 days upon the payment of IL&FS.

- *Ranking:* The Covered Warrants shall, in all respects, rank *pari passu, inter se,* without any preference or priority of one over the other or others of them. Further, the Covered Warrants are unsecured instruments.

- *Redemption:* The Covered Warrants shall be redeemed at either the face value or the liquidation value of the equity shares held by IL&FS on expiry of a prescribed period from the date of Warrants Certificate. Payment of such redemption value shall be made to the holder of Covered Warrants within three months from the expiry of the said maturity period. IL&FS and the holder of Covered Warrants may, pursuant to a mutual agreement, agree to redeem the Covered Warrants at any time prior to the expiry of the said period.

- *Transfer of Covered Warrants:* The Covered Warrants may be transferred by endorsement and delivery only to permissible entities. Such transfer may be effected only by an authorised signatory of the holder of the Covered Warrants whose signature and authority are previously registered with IL&FS and such endorsement shall also carry the confirmation of IL&FS. Applicable stamp duty and transfer charges, if any, shall be borne by the transferee.

Details of the Covered Warrants Agreements are as follows:

Parties and Date	**Number of covered warrants issued**	**Consideration Amount (Rs. million)**	**Redemption Period (years)**
Agreement dated March 14, 2007 between our Company and IL&FS representing our economic interest in RIDCOR	50,000,000*	500	35
Agreement dated August 28, 2009 between our Company and IL&FS representing our economic interest in JARDCL	7,400,000	74	20
Agreement dated August 28, 2009 between our Company and IL&FS representing our economic interest in CHDCL	7,400,000	74	20

* *Further issue of covered warrants was made on March 31, 2009, as a consequence of further issuance of equity shares by RIDCOR in favour of IL&FS.*

15. Trust deed dated February 22, 2007 (the "IRIT Deed") entered into by our Company and ITCL

Our Company has entered into a trust deed dated Febraurt 22, 2007 with ITCL to provide for the terms and condititions in relation the establishment of the IRIT. The significant terms and conditions of the IRIT Deed are as provided herein below:

Objects of IRIT: IRIT is required to make investments in or provide financial assistance to any portfolio company in the form of investments in share capital and investments in debt securities ("**Portfolio Activity**"). The objects and purposes of IRIT include:

- To invest in equity or equity related or convertible instruments issued by, or otherwise provide financial assistance by or through any other permitted form of financing or instruments to any portfolio company, including in the form of investment in share capital of any class including ordinary, preference, participating, non-participating, voting, non-voting or other class, and/or in the form of investment in debt securities whether or not convertible into share capital, or any beneficial interest in any of the foregoing, in conformity with the investment objectives and policy of IRIT; and
- To do all other things necessary and conducive to the attainment of the objects of IRIT.

ITCL shall issue a private placement memorandum or terms of contribution memorandum for every scheme. Once the target investors have been identified, ITCL may invite capital commitments only by way of private placement pursuant to a 'contribution agreement' under the respective scheme. ITCL is further prevented from issuing any document or advertisement inviting offers from the public for subscription or purchase of the units of a scheme.

ITCL shall be responsible for the affairs of a fund which includes, *inter alia*, the amount of Rs. 10,000, being the initial settlement amount, and any other contributions made to IRIT ("**Trust Fund**").

Termination: Every scheme under IRIT would be a 30 year 'closed ended scheme' terminating on the 30th anniversary of the date by which the aggregate capital commitments to IRIT by way of subscription to the units equals or exceeds an amount decided by ITCL. The scheme could also be terminated by an agreement between ITCL and such number of contributors whose collective capital contribution exceeds 75% of the aggregate capital in the scheme (the "**Super Majority**").

IRIT shall terminate on the termination of all the schemes. On termination, the assets of the scheme would be distributed among the contributors *pro rata* in proportion that the contributed capital bears to the aggregate capital contribution, and all rights therein shall stand extinguished except for the unredeemed or unrealized portion of the units, if any.

Powers of ITCL:

(i) *General Power*: ITCL shall have all such powers that a person competent to contract and acting as legal and/or beneficial owner of such property has and would not be restricted by any principle of construction. Further all rights of ITCL, as holder of shares or securities of portfolio companies have to be exercised solely in accordance with the direction of the respective committee set up by ITCL for advice and counsel on matters of entry or exit from a portfolio investment ("**Investment Committee**").

(ii) *Powers of Investment*: ITCL shall, with the prior written consent of the Investment Committee, be empowered to do the certain specified acts, including the following:

- To acquire, hold, manage, trade and dispose of shares, stocks, convertibles, debentures, bonds, obligations, notes, money market papers, instruments and other equity or equity-related securities of all kinds issued by any portfolio company or body corporate or any beneficial interest in any of the foregoing;
- To deposit with bank or other institutions, the moneys of the Trust Fund and further, to lend funds in the 'inter bank' call and notice money market;
- Accept contributions, profits, grants , donations;
- Invest in securities and money market instruments;
- Invest, acquire, purchase, hold, divest, sale, hypothecate or otherwise transfer certain instruments mentioned in the IRIT Deed; and
- Provide financial assistance to any portfolio company.

(iii) *Power to pay duties and taxes*: ITCL shall have the power to pay capital gains tax, income tax, stamp duties or other duties, fees or taxes (and any interest or penalty thereon) as may have become payable. Such duties and taxes may be paid out of the 'contribution fund'. In case such fund is insufficient, then a 'draw down notice' may be issued to the contributors for such purpose. Further, the contributors may be called upon to make further contributions and in the event all such methods fail, then, out of the Trust Fund or income thereof.

(iv) ITCL would be free to transact any business, including sale or purchase of any property with trustee of any other trust.

(v) ITCL would have the power to reinvest the proceeds received from one portfolio investment into other portfolio investments subject to the prior written consent of the Investment Committee.

(vi) Other significant powers of ITCL include the following:

- To institute, conduct, compromise, compound, defend or abandon any legal proceedings concerning IRIT;
- Appoint agents and determine their duties;
- Act as underwriter or sub-underwriter; and
- Pay all costs, charges, expenses outgoings incidental to the administration of the fund or any other incidental expenses.

Duties of Trustee: ITCL shall hold the Trust Fund and the Portfolio Activities in its own name and on behalf of IRIT. It shall ensure that funds under various schemes have been segregated from each other and from Portfolio Activities or from other assets. Due diligence shall be exercised by ITCL for protecting the interest of the contributors.

IRIT shall not allow Portfolio Activities which entail unlimited liability. ITCL shall periodically value the Portfolio Activities and the net assets of each scheme of IRIT and shall be liable for the submission of reports in accordance with applicable laws.

Rights of ITCL: Significant rights of ITCL include the following:

- Receive advice from bankers, accountants, brokers, lawyers and professionals and act upon such advice;
- Appoint any person carrying on banking activities as banker to IRIT;
- Receive reimbursements from the Trust Fund or out of the capital contributions for expenses, taxes etc. Expenses made for a particular scheme should be deducted from the same. Expenses would include expenditure incurred in connection with the structuring of IRIT;
- Trusteeship fee payable annually;
- Maintain reserves and/or to make calls to the contributors of any particular scheme beyond the commitment period and beyond the capital commitment of such scheme, and keep such amounts in an escrow account as it deems necessary;

Liability of Trustee: The significant provisions contained in the IRIT Deed, in relation to the liabilities of ITCL, include the following:

- It would not be held liable for any acts or omissions done by it in 'good faith' or under any applicable laws;
- It would not be liable for the funds in the hands of any banker, broker, custodian, agent or any other person;
- It would not be under any obligation to institute, acknowledge, service or defend any action or claim which would entail costs disproportionate to the claim made;
- It would not be held responsible to any contributor for the authenticity of any signature or endorsement on any unit certificate or on any other document;
- ITCL, its affiliates, officers, directors or any employees or agents would be held harmless to the maximum extent permitted under the applicable law, for any liability arising out of their actions not being out of gross negligence or willful misconduct; and

- It would not be liable for any depletion caused in the Trust Fund or the Portfolio Activities on account of fluctuations in the market price, exchange rate or changes in the interest.

ITCL shall hold office until the termination of IRIT or its discharge, whichever is earlier. Further, it shall stand discharged if (a) it resigns its office; or (b) it passes a resolution for being wound up or any such order has been passed by any court; or (c) the Super Majority of the contributors decide to remove ITCL from office after giving a three months prior written notice.

The resignation of ITCL would require to be passed by the Super Majority of the contributors and would become effective on the date of acceptance of appointment of a new trustee. ITCL would be entitled for termination fees equivalent to trusteeship fees in case the removal is not on account of a cause constituting felony, gross negligence, fraud, willful failure to perform duties or breach of any provision of the IRIT Deed.

A new trustee may be appointed by the Super Majority of the contributors by execution of a deed of appointment. The powers and liabilities of the new trustee would remain the same.

Issue, Transfer and Redemption of Units:

- *Issue*: A contribution agreement shall be executed between ITCL and contributors setting out, *inter alia*, the terms and conditions for payment of capital contributions and issue and allotment of units pursuant thereto. Units will be allotted only after receipt of initial capital contribution agreed to have been paid by the contributors. ITCL will issue a statement of account indicating the number of units held on such demand by a contributor.

- *Transfer:* Contributors are not permitted to withdraw or transfer capital contribution made to IRIT. Units or any other interest can be transferred by the contributor only after obtaining prior consent of ITCL.

- *Redemption:* Redemption of units as well as the mode of redemption is sanctioned only with the approval of the Super Majority of the contributors.

Each unit is entitled to a *pro rata* share in the net assets of such scheme of IRIT. No contributor will have any personal liability in its capacity as holder of the units to, the contributor or the creditor of IRIT. The contributor shall be liable only to pay is capital commitment to IRIT. The rights and obligations of each contributor would be those mentioned in contribution agreement. Apart from the capital commitment, contributor is not liable for any other contribution except as provided in the IRIT Deed.

ITCL shall ensure that confidentiality is maintained with regard to all transactions relating to IRIT and the state of affairs of IRIT.

Details of IRIT

The office of IRIT is situated at 'The IL&FS Financial Centre', Plot C-22, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, India. It is presently engaged in the business of investing in equity or equity related or convertible instruments, providing financial assistance by or through any other permitted form of financing or instruments to any portfolio company, including in the form of investment in share capital of any class, including ordinary, preference, participating, non-participating, voting, non-voting or other class, and/or in the form of investment in debt securities whether or not convertible into share capital, or any beneficial interest in any of the foregoing, in conformity with the investment objectives and investment policy of the trust.

Unit holding Pattern

The units of IRIT are not listed on any stock exchange. The unit holders of IRIT as on February 5, 2010 are as follows:

Unit holders	No. of units of (Rs. 1,000) each	% of units held
Our Company	1,031,320.60	100.00
Total	**1,031,320.60**	**100.00**

Except for additional contribution of Rs. 249,880, there has been no change in the capital structure of IRIT in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

ITCL is the trustee of IRIT. The board of directors of IRIT currently comprises of:

1. Dr. Arcot Ramchandran;
2. Mr. Moosa Raza;
3. Mr. J. L. Bajaj;
4. Mr. D. K. Contractor;
5. Mr. Arun K. Saha;
6. Dr. Archana Hingorani; and
7. Mr. Sujoy Kumar Das.

Strategic or Financial Partners

Our Company currently does not have any strategic or financial partners.

Details of past performance

For further details in relation to the financial performance of our Company in the previous five financial years, including details of non-recurring items of income, see the section titled "Financial Statements" on page F-1.

OUR MANAGEMENT

Under our Articles, our Company is required to have no less than three Directors and no more than 18 Directors. Our Company currently has 11 Directors on its Board.

Our Board

The following table sets forth details regarding our Board as on the date of this Red Herring Prospectus.

Name, Father's Name, Address, Designation, Occupation, Term, Age and Nationality	DIN	Other Directorships
Mr. K. Ramchand S/o Mr. K.V. Karunakaran 3rd floor Victoria Building E-23, Gajdhar Scheme Sarojini Naidu Road Santa Cruz Mumbai 400 054, India *Managing Director* Non-Independent Director *Occupation:* Service *Term:* For a period of five years, with effect from August 13, 2008 Age: 55 years Nationality: Indian	00051769	• Gujarat Road and Infrastructure Company Limited; • Noida Toll Bridge Company Limited; • Road Infrastructure Development Company of Rajasthan Limited; • Chhattisgarh Highways Development Company Limited; • ITNL ENSO Rail Systems Limited; • Jharkhand Accelerated Road Development Company Limited; • IL&FS Energy Development Company Limited; • IL&FS Property Management & Services Limited; • IL&FS Renewable Energy Limited; • Gujarat International Finance Tec–City Company Limited; • Jharkhand Road Projects Implementation Company Limited; • Gujarat Integrated Maritime Complex Private Limited ; • Sealand Ports Private Limited ; • Avash Logistic Park Private Limited ; • Maytas Infra Limited; • Delhi-Mumbai Industrial Corridor Development Corporation Limited; • IL&FS Maritime Offshore Pte. Limited; • Land Registration Systems Inc; • Elsamex S.A.; • Elsamex Internacional S.L.; • Grusamar Ingenieria Y Consulting S.L.; • Control 7 S.A.; • Centro De Investigacion Elpidio Sanchez Marcos S.A.; • Sanchez Marcos Senalizacion E Imagen S.A.; • Atenea Seguridad Y Medio Ambiente, S.A.; • Proyectos Y Promociones Inmobiliarias Sanchez Marcos, S.L.; • Proyectos De Gestion Sistemas Calculo Y Analisis, S.A.; and • Instituto Tecnico De La Vialidad Y Del Transporte, S.A.
Mr. Mukund Gajanan Sapre S/o Mr. Gajanan Laxman Sapre B-3, Mangaldeep Society Behind Tagore Nagar, Old Padra Road, Baroda 390 015 Executive Director Non-Independent Director *Occupation:* Service *Term:* For a period of five years, with effect from August 13, 2008; liable to	00051841	• Andhra Pradesh Expressway Limited; • Thiruvananthpuram Road Development Company Limited; • East Hyderabad Expressway Limited; • ITNL Road Infrastructure Development Company Limited; • Chhattisgarh Highways Development Company Limited; • ITNL Enso Rail Systems Limited; • Jharkhand Accelerated Road Development Company Limited; • Vansh Nimay Infraprojects Limited; • Jharkhand Road Projects Implementation Company Limited;

Name, Father's Name, Address, Designation, Occupation, Term, Age and Nationality	DIN	Other Directorships
retire by rotation Age: 50 years Nationality: Indian		• Gujarat State Road Development Corporation Limited; • Pune Sholapur Road Development Company Limited; • Hazaribagh Ranchi Expressway Limited; and • Sealand Warehousing Private Limited.
Mr. Deepak Dasgupta S/o Sachidulal Dasgupta C-604, Central Park Sector 42 Gurgaon 122 002, India *Chairman* Non-Executive Director Independent Director *Occupation:* Professional *Term:* liable to retire by rotation Age: 67 years Nationality: Indian	00457925	• IJM (India) Infrastructure Limited; • C&C Construction Limited; • Road Infrastructure Development Company of Rajasthan Limited; and • Noesis Strategic Consulting Service Private Limited.
Mr. Hari Sankaran S/o Mr. Sankaran Vallinsaman Rajagopal Kinara, 29-B Ground Floor, Carter Road Bandra (West) Mumbai 400 050, India Non-Executive Director Non-Independent Director *Occupation:* Professional *Term:* Liable to retire by rotation Age: 48 years Nationality: Indian	00002386	• IL&FS; • IL&FS Energy Development Company Limited; • IL&FS Financial Services Limited; • IL&FS Infrastructure Development Corporation Limited; • IL&FS Education & Technology Services Limited; • IL&FS Tamil Nadu Power Company Limited; • Gujarat International Finance Tec-City Company Limited; • ORIX Auto Infrastructure Services Limited; • PDCOR Limited; • Road Infrastructure Development Company of Rajasthan Limited; • Mangalore SEZ Limited; • Delhi-Mumbai Industrial Corridor Development Corporation Limited; • Tamil Nadu Water Investment Company Limited; • UOB IL&FS India Opportunities Fund Limited; • IL&FS Singapore Asset Management Company Pte Limited; • Noida Toll Bridge Company Limited (alternate director); and • New Tirupur Area Development Corporation Limited (alternate director).
Mr. Ravi Parthasarathy S/o Mr. Ramaswamy Parthasarathy 1201/1202 Vinayak Angan Old Prabhadevi Road Prabhadevi Mumbai 400 025, India Non-Executive Director Non-Independent Director *Occupation:* Professional	00002392	• IL&FS; • IL&FS Cluster Development Initiatives Limited; • IL&FS Education & Technology Services Limited; • IL&FS Energy Development Company Limited; • IL&FS Financial Services Limited; • IL&FS Infrastructure Development Corporation Limited; • IL&FS Property Management & Services Limited; • IL&FS Investment Managers Limited; • IL&FS Maritime Infrastructure Company Limited; • Maytas Infra Limited; • New Tirupur Area Development Corporation Limited; • ORIX Auto Infrastructure Services Limited;

Name, Father's Name, Address, Designation, Occupation, Term, Age and Nationality	DIN	Other Directorships
Term: Liable to retire by rotation Age: 57 years Nationality: Indian		• Tamil Nadu Water Investment Company Limited (alternate director); • Elsamex S.A; and • Indian Institute of Management, Bangalore (member of the board of governors).
Mr. Arun K. Saha S/o (Late) Mr. B. C. Saha 601-602, Green Acres CHS Pali Hill, Bandra (West) Mumbai 400 050, India Non-Executive Director Non-Independent Director *Occupation:* Professional *Term:* Liable to retire by rotation Age: 56 years Nationality: Indian	00002377	• IL&FS; • IL&FS Securities Services Limited; • IL&FS Financial Services Limited; • IL&F Infrastructure Development Corporation Limited; • IL&FS Investment Managers Limited; • IL&FS Property Management & Services Limited; • IL&FS Technologies Limited; • ITCL; • IL&FS Urban Infrastructure Managers Limited; • ORIX Auto Infrastructure Services Limited; • Noida Toll Bridge Company Limited; • Maytas Infra Limited; • GVK Gautami Power Limited; • For-she Travels & Logistics Private Limited; • Himachal Sorang Power Private Limited; • IL&FS Maritime Offshore Pte Limited; • UOB IL&FS India Opportunities Fund Limited; • Elsamex S.A; • Elsamex International S.L.; • Grusamar Ingenieria Y Consulting S.L.; • Atenea Seguridad y Medio Ambiente, S.A.; • Instituto Tecnico de la Vialidad y del Transporte, S.A.; • Proyectos de gestion Sistemas Calculo y Analisis, S.A.; • Proyectos y Promociones Inmobiliarias Elpidio Sanchez Marcos, S.L.; • Sanchez Marcos Senalizacion E Imagen, S.A.; and • ITNL International Pte Limited.
Mr. Ramesh Chandra Sinha S/o M. B. Srivastava 22, Buena Vista Gen J. Bhosale Marg Opposite Y. B. Chavan Institute Mumbai 400 021, India Non-Executive Director Independent Director *Occupation:* Professional *Term:* Liable to retire by rotation Age: 71 years Nationality: Indian	00051909	• West Bengal Housing Infrastructure Development Corporation Limited; • Bengal Ambuja Housing Development Limited; • Maharashtra Airport Development Company Limited; • MIHAN India Private Limited; and • Ascendas IT Park (Nagpur) Private Limited.
Mr. H.P. Jamdar S/o Mr. P. K. Jamdar 5, Vishwakarma Colony Behind Civil Hospital Shahibaug Ahmedabad 380 004, India	00062081	• Delhi-Gurgaon Super Connectivity Limited; and • Stanley Consultants India Private Limited.

Name, Father's Name, Address, Designation, Occupation, Term, Age and Nationality	DIN	Other Directorships
Non-Executive Director Independent Director *Occupation:* Professional *Term:* Liable to retire by rotation Age: 65 years Nationality: Indian		
Mr. Pradeep Puri S/o B. S Puri A-30, West End New Delhi 110 021, India Non-Executive Director Non-Independent Director *Occupation:* Professional *Term:* Liable to retire by rotation Age: 53 years Nationality: Indian	00051987	• North Karnataka Expressway Limited; • IL&FS Infrastructure Development Corporation Limited; • IL&FS Ecosmart Limited; • West Gujarat Expressway Limited; • IL&FS Urban Infrastructure Managers Limited; • Andhra Pradesh Expressway Limited; • Urban Mass Transit Company Limited; • PDCOR Limited; • Pipavav Railway Corporation Limited; • ITNL Toll Management Services Limited; • IL&FS Waste Management & Urban Services Limited; • Delhi-Mumbai Industrial Corridor Development Corporation Limited; and • IL&FS Urban Infrastructure Services Limited.
Mr. Vibhav Kapoor S/o (Late) Ram Prakash Kapoor Woodlands, "A" Wing 1st Floor, Peddar Road Mumbai 400 026, India Non-Executive Director Non-Independent Director *Occupation:* Professional *Term:* Liable to retire by rotation Age: 54 years Nationality: Indian	00027271	• IL&FS Financial Services Limited; • IL&FS Sara Fund; • IL&FS Investment Managers Limited; • ORIX Auto Infrastructure Services Limited; • Essel Sports Private Limited; • Free Trade Warehousing Private Limited; • IL&FS Securities Services Limited; and • IL&FS Portfolio Managers Services Limited.
Mr. Deepak Satwalekar S/o Mr. Madhav Satwalekar 9, Nutan Alka Cooperative Society Relief Road,Santacruz (West) Mumbai 400 054, India Non-Executive Director Independent Director *Occupation:* Professional *Term:* liable to retire by rotation	00009627	• Infosys Technologies Limited; • HDFC; • Franklin Templeton Asset Management (India) Private Limited; • Asian Paints Limited; • Piramal Healthcare Limited; • Entertainment Network (India) Limited; • The Tata Power Company Limited; • The National Stock Exchange of India Limited; • Indian Institute for Human Settlements; and • Germinait Solutions Private Limited.

Name, Father's Name, Address, Designation, Occupation, Term, Age and Nationality	DIN	Other Directorships
Age: 61 years Nationality: Indian		

Brief Profile of our Directors

Mr. K. Ramchand, 55 years, was appointed as the Managing Director of our Company on August 13, 2008, as ratified by our shareholders at their AGM held on August 29, 2008. He holds a bachelor's degree in civil engineering from Madras University and a post graduate degree in 'development planning' from the School of Planning, Ahmedabad and has over 25 years of experience in urban and transport infrastructure development sector.

Mr. Ramchand has been involved in a large number of private infrastructure initiatives including the successful commissioning of various toll road projects in the state of Gujarat and for the NHAI. He has been with the IL&FS group for the past 14 years and is on the board of directors of various companies within the IL&FS group. Prior to joining our Company, he was associated with the Operations Research Group, Dalal Consultants, Mumbai Metropolitan Region Development Authority and City and Industrial Development Corporation Limited.

Mr. Mukund Gajanan Sapre, 50 years, is our Director since August 13, 2008 and has been associated with the IL&FS group since 1992. He holds a bachelor's degree in civil engineering, a diploma in 'Systems Management' and a diploma in 'Financial Management'. He has over 27 years of experience in the industry.

Prior to joining our Company, he was associated with international projects in Philippines, Indonesia, Mexico and, Spain. Particularly, he played a vital role in implementing the 'High Speed Rail Project' in Mexico and evaluating the 'Cargo Airport Project' in Mexico. He has also been previously associated with Engineers India Limited as its Deputy Manager during the period from 1984 to 1992 and with Gammon India Limited as an Assistant Engineer during the period from 1980 to 1984.

Mr. Deepak Dasgupta, aged 67 years, is our Director since June 30, 2009. He holds a bachelors' degree and a master's degree in science from the Delhi University. He is a retired Indian Administrative Services officer with over 35 years of experience during which he has headed various departments of Government of Haryana and the Government of India including those related to infrastructure development and policy formulation.

He has served as the chairman of NHAI for more than 5 years and has also served as an advisor to the Asian Development Bank on consulting assignments. He was appointed as a member of the senior expert committee of IDFC Private Equity Fund and the Special Task Force on Bihar. He is also as an advisor to Unitech Limited.

Mr. Ravi Parthasarathy, 57 years, has been associated with our Company since January 6, 2001. Further, he has been associated with the IL&FS group since 1988. He holds a bachelor's degree in Science from the University of Mumbai and a post-graduate diploma in business administration from the Indian Institute of Management, Ahmedabad. Prior to joining our Company and the IL&FS group, he has served 20th Century Finance Corporation Limited, a financial services company as its executive director for 8 years. Further, he has also served the Indian Institute of Management, Bangalore in the past.

Mr. Hari Sankaran, 48 years, is our Director since November 29, 2000. He holds a master's degree in economics from the London School of Economics & Political Science. He has over 15 years of experience, during which period he has headed various project development and financing departments of governmental bodies.

He has, in the past, worked as a project finance specialist for Industrial Credit and Investment Corporation of India from the year 1987 to 1990. He has been instrumental in developing significant infrastructure project development business portfolio for IL&FS. He has been on several committees of GoI for policy and legal reform. In addition to his responsibilities with our Company, he is also the chairman of the FICCI Infrastructure Committee and has been serving as the Managing Director and Chief Executive Officer of IL&FS since December 1990.

Mr. Arun K. Saha, 56 years, is our Director since January 6, 2001 and has been associated with the IL&FS group since 1988. He holds a master's degree in Commerce from the University of Calcutta and is an associate member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. Prior to joining us, he has served Wimco Limited. Mr. Saha oversees and supervises activities in relation to finance, operations, credit compliance and risk management of the IL&FS group, including activities in the areas of financial services, infrastructure, asset management, distribution and management of retail assets and liabilities.

Mr. Ramesh Chandra Sinha, 71 years, is our Director since March 19, 2001. He is a retired officer of the Indian Administrative Services. He holds a bachelor's degree in Law, master's degree in Economics from Lucknow University and a postgraduate degree in 'urban development' from the London University.

Prior to joining us, he has served as the Collector and District Magistrate, Aurangabad and Osmanabad for over ten years since 1962. Further, he has served as the Vice-Chairman and Managing Director of Maharashtra State Road Transport Corporation. Besides, he has served as director of the Ministry of Surface Transport, Government of Maharashtra and secretary of Rural Development, Agriculture & Co-operation Department and the Planning Department.He was also instrumental in the preparation of the 7th Five Year Plan of the State of Maharashtra. He has held the post of Joint Secretary, the Ministry of Information & Broadcasting, Government of India for five years during the period 1985 to 1990.

As the Vice-Chairman & Managing Director of 'CIDCO', Maharashtra, he assisted in the development of Navi Mumbai. He was the Additional Chief Secretary, Urban Development Department and the Revenue and Forest Department, Government of Maharashtra during the period 1994 to 1996. He also served 'MSRDC' as its Vice-Chairman & Managing Director during the period 1997 to 2000, and executed the 'Mumbai - Pune Expressway'. Subsequent to his retirement as an officer of the Indian Administrative Services in 1996, he served as the Director General of the National Academy of Construction, Hyderabad. Currently, he is also the Vice-Chairman and Managing Director of Maharashtra Airport Development Company Limited.

Mr. H.P. Jamdar, 65 years, is our Director since January 6, 2001. He holds a bachelor's degree in civil engineering from Gujarat University. He has also successfully qualified the Gujarat Service of Engineers through the Gujarat Public Service Commission. Prior to joining us, he served as the Secretary to the Government of Gujarat during the period 1990 to 2000 and as the Principal Secretary to the Government of Gujarat during the period 2000 to 2001.

He has also held the posts of Chairman of Gujarat State Constructions Corporation Limited, Chairman of Gujarat Maritime Board, Chairman of Gujarat Pipavav Ports Limited, Chairman of Vadodara – Halol Toll Road Corporation Limited and Chairman of Ahmedabad – Mehsana Toll Road Corporation Limited. He has also served as the President of Indian Roads Congress and Vice-President of 'FIESCA'. Currently, he is also the Managing Director of Stanley Consultants (India) Private Limited, a subsidiary of Stanley Inc. U.S.A.

Mr. Pradeep Puri, 53 years, is our Director since January 6, 2001. He is currently the Managing Director of Noida Toll Bridge Company Limited, one of our Group Companies. He holds a bachelor's and a master's degree in History from Delhi University.

He is a retired officer of the Indian Administrative Service. Prior to joining the IL&FS group, he served for eight years in international trade and investments with the Ministry of Commerce and the Department of Economic Affairs, Ministry of Finance, Government of India, during the period from 1984 to 1987 and 1991 to 1996, respectively. He has held the post of Director in the ministries of Commerce and Finance in Karnataka and Delhi. Subsequent to his resignation from the Indian Administrative Services, he joined the IL&FS group as the Chief Executive Officer of the 'Delhi-NOIDA Bridge Project'.

Mr. Vibhav Kapoor, 54 years, is our Director since June 30, 2009. However, he has been associated with our Company since December 10, 2004. Further, he is associated with IL&FS as its 'Group Chief

Investment Officer' since July 1, 2002. He holds a holds a bachelor's degree in Arts and a master's degree in business administration from the Himachal Pradesh University, Shimla.

Prior to joining our Company, he served as the Managing Director of IL&FS Asset Management Company Limited during the period 1995 to 2002. During the period from 1994 to 2000, he headed the 'Investment Team' of IL&FS to act as the advisor to the Oppenhiemer India Fund. Further, he has been associated with the Merchant Banking Division of ANZ Grindlays Bank as a portfolio manager during the period from 1987 to 1988 and as the in-charge of the Corporate Finance and Equity Research department of Unit Trust of India during the period from 1979 to 1986.

Mr. Deepak Satwalekar, 61 years, is our Director since June 30, 2009. He holds a bachelors' degree in technology from the Indian Institute of Technology, Mumbai and a master's degree in business administration from the American University, Washington DC.

Prior to joining our Company, he served as managing director and chief executive officer of HDFC Standard Life Insurance Company Limited since 2000. He has also been the managing director of HDFC since 1993. Mr. Satwalekar has been a consultant to the World Bank, the Asian Development Bank, the United States Agency for International Development and the United Nations Centre for Human Settlements (HABITAT). He is actively involved in various committees of the Bombay Chamber of Commerce & Industries and the Confederation of Indian Industries. Besides being a recipient of the 'Distinguished Alumnus Award' from the Indian Institute of Technology, Mumbai, he is now on the Advisory Council of the institution. He is also an independent director on the boards of several other companies.

Remuneration details of our directors:

a. Remuneration details of our executive Directors:

Mr. K. Ramchand was inducted on our Board pursuant to a resolution of our Board dated August 13, 2008 which was subsequently confirmed by the shareholders of our Company at the AGM held on August 29, 2008. The remuneration payable to him has been determined, with effect from August 13, 2008, for a period of five years. The remuneration payable to him is Rs. 1.53 million per month. The details of remuneration payable to him include the following:

Particulars	Remuneration
Basic Salary	Rs. 900,000 per month
Medical Reimbursement	Rs. 600,000 per annum
Leave Travel Assistance	Rs. 600,000 per annum

Mr. K. Ramchand is also the managing director of Road Infrastructure Development Company of Rajasthan Limited, one of our Group Companies. Apart from the sitting fees of Rs. 5,000, Mr. Ramchand does not receive any remuneration from Road Infrastructure Development Company of Rajasthan Limited.

Mr. Mukund Gajanan Sapre was inducted on our Board pursuant to a resolution of our Board dated August 13, 2008 which was subsequently confirmed by the shareholders of our Company at the AGM held on August 29, 2008. The remuneration payable to him has been determined, with effect from August 13, 2008, for a period of five years. The remuneration payable to him is Rs. 1.02 million per month. The details of remuneration payable to him include the following:

Particulars	Remuneration
Basic Salary	Rs. 450,000 per month
Medical Reimbursement	Rs. 450,000 per annum
Leave Travel Assistance	Rs. 450,000 per annum

b. Remuneration details of our Non-executive and Independent Directors

Apart from a sitting fee of Rs. 16,722 paid for attending the meeting of our Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses, if any, payable to them under our Articles, the non-executive and independent Directors of our Company do not receive any other remuneration from our Company. The sitting fee for our Directors has been fixed pursuant to a Board resolution dated November 1, 2006.

Shareholding of Directors in our Company

For details of shareholding of our Directors in our Company, see the section titled "Capital Structure" on page 36.

Relationships between Directors

None of our Directors are related to each other.

Details of Service Contracts

Except as otherwise provided in this section, there are no service contracts entered into with any Directors for provision of benefits or payments of any amount upon termination of employment.

Interest of Directors

All of our Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses, if any, payable to them under our Articles, and to the extent of remuneration, if any, paid to them for services rendered as an officer or employee of our Company.

Except as stated in this section, respectively, no amount or benefits were paid or were intended to be paid to our Directors during the last two years from the date of filing of this Red Herring Prospectus.

All the independent Directors are entitled to receive sitting fees for attending the Board/committee meetings within the limits laid down in the Companies Act and as decided by our Board.

Mr Ravi Parthasarathy, Chairman, Mr Hari Sankaran, the Managing Director and Chief Executive Officer and Mr Arun K Saha, Joint Managing Director are also members of our Board. Except as mentioned above, none of our Directors are interested in the promotion of our Company.

Our Directors have no interest in any property acquired by our Company or its Subsidiaries within two years of the date of filing of this Red Herring Prospectus or presently intended to be acquired by our Company or its Subsidiaries as disclosed in this Red Herring Prospectus.

None of Directors were interested in any transaction by our Company involving acquisition of land, construction of building or supply of any machinery.

Except as stated in the section titled "Related Party Transactions" on page 298, and to the extent of shareholding in our Company, our Directors do not have any other interest in our business.

Changes in our Board during the last three years

Name	Date of Appointment	Date of Cessation	Reason
Mr. Shahzaad Siraj Dalal	June 2, 2004	September 16, 2009	Resignation
Mr. Vibhav Kapoor	December 10, 2004	August 13, 2008	Resignation
Mr. Ravi Parthasarathy	June 8, 2006	-	Appointment
Mr. Mahesh Manilal Gandhi	March 16, 2007	September 15, 2009	Resignation
Mr. Jason Matthew Brown	May 11, 2007	September 22, 2009	Resignation
Mr. Sohil Rohitasava Chand	May 2, 2008	August 1, 2008	Resignation
Mr. K. Ramchand	August 13, 2008	-	Appointment
Mr. Mukund Gajanan Sapre	August 13, 2008	-	Appointment
Mr. Lakshmaiah Balchandra	August 13, 2008	September 22,	Resignation

Name	Date of Appointment	Date of Cessation	Reason
Naidu		2009	
Mr. Vibhav Kapoor	August 13, 2008	April 17, 2009	Cessation pursuant to Section 313 of the Companies Act
Mr. Vibhav Kapoor	May 19, 2009	June 30, 2009	Appointment as an alternate director
Mr. Vibhav Kapoor	June 30, 2009	-	Appointment
Mr. Deepak Dasgupta	June 30, 2009	-	Appointment
Mr. Deepak Satwalekar	June 30, 2009	-	Appointment
Mr. Gopi K. Arora	January 6, 2001	November 5, 2009	Demise

Corporate Governance

The provisions of the listing agreement to be entered into with the Stock Exchanges with respect to corporate governance and the SEBI Regulations in respect of corporate governance will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company has complied with the corporate governance code in accordance with Clause 49 of such listing agreement, particularly, in relation to appointment of independent Directors to our Board and constitution of the audit committee, the investor grievance committee and the remuneration committee. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our Company undertakes to take all necessary steps to continue to comply with all the requirements of Clause 49 of the listing agreement to be entered into with the Stock Exchanges.

Currently our Board has 11 Directors (excluding one alternate Director), of which the Chairman of the Board is a non-executive and independent director, and in compliance with the requirements of Clause 49 of the listing agreement, our Company has two executive Directors and nine non-executive Directors on our Board, of whom four are independent Directors.

In terms of the Clause 49 of the Listing Agreement, our Company has constituted the following committees:

(a) Audit Committee; and
(b) Shareholders' /Investors' Grievance Committee.

Audit Committee

The audit committee was constituted by the Directors at their Board meeting held on June 30, 2009 ("**Audit Committee**"). The Audit Committee comprises:

Name of the Directors	Designation
Mr. R. C. Sinha	Chairman
Mr. H.P. Jamdar	Member
Mr. Deepak Dasgupta	Member
Mr. Arun K Saha	Member

Scope and terms of reference: The Audit Committee would perform the following functions with regard to accounts and financial management:

1. Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
    a. Matters required to be included in the 'Director's Responsibility Statement' to be included in our Board's report in terms of Clause (2AA) of Section 217 of the Companies Act;
    b. Changes, if any, in accounting policies and practices and reasons for the same;

c. Major accounting entries involving estimates based on the exercise of judgment by management;
d. Significant adjustments made in the financial statements arising out of audit findings;
e. Compliance with listing and other legal requirements relating to financial statements;
f. Disclosure of any related party transactions;
g. Qualifications in the draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval, including such review as may be required for compliance with provisions of the listing agreement entered into with the Stock Exchanges;
6. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
8. Discussion with internal auditors any significant findings and follow up there on;
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;
12. To review the functioning of the 'Whistle Blower' mechanism, in case the same is existing;
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
14. The Audit Committee shall mandatorily review the following information:
    a. Management discussion and analysis of financial information and results of operations;
    b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
    c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
    d. Internal audit reports relating to internal control weaknesses; and
    e. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.

Shareholders' /Investors' Grievance Committee

The shareholders' /investors' grievance committee was constituted by the Directors at Board meeting held on June 30, 2009 ("**Shareholders' /Investors' Grievance Committee**"). The Company Secretary of our Company shall be the secretary to the Shareholders' /Investors' Grievance Committee. The Shareholders' /Investors' Grievance Committee comprises:

Name of the Directors	Designation
Mr. Arun K. Saha	Chairman
Mr. K. Ramchand, Managing Director	Member

Scope and terms of reference: The Shareholders' /Investors' Grievance Committee has been constituted to do the following acts, for which purpose it shall have the power to seek all information contained in the records of the Company and external professional advice, if necessary.

a) To approve the request for transfer, transmission, etc. of Equity Shares;
b) To approve the dematerialisation of shares and rematerialization of Equity Shares;
c) To consider and approve, split, consolidation and issuance of duplicate Equity Shares;
d) To review from time to time overall working of the secretarial department of our Company relating to the Equity Shares of our Company and functioning of the share transfer agent and other related matters.

Other Committees

In addition to the above committees, our Board has also constituted the following committees:

1. Remuneration Committee; and
2. IPO Committee.

Remuneration Committee

The remuneration committee was constituted by the Directors at Board meeting held on June 30, 2009 ("**Remuneration Committee**"). The Company Secretary of our Company shall assist the Remuneration Committee to convene its meetings and other related matters. The Remuneration Committee comprises:

Name of the Directors	Designation
Mr. Deepak Satwalekar	Chairman
Mr. Ravi Parthasarathy	Member
Mr. Hari Sankaran	Member

Scope and terms of reference: Remuneration Committee is entrusted with the power to determine our Company's policy on specific remuneration packages, including pension rights and other compensation for executive Directors and other employees of our Company. Further, the Remuneration Committee exercises powers in relation to the matters listed below and for this purpose it shall have full access to information contained in the records of our Company and external professional advice, if necessary:

a. To fix and finalise remuneration including salary perquisites, benefits, bonuses, allowances, etc.;
b. Fixed and performance linked incentives along with the performance criteria;
c. Increments and promotions;
d. Service contracts, notice period, severance fees; and
e. Ex-gratia payments.

IPO Committee

The IPO committee was constituted by the Directors at Board meeting held on May 19, 2009 ("**IPO Committee**"). The IPO Committee comprises:

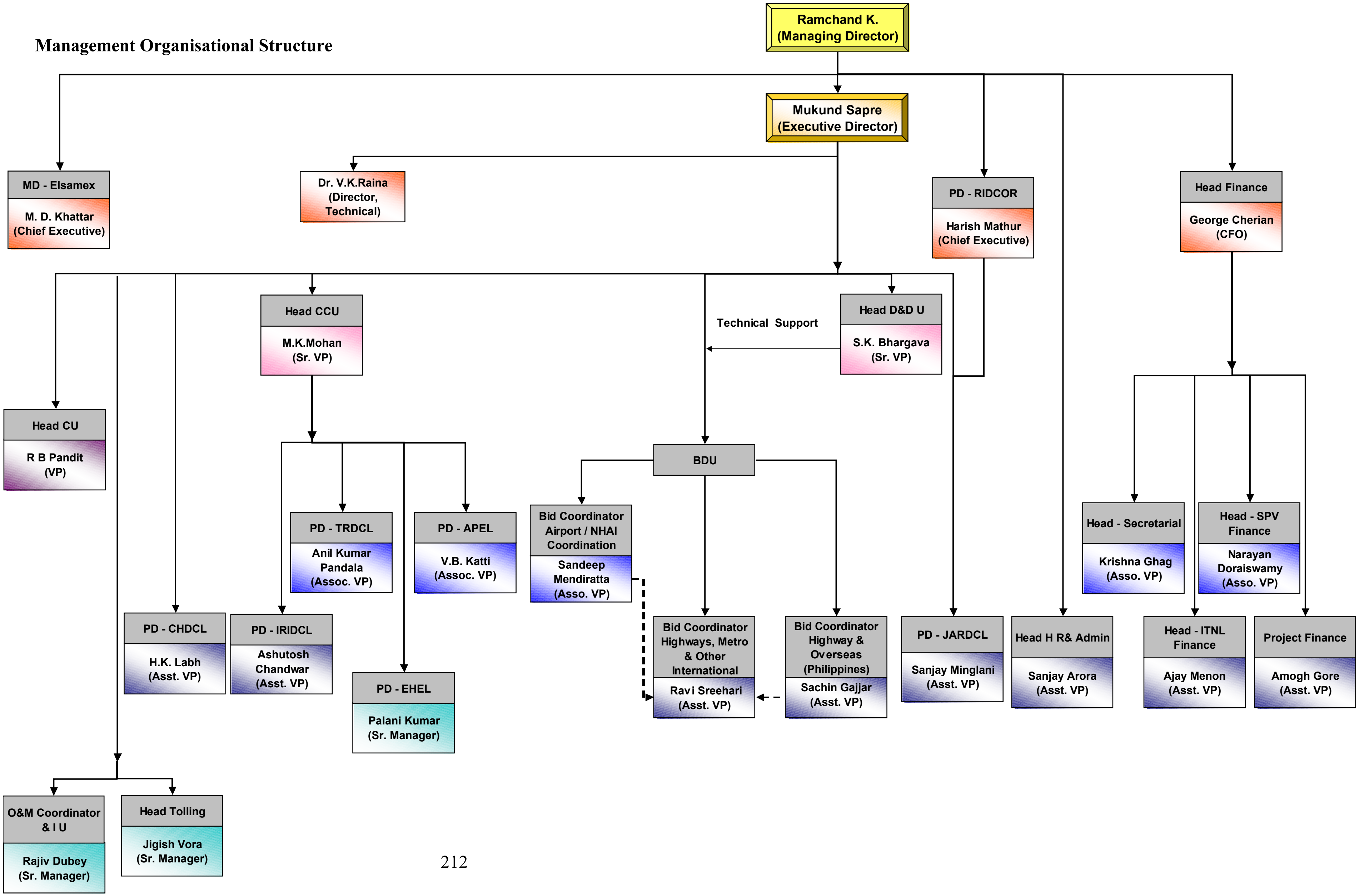
Name of the Directors	Designation
Mr. Hari Sankaran, Non-Independent Director	Chairman
Mr. Arun K Saha, Non-Independent Director	Member
Mr. K. Ramchand, Managing Director	Member

Scope and terms of reference: The IPO Committee has been constituted to approve, implement, negotiate, carry out and decide upon all activities relating to this Issue, including, preparing, approving, finalising and filing the Draft Red Herring Prospectus and this Red Herring Prospectus with SEBI, the Stock Exchanges and other regulatory bodies as may be required, approving a code of conduct and a suitable policy on insider trading, approving any corporate governance requirement, deciding on the number of Equity Shares to be offered in this Issue and appointing various intermediaries and advisors to this Issue as may be necessary including determining their remuneration, deciding on the the objects of the Issue and the estimated expense on the Issue, allocation of the Equity Shares to specific categories of persons, opening of bank accounts, securities account, escrow or custodian accounts, submitting applications and seeking listing of Equity Shares with the Stock Exchanges, seeking consent of the lenders with whom our Company has entered into various commercial agreements, determining and finalising the price band, bid opening and closing date of this Issue, approving and finalising the 'Basis of Allocation', determining the price at which the Equity Shares are to be offered to the investors, settling difficulties and doubts arising in relation to the Issue, empowering the authorized officers to enter into and execute any agreements or arrangements in relation to the Issue.

Borrowing Powers of our Board

Pursuant to a resolution passed by our shareholders dated August 29, 2008 and May 19, 2009, passed in accordance with provisions of the Companies Act, our Board has been authorized to borrow from time to time, all such sums of money for the purposes of the business of our Company, as the Board may in its discretion think fit, notwithstanding that the money or monies to be so borrowed together with the sums already borrowed by our Company (apart from the temporary loans obtained from our Company's bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of our Company and its free reserves that is to say, reserves not set apart for any specific purposes, provided however that the sums so borrowed shall not exceed Rs. 25,000 million.

Management Organisational Structure



Key Managerial Personnel

The details of our key managerial personnel as of the date of this Red Herring Prospectus are as follows:

Mr. Krishna Ghag (***Associate Vice President & Company Secretary***), aged 51 years, carries the overall responsibility of managing our Company secretarial functions, legal affairs, documentations and accounts. He has been associated with our Company since February 14, 2008. He holds a bachelor's degree in Commerce, Law and diploma in Finance Management from Bombay University and is a fellow member of the Institute of Company Secretaries. He has over 28 years of experience in the industry. Prior to joining our Company, he served Nelco Limited as its General Manager - Legal & Company Secretary during the period from 2006 to 2008. He has also been associated with Wimco Limited, Cyanamid Agro Limited, Knoll Pharmaceuticals Limited, FDC Limited and The Cresent Iron & Steel Company Limited. The remuneration paid/payable to him for Fiscal 2009 was Rs. 3.42 million, which includes contingent or deferred compensation accrued for Fiscal 2009.

Mr. M. K. Mohan (***Senior Vice President***), aged 57 years, is responsible for overall coordination for all the ongoing projects and representing the management's perspective on the same. He holds a bachelor's degree in civil engineering from Thiagaraja Engineering College, Madurai University. He has over 30 years of experience in the infrastructure and construction sector. Prior to joining our Company, he was associated with Larsen & Toubro Limited as its Deputy General Manager. He has also served as the 'Project Manager' of Asia Foundation & Construction Limited. The remuneration paid/payable to him for Fiscal 2009 was Rs. 6.32 million, which includes contingent or deferred compensation accrued for Fiscal 2009.

Mr. Rajul B. Pandit (***Vice President***), aged 53 years, is responsible for quality and safety audit of all our projects. He holds a bachelor's degree in civil engineering from L.D. Engineering College, Ahmedabad, Gujarat. He has over 30 years of technical experience in infrastructure surface transport activities. Prior to joining our Company, he was associated with the Roads & Building Department, Government of Gujarat during the period from July 24, 1978 to July 28, 2008. The remuneration paid/payable to him for Fiscal 2009 was Rs. 2.69 million, which includes contingent or deferred compensation accrued for Fiscal 2009.

Mr. Cherian George (***Chief Financial Officer***), aged 61 years, is responsible for framing of financial policies and managing the financial affairs of our Company. He holds a bachelor's degree in Science from University of Madras and is an associate member of the Institute of Chartered Accountants of India. He has over 35 years of experience in accounting and finance. Prior to joining our Company, he was associated with Bell Granito Ceramica Limited as its Vice President (Finance) during the period from June 2006 to March 2007. He has also served Wimco Limited during the period from 1975 to 2006 in various designations, including its Vice President (Corporate Finance). The remuneration paid/payable to him for Fiscal 2009 was Rs. 4.48 million, which includes contingent or deferred compensation accrued for Fiscal 2009.

Mr. Harish Mathur (***Chief Executive Officer***), aged 59 years, is responsible for negotiating, approving and overseeing the various arrangements entered into by our Company in its day-to-day business. He holds a bachelor's degree in civil engineering from J.N.V University, Jodhpur and a master's degree in highways engineering from Birmingham University, U.K. He has over 33 years of managerial and professional experience in various road construction projects. He is also the Chief Executive Officer of Road Infrastructure Development Company of Rajasthan Limited, one of our Group Companies. He has played a crucial role in the conceptualization of the 'Mega-Highways Project' road corridors in Rajasthan. Prior to joining our Company and the IL&FS group, he served as the 'Project Director' of NHAI, in charge for implementation of project units of NHAI in Jaipur & Kishangarh for more than 6 years. He has also served as the executive engineer and in other designations in the Public Works Department, 'RSBCC' for more than 20 years. The remuneration paid/payable to him for Fiscal 2009 was Rs. 8.92 million, which includes contingent or deferred compensation accrued for Fiscal 2009.

Mr. V. K. Raina (***Technical Director***), aged 69 years, is currently the technical director of our Company and responsible for, *inter alia*, procurement, planning, design, surveys, supervision and construction for in-house capacity building and for training senior engineers and policy makers in design, construction and maintenence of bridges. He holds a bachelor's degree in civil and municipal engineering from Benaras University and a master's degree as well as a Ph.D in civil engineering in 'Concrete Structures and Technology' from the Imperial College, London, U.K. He has also received training in, *inter alia*, tall buildings, bridge decks, structural analysis and contract management at the Battersea College of Technology, London, U.K, the City University, London, U.K and the Regent Street Polytechnic, London, U.K. He is a member of the India Roads Congress, New Delhi, Institution of Civil Engineers, London, U.K., Professional Engineers of Ontario, Toronto, Canada and various professional civil engineering committees dealing with drafting of codes of practice for design, construction and specifications.

He has over 40 years of experience in the industry. Prior to joining our Company in 2009, he was the technical advisor to Government of Bahrain for the Bahrain-Qatar Causeway through the Arabian Gulf from December 2003 to November 2008. He has been associated as the senior expert and consultant to the United Nations and the World Bank for nearly 15 and a half years and also has competitive practicing professional experience with International Consulting Engineers in the private sector in developed as well as developing countries. He has also completed a consultancy assignment with the African Development Bank and carried out the 'Evaluation of Bank Group Assistance to Transport Sector in Malawi' from June to September, 2002. He has designed and supervised construction of over 100,000 lane-meters of concrete bridges in different countries.

He has authored nine practical reference class books in civil engineering as well as numerous papers, technical advisories and operational procedures on construction, design, rehabilitation and monitoring of engineering services. The remuneration paid/payable to him for Fiscal 2009 was Rs. 2.02 million, which includes contingent or deferred compensation accrued for Fiscal 2009.

Mr. Sanjay Bhargava (***Vice President***), aged 46 years, is currently heading the 'design unit' of our Company and responsible for, *inter alia*, business development and providing technical support for bidding for projects. He holds a bachelor's degree in Mathematics from A.P.S University and in civil engineering from Ranchi University. He has over 20 years of experience in the industry. Prior to joining our Company in 2001, he served the Uttar Pradesh Electricity Board as an assistant engineer during the period from 1989 to 1996 and the Gaziabad Development Authority as an assistant engineer during the period from 1988 to 1989. The remuneration paid/payable to him for Fiscal 2009 was Rs. 4.32 million, which includes contingent or deferred compensation accrued for Fiscal 2009.

Mr. Ravi Sreehari (***Assistant Vice President***), aged 37 years, is responsible our business development in relation to highways, metro rails and other international projects. He holds a bachelor's degree in civil engineering from Birla Vishwakarma Mahavidyalaya, Gujarat and a master's degree in construction management from National Institute of Construction Management and Research, Pune. He also holds a diploma in 'finance management' from Narsee Monjee Institute of Management Studies, Mumbai. He has over 15 years of professional experience in the industry. Prior to joining our Company, he served Vadodara Halol Toll Road Limited as an assistant manager, Mahindra Realty & Infrastructure Developers Limited as engineering executive and Essar Projects Limited as a junior engineer. The remuneration paid/payable to him for Fiscal 2009 was Rs. 2.80 million, which includes contingent or deferred compensation accrued for Fiscal 2009.

Details of Service Contracts of our Key Managerial Personnel

Except for the terms set forth in the appointment letters, our key managerial personnel have entered into any other contractual arrangements with our Company. Details of the terms set forth in such appointment letters are as hereinbelow:

S. No.	Name	Date of Appointment	Date of expiry of term	Termination/ Retirement benefits, if any
1.	Mr. Cherian George	March 15, 2007	May 31, 2011	Not applicable
2.	Mr. Harish Mathur	August 1, 2007	September 25, 2011*	Not applicable
3.	Mr. K. Ramchand	August 13, 2009	August 13, 2013	Not applicable
4.	Mr. Krishna Ghag	February 14, 2008	September 6, 2016*	Not applicable
5.	Mr. M. K. Mohan	March 9, 2006	January 13, 2011*	Not applicable
6.	Mr. Mukund Sapre	March 1, 2002	September 14, 2017*	Not applicable
7.	Mr. Rajul B. Pandit	July 29, 2008	August 12, 2014*	Not applicable
8.	Mr. Ravi Sreehari	October 1, 2001	February 22, 2030*	Not applicable
9.	Mr. Sanjay Bhargava	May 18, 2001	December 25, 2021*	Not applicable
10.	Mr. V. K. Raina	January 1, 2009	January 1, 2012	Not applicable

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* *Date of retirement*

Except Mr. V.K. Raina and Mr. Cherian George, all the key managerial personnel of our Company are on the rolls of our Company. Further, all the key managerial personnel mentioned above are officers of our Company vested with executive powers and function at a level immediately below the Board.

Interest of Key Managerial Personnel

Except as disclosed below, none of our key managerial personnel have any interest in our Company and/or our Subsidiaries other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of Equity Shares held by them in our Company and/or our Subsidiaries.

Set forth below are our key managerial personnel who are directors in our Subsidiaries:

S. No.	Name*	Directorships
1.	Mr. Krishna Ghag	o Hazaribagh Ranchi Expressway Limited; o Moradabad Bareilly Expressway Limited; and o Pune Sholapur Road Development Company Limited
2.	Mr. M. K. Mohan	o ITNL Road Infrastructure Development Company Limited; o West Gujarat Expressway Limited; o Hazaribagh Ranchi Expressway Limited; and o Pune Sholapur Road Development Company Limited.
3.	Mr. Harish Mathur	o ITNL Road Infrastructure Development Company Limited; o West Gujarat Expressway Limited; o East Hyderabad Expressway Limited; o Elsamex India Private Limited; o Yala Construction Co Private Limited o Hazaribagh Ranchi Expressway Limited; and o Pune Sholapur Road Development Company Limited.
4.	Mr. Ravi Sreehari	o Vansh Nimay Infraprojects Limited; and o Moradabad Bareilly Expressway Limited.
5.	Mr. Cherian George	o East Hyderabad Expressway Limited; o West Gujarat Expressway Limited; o ITNL Road Infrastructure Development Company Limited; o ITNL Enso Rail Systems Limited; o Gujarat Road and Infrastructure Company Limited; o Vansh Nimay Infraprojects Limited; and o Elsamex India Private Limited.
6.	Dr. V. K. Raina	o Hazaribagh Ranchi Expressway Limited; and o Pune Sholapur Road Development Company Limited.
7.	Mr. Sanjay Bhargava	o Hazaribagh Ranchi Expressway Limited.

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* *Details regarding the directorships of Mr. K. Ramchand and Mr. Mukund Gajanan Sapre have been provided under "Our Board".*

For further details, see the section titled "History and Certain Corporate Matters" on page 148.

Shareholding of the Key Managerial Personnel

Except as stated hereinbelow, none of our key managerial personnel holds Equity Shares in our Company.

S. No	Name of Key Managerial Person	Number of Equity Shares
1.	Mr. K. Ramchand*	1
2.	Mr. Krishna Ghag*	2

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* *Holding jointly with IL&FS (IL&FS being the first holder).*

Changes in our Key Managerial Personnel

The changes in our key managerial personnel during the last three years are as follows:

Name	Date of Appointment	Date of Cessation	Reason
Mr. Manu Trivedi	March 1, 2002	August 1, 2008	Cessation due to transfer to another member of the IL&FS group
Mr. Pranavat Sharma	January 4, 2007	April 18, 2008	Resignation
Mr. Cherian George	March 15, 2007	-	Appointment
Mr. S. Saravanavel	April 12, 2007	January 31, 2009	Resignation
Mr. V.B. Katti	May 11, 2007	-	Appointment
Mr. Satish Kumar Verma	June 11, 2007	-	Appointment
Mr. Harish Mathur	August 1, 2007	-	Appointment
Mr. V. Manimaran	October 18, 2007	-	Appointment
Mr. T. C. Pant	November 14, 2007	-	Appointment
Mr. S. C Mittal	January 25, 2008	September 1, 2008	Cessation due to transfer to another member of the IL&FS group
Mr. Krishna Ghag	February 14, 2008	-	Appointment
Mr. Sanjiv Rai	April 7, 2008	-	Appointment
Mr. Rajul B. Pandit	July 29, 2008	-	Appointment
Mr. V. K. Raina	January 1, 2009	-	Appointment
Mr. Narayanan Doraiswamy	April 27, 2009	-	Appointment
Mr. Naresh Sasanwar	March 1, 2002	December 10, 2009	Resignation

Bonus or profit sharing plan for the key managerial personnel

There is no separate bonus or profit sharing plan for our key managerial personnel by our Company.

Scheme of Employee Stock Option or Employee Stock Purchase

Our Company does not have any scheme of employee stock option or employee stock purchase.

Payment of benefit to officers of our Company (non-salary related)

No amount or benefit has been paid or given to any officer of our Company within the two preceding years from the date of filing of this Red Herring Prospectus or is intended to be paid, other than in the ordinary course of their employment.

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation.

None of the beneficiaries of loans, and advances and sundry debtors are related to the Directors of our Company.

Loans taken by Directors / Key Managerial Personnel as on March 31, 2009

Except for an unsecured loan of Rs. 0.08 million (as on March 31, 2009) availed by Mr. Mukund Gajanan Sapre and an unsecured loan of Rs. 0.22 million (as on March 31, 2009) availed by Mr. Sanjay Bhargava from our Company, our Directors and key managerial personnel have not taken any loan from our Company.

Arrangements and understanding with major shareholders

None of our key managerial personnel or Directors have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

Turnover of our key managerial personnel

The turnover of our key managerial personnel is comparable to the surface transportation infrastructure sector.

OUR PROMOTER AND PROMOTER GROUP

Our Promoter

IL&FS is the promoter of our Company since its incorporation.

IL&FS

IL&FS was incorporated on September 3, 1987, under the Companies Act and received the certificate of commencement of business on October 13, 1987. Its CIN is U65990MH1987PLC044571. The registered office of IL&FS is situated at 'The IL&FS Financial Centre', Plot No C 22, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051, India.

IL&FS is engaged in the business of commercialisation of infrastructure projects through formulation of commercially viable schemes in conjunction with public and private sector project sponsors. It is also involved in project development and infrastructure advisory services.

Pursuant to the schemes of reorganisation as approved by the High Court of Bombay through its orders dated September 28, 2007 and April 11, 2008, all financial services business including lending, syndication and advisory have been transferred to IL&FS Financial Services Limited, capital market related activities have been transferred to IL&FS Securities Services Limited and portfolio related activities have been transferred to IL&FS Portfolio Management Services Limited.

Shareholding Pattern

Set forth below is the shareholding pattern of IL&FS as on February 5, 2010.

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
LIC	27,986,818	25.25
ORIX Corporation, Japan	25,542,452	23.05
HDFC	14,049,500	12.68
Abu Dhabi Investment Authority	13,653,417	12.32
IL&FS EWT and others*	10,560,873	9.53
Central Bank of India	9,843,386	8.88
SBI	8,237,967	7.44
UTI Unit Linked Insurance Plan-UTI Asset Management Company Private Limited	946,000	0.85
Total	**110,820,413**	**100.00**

* *IL&FS has issued 5,362,278 warrants in three series, namely, Series 'A', 'B' and 'C' of 1,787,426 warrants each to **IL&FS EWT**. Each warrant is convertible into an equity share of Rs 10 each, at a premium of Rs 75.06 per such equity share. IL&FS EWT has the option to convert the warrants in three consecutive Fiscals, namely, Fiscals 2008, 2009 and 2010. Series A of the warrants was converted into 1,787,426 equity shares of Rs 10 each on March 31, 2008. This has resulted in increase in the paid-up equity capital of the company from Rs 1,072.46 million to Rs 1,090.33 million. Series B of the warrants was converted into 1,787,426 equity shares of Rs 10 each on March 31, 2008. This has resulted in increase in the paid-up equity capital of the company from Rs. 1,090.33 to Rs. 1,108.20 million.*

Except for the issuance of 1,362,912 equity shares in favour of IL&FS EWT on June 30, 2009, such equity shares being partly paid up to the extent of Re. 1 each, there has not been any change in the capital structure of IL&FS in the last six months.

Board of Directors

The board of directors of IL&FS currently comprises of:

1. Mr. Ravi Parthasarathy;
2. Mr. Hari Sankaran;
3. Mr. Arun K Saha;
4. Mr. D.K. Mehrotra;
5. Mr. Sushobhan Sarkar;

6. Mr. Yoshihiko Miyauchi;
7. Mr. Makoto Inoue;
8. Mr. Sanjeev Doshi;
9. Mr. K.M. Mistry;
10. Mr. Ramnath Pradeep;
11. Mr. Santosh B. Nayar;
12. Mr. R.C. Bhargava;
13. Mr. S.B. Mathur;
14. Mr. Michael Pinto;
15. Mr. Makoto Shioda (alternate director to Mr. Yoshihiko Miyauchi); and
16. Mr. Hideo Ichida (alternate director to Mr. Makoto Inoue).

Financial Performance

The audited financial results of IL&FS for Fiscals 2009, 2008 and 2007 are set forth below:

(In Rs. million, except per share data)

	Fiscal 2009	**Fiscal 2008***	**Fiscal 2007**
Sales and other income	9,241.34	8,812.04	12,520.88
Profit/ (Loss) after tax	3,146.81	4,796.49	4,130.57
Equity capital	1,108.20	1,090.33	1,072.46
Reserves and Surplus (excluding revaluation reserves) (1)	17,177.23	14,462.21	10,611.48
Earnings/ (Loss) per share (diluted) (Rs.) (2)	28.54	43.23	37.92
Book value per equity share (Rs.) (2)	165.00	142.64	108.95

(1) Net of miscellaneous expenditure not written off.
(2) Face value of each equity share is Rs. 10.
** Figures are after the scheme of reorganisation as approved by the High Court of Bombay through its orders dated September 28, 2007 and April 11, 2008*

The equity shares of IL&FS are not listed on any stock exchange and it has not made any public or rights issue in the preceding three years. It has not become a sick company within the meaning of SICA nor is it subject to a winding-up order or petition. It does not have negative Net Worth.

Details of Promoters of IL&FS

IL&FS was initially promoted by the Central Bank of India, HDFC and erstwhile Unit Trust of India ("**UTI**"). Over the years, IL&FS has broad-based its shareholding and the current institutional shareholders include LIC, SBI, ORIX Corporation, Japan, Abu Dhabi Investment Authority. IL&FS is a professionally managed company as on the date of filing of this Red Herring Prospectus.

Change in management of IL&FS

There has not been any change in control or management of IL&FS in the past three years.

Other Undertakings and Confirmations

Our Company undertakes that the details of the PAN, bank account numbers, CIN and the address of the relevant registrar of companies will be submitted to the Stock Exchanges at the time of submission of this Red Herring Prospectus with the Stock Exchanges.

Additionally, except for those disclosed in the sections titled "Outstanding Litigation and Material Developments", "Other Regulatory and Statutory Disclosures" and "Risk Factors" on pages 331, 395 and xii, respectively, there are no violations of securities laws committed by our Promoter, IL&FS, any member of our Promoter Group or any Group Company, in the past or are currently pending against them and neither IL&FS, nor the directors of IL&FS or the persons in control of IL&FS have been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority nor have they been detained as wilful defaulters by the RBI or any other governmental authority.

Outstanding Litigations

There are no outstanding litigations against IL&FS except as disclosed in the sections titled "Risk Factors" and "Outstanding Litigation and Material Developments" on pages xii and 339, respectively.

Disassociation by the Promoter in the last three years

Other than as disclosed below, there are no other ventures with which IL&FS has disassociated during the three years preceding the date of filing of this Red Herring Prospectus.

S. No.	Name of the company	Reasons for, circumstances leading to the disassociation and terms of disassociation
1	Colliers International (India) Property Services Private Limited	IL&FS has sold its entire stake of 15% in the company to Colliers International (Mauritius) Limited during December 2005 for commercial reasons
2	Dronagiri Infrastructure Private Limited	IL&FS has sold its entire stake of 26.06% in the company to SKIL SEZ Infrastructure Holdings Private Limited during September 2005 for commercial reasons
3	Rewas Port Development Company Limited	IL&FS has sold its entire stake 7.13% in the company to Amma Lines Limited during September 2006 for commercial reasons
4	Vishakapatanam Industrial Water Supply Company Limited	IL&FS has sold its entire stake of 4.69% in the company to Andhra Pradesh Industrial Infrastructure Corporation Limited during January 2007 for commercial reasons
5	BVM Finance Limited	IL&FS has sold its entire stake of 13.32% in the company to ORIX Auto Infrastructure Services Limited during March 2007 for commercial reasons
6	Simron Pharmaceuticals Industries Limited	IL&FS has sold its entire stake of 23.71% in the company to Sunlime Impex Private Limited during March 2008 for commercial reasons
7	Tamil Nadu Urban Infrastructure Financial Services Company Limited*	IL&FS has transferred its entire stake of 15% in the company to IFIN for commercial reasons
8	Tamil Nadu Urban Infrastructure Trustee Company Limited*	IL&FS has transferred its entire stake of 15% in the company to IFIN for commercial reasons
9	National Institute for Smart Government*	IL&FS has transferred its entire stake of 17% in the company to IFIN for commercial reasons
10	Triton Overwater Transport Agency Limited*	IL&FS has transferred its entire stake of 20.77% in the company to IFIN for commercial reasons
11	IPF Online Limited*	IL&FS has transferred its entire stake of 13.11% in the company to IFIN for commercial reasons
12	North East Tourism Development Company Private Limited**	IL&FS has sold its entire stake of 49.98% in the company to IL&FS IIDC Fund during March 2008 for commercial reasons
13	Uttarakhand Infra Projects Company Private Limited**	IL&FS has sold its entire stake of 50% in the company to IL&FS IIDC Fund during March 2008 for commercial reasons
14	Free Trade Warehousing Private Limited**	IL&FS has sold its entire stake of 49.98% in the company to IL&FS IIDC Fund during March 2008 for commercial reasons
15	Bengal Integrated Infrastructure Development Limited**	IL&FS has sold its entire stake of 50% in the company to IL&FS IIDC Fund during March 2008 for commercial reasons
16	Bodoland Infrastructure Development Company Private Limited**	IL&FS has sold its entire stake of 50% in the company to IL&FS IIDC Fund during March 2008 for commercial reasons
17	Infrastructure Development Corporation of Assam Limited**	IL&FS has sold its entire stake of 50% in the company to IL&FS IIDC Fund during March 2008 for commercial reasons
18	HSBC InvestDirect Securities (India) Limited, formerly, IL&FS Investsmart Securities Limited	IL&FS has sold its entire stake of 29.36% in the company to HSBC Securities & Capital Markets (India) Private Limited during September 2008 for commercial reasons
19	Integrated Infra Log Private Limited **	IL&FS has sold its entire stake of 50% in the company to IL&FS IIDC Fund during July 2008
20.	Iridium India Telecom Limited	IL&FS has sold its entire stake of 20.04% in the company to ITCL (as trustee to and in the account of IL&FS

S. No.	Name of the company	Reasons for, circumstances leading to the disassociation and terms of disassociation
		Infrastructure Equity Fund) during June 2009 for strategic reasons.
21.	Tamil Nadu Road Development Company Limited	IL&FS has sold its entire stake of 1% in the company to TIDEL Park Limited during November 2009 for strategic reasons.
22.	IL&FS Cluster Development Initiative Limited	IL&FS has sold its entire stake of 41.67% in the company to IL&FS Education & Technology Services Limited during January 2010 for strategic reasons.

* *IL&FS has transferred its stake in these Companies to IFIN, pursuant to the approval of the Scheme of Arrangement between the company and IFIN by High Court, Bombay, the effective date of the Scheme being April 1, 2007.*
** *With a view to consolidate its infrastructure investments strategically, IL&FS has transferred these investments to IL&FS IIDC Fund.*

Common pursuits of our Promoter

IL&FS is engaged in the business of development of infrastructure projects through formulation of commercially viable schemes in conjunction with public and private sector project sponsors. IL&FS has promoted our Company for domiciling all surface transport assets of the IL&FS group and acts as a surface transport vertical of the IL&FS group.

Our Promoter does not have any common pursuits or is engaged in businesses similar to those carried out by our Company, except the fact that IL&FS is involved in certain infrastructure projects being undertaken by our Company or certain of our SPVs and is a party to certain agreements in relation to some of our projects. Except as mentioned in the sections titled "Our Business" and "History and Certain Corporate Matters" and "Risk Factors" on pages 70, 145 and xviii, respectively, IL&FS is not directly involved in any activities similar to those conducted by our Company. Further, Our Promoter, IL&FS, is currently in the process of acquiring control over a company which may be engaged, among other businesses, in the same line of business as our Company. We shall adopt the necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise. For details of activities undertaken by our Group Companies which are directly or indirectly promoted by IL&FS to the extent that they are similar to those being undertaken or intended to be undertaken by us, see the section titled "Our Group Companies - Common pursuits of our Group Companies and Conflict of Interest" on page 296.

Interest of Promoter in promotion of our Company

Our Company is promoted by IL&FS in order to consolidate their existing road infrastructure projects and to pursue various new project initiatives in the area of surface transportation infrastructure. IL&FS is interested in our Company as mentioned above under the section titled "Our Promoter and Promoter Group – Common Pursuits of our Promoter" and to the extent of its shareholding in our Company and the dividend declared, if any, by our Company.

Further, Mr Ravi Parthasarathy, Chairman, Mr Hari Sankaran, the Managing Director and Chief Executive Officer and Mr Arun K Saha, Joint Managing Director are also members of our Board.

Interest of Promoter in the property of our Company

IL&FS has confirmed that except the premises where our Registered and Corporate Office is located and which has been leased to us, it does not have any interest in any property acquired by our Company within two years preceding the date of this Red Herring Prospectus or proposed to be acquired by our Company**.** Further, other than as mentioned in the sections titled "Our Business", IL&FS does not have any interest in the construction of any building or supply of any machinery.

Payment of amount or benefits to our Promoter during the last two years

We have entered into certain call option and other agreements with our Promoter and certain Group Companies, pursuant to which certain payments are required to be made by us to our Promoter. IL&FS is also involved in certain infrastructure projects being undertaken by our Company or certain of our SPVs and will receive amounts as and when any distributions are made by such SPVs. Further, we have obtained certain loan facilities pursuant to which we are required to make certain interest payments in addition to repayment of the principal amounts. Certain of such principal amounts are intended to be paid out of a portion of the Net Proceeds. The premises where our Registered and Corporate Office is located has been leased to us by our Promoter and certain lease rent payments are made by our Company to IL&FS. Except as stated in the sections titled "Our Business", "Objects of the Issue", "History and Certain Corporate Matters", "Financial Indebtedness" and "Financial Statements - Related Party Transactions" on pages 70, 40, 145, 324 and F-43, respectively, no amount or benefits were paid or were intended to be paid to IL&FS during the last two years from the date of filing of this Red Herring Prospectus.

Interest of Promoter in our Company other than as promoter

Except as mentioned in this section and the sections titled "Our Business", "Objects of the Issue", "History and Certain Corporate Matters", "Financial Indebtedness" and "Related Party Transactions" on pages 70, 40, 145, 324 and F-43, respectively, IL&FS, does not have any interest in our Company other than as a promoter.

Related Party Transactions

Except as stated in the section titled "Related Party Transactions" on page 298, our Company has not entered into related party transactions with IL&FS or our Group Companies.

Promoter Group entities

In addition to IL&FS and our Subsidiaries, the following entities form a part of our Promoter Group.

S. No.	Name of Promoter Group companies/ entities
Promoter Group companies	
1.	Life Insurance Corporation of India
2.	Housing Development Finance Corporation Limited
3.	Abu Dhabi Investment Authority
4.	ORIX Corporation
5.	IL&FS Investment Managers Limited
6.	Bihar e-Governance Services & Technologies Limited
7.	Chhattisgarh Highway Development Company Limited
8.	Delhi Mumbai Industrial Corridor Development Corporation Limited
9.	Dighi Port Limited
10.	Dighi Project Development Company Limited
11.	Gorakhpur Expressway Limited
12.	Gujarat International Finance Tec-City Company Limited
13.	Greater Noida Integrated Warehousing Private Limited
14.	Haldia Integrated Development Agency Limited
15.	IL&FS Asian Infrastructure Managers Limited
16.	IL&FS Ecosmart Limited
17.	IL&FS Energy Development Company Limited
18.	IL&FS Financial Services Limited
19.	IL&FS Hydro Energy Limited
20.	Integrated Electronic Waste Management and Recycling Limited
21.	IL&FS Infrastructure Development Corporation Limited
22.	IL&FS Urban Infrastructure Managers Limited
23.	IL&FS Maritime Infrastructure Company Limited
24.	IL&FS Property Management & Services Limited
25.	IL&FS Portfolio Management Services Limited
26.	IL&FS Renewable Energy Limited
27.	IL&FS Securities Services Limited
28.	IL&FS Tamil Nadu Power Company Limited
29.	IL&FS Trust Company Limited
30.	IL&FS Technologies Limited
31.	IL&FS Waste Management and Urban Services Limited
32.	Integrated Waste Management and Urban (Tamil Nadu) Private Limited
33.	IL&FS Urban Infrastructure Services Limited
34.	IL&FS Wind Farms Limited

S. No.	Name of Promoter Group companies/ entities
35.	IL&FS Water Limited
36.	IL&FS Wind Power Limited
37.	India Telecom Infra Limited
38.	Jharkhand Accelerated Road Development Company Limited
39.	Kanak Resources Management Limited
40.	Karnataka Enterprise Solutions Limited
41.	Khambhat Port Limited
42.	Mangalore SEZ Limited
43.	MPPL Enterprises Limited
44.	MP Toll Roads Limited
45.	New Tirupur Area Development Corporation Limited
46.	ORIX Auto Infrastructure Services Limited
47.	OVIRA Logistics Limited
48.	PDCOR Limited
49.	Power Grid IL&FS Transmission Private Limited
50.	SAIL Salem SEZ Private Limited
51.	Tamil Nadu Water Investment Company Limited
52.	Road Infrastructure Development Company of Rajasthan Limited
53.	Orissa e-Governance Services Limited
54.	Sealand Ports Private Limited
55.	Sealand Warehousing Private Limited
56.	Avash Logistic Park Private Limited
57.	Integrated Rubplas Waste Solutions Limited
58.	Urban Mass Transit Company Limited
59.	ONGC Tripura Power Company Limited
60.	Maytas Infra Limited
61.	Jharkhand Road Projects Implementation Company Limited
Foreign companies in which IL&FS has direct/indirect holding	
62.	IL&FS Investment Advisors LLC
63.	IL&FS Maritime Offshore Pte Limited
64.	IL&FS Singapore Asset Management Company Pte Limited
65.	IL&FS Nepal Infrastructure Development Company Private Limited
66.	IL&FS Global Financial Services Pte Limited
67.	IL&FS Offshore Natural Resources Pte Limited
68.	IL&FS Global Financial Services (UK) Limited
69.	AIG Indian Equity Advisors LLC

Shareholding of the Promoter Group in our Company

Except as stated in the section titled "Capital Structure" on page 35, none of the members of our Promoter Group held any Equity Shares as on the date of filing of this Red Herring Prospectus.

Litigation

For information on details relating to the litigation in relation to the members of our Group Companies, see the section titled "Outstanding Litigation and Material Developments" on page 349.

OUR GROUP COMPANIES

Besides our Subsidiaries, the following members are companies, firms and ventures promoted by IL&FS:

S. No.	Name of Group Company
Listed Group Companies	
1.	IL&FS Investment Managers Limited
2.	Noida Toll Bridge Company Limited
3.	Maytas Infra Limited
Two largest unlisted Group Companies (based on their turnovers)	
4.	IL&FS Financial Services Limited
5.	ORIX Auto Infrastructure Services Limited
Other Group Companies	
6.	IL&FS Securities Services Limited
7.	Bihar e-Governance Services & Technologies Limited
8.	Chhattisgarh Highway Development Company Limited
9.	Delhi Mumbai Industrial Corridor Development Corporation Limited
10.	Dighi Port Limited
11.	Gorakhpur Expressway Limited
12.	Gujarat International Finance Tec-City Company Limited
13.	Greater Noida Integrated Warehousing Private Limited
14.	IL&FS Asian Infrastructure Managers Limited
15.	IL&FS Infrastructure Development Corporation Limited
16.	IL&FS Ecosmart Limited
17.	IL&FS Energy Development Company Limited
18.	IL&FS Hydro Energy Limited
19.	Integrated Electronic Waste Management and Recycling Limited
20.	IL&FS Urban Infrastructure Managers Limited
21.	IL&FS Maritime Infrastructure Company Limited
22.	IL&FS Property Management & Services Limited
23.	IL&FS Portfolio Management Services Limited
24.	IL&FS Renewable Energy Limited
25.	IL&FS Tamil Nadu Power Company Limited
26.	IL&FS Trust Company Limited
27.	IL&FS Technologies Limited
28.	IL&FS Waste Management and Urban Services Limited
29.	Integrated Waste Management and Urban (Tamil Nadu) Private Limited
30.	IL&FS Urban Infrastructure Services Limited
31.	IL&FS Wind Farms Limited
32.	IL&FS Water Limited
33.	IL&FS Wind Power Limited
34.	India Telecom Infra Limited
35.	Jharkhand Accelerated Road Development Company Limited
36.	Kanak Resources Management Limited
37.	Karnataka Enterprise Solutions Limited
38.	Khambhat Port Limited
39.	Mangalore SEZ Limited
40.	MPPL Enterprises Limited
41.	MP Toll Roads Limited
42.	New Tirupur Area Development Corporation Limited
43.	OVIRA Logistics Limited
44.	PDCOR Limited
45.	Power Grid IL&FS Transmission Private Limited
46.	SAIL Salem SEZ Private Limited
47.	Tamil Nadu Water Investment Company Limited
48.	Road Infrastructure Development Company of Rajasthan Limited
49.	Orissa e-Governance Services Limited
50.	Sealand Ports Private Limited
51.	Sealand Warehousing Private Limited
52.	Avash Logistic Park Private Limited
53.	Integrated Rubplas Waste Solutions Limited
54.	Urban Mass Transit Company Limited

S. No.	Name of Group Company
55.	IL&FS Investment Advisors LLC
56.	IL&FS Maritime Offshore Pte Limited
57.	IL&FS Singapore Asset Management Company Pte Limited
58.	IL&FS Nepal Infrastructure Development Company Private Limited
59.	IL&FS Global Financial Services Pte Limited
60.	IL&FS Offshore Natural Resources Pte Limited
61.	IL&FS Global Financial Services (UK) Limited
62.	IL&FS Education & Technology Services Limited
63.	IL&FS Infrastructure Equity Fund
64.	IL&FS Investment Trust – I
65.	IL&FS Investment Trust – II
66.	IL&FS Investment Trust – IV
67.	IL&FS Investment Trust – V
68.	IFIN Realty Trust
69.	IL&FS IIDC Fund
70.	Tara India Fund III Trust
71.	Urjankur Nidhi Trust
72.	Pan Asia Project Development Fund
73.	Tamil Nadu Infotech Fund
74.	Infrastructure Leasing & Financial Services Realty Fund
75.	Leverage India Fund
76.	IL&FS ORIX Trust
77.	IL&FS Employees' Welfare Trust
78.	Jharkhand Road Projects Implementation Company Limited

Listed Group Companies

1. IL&FS Investment Managers Limited ("IIML")

IIML was incorporated on February 10, 1986, under the Companies Act and obtained the certificate for commencement of business on March 6, 1986. Its CIN is L65999MH1986PLC147981. The registered office of IIML is situated at 'The IL&FS Financial Centre', Plot No C 22, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051, India. Presently, IIML is engaged in the business of fund management.

IIML was originally incorporated as 'Creditcapital Venture Fund (India) Limited'. IL&FS took over the management of IIML in September 1996, pursuant to which its name was changed to 'IL&FS Venture Corporation Limited' and a fresh certificate of incorporation was issued on April 23, 1997. Subsequently, the name of the company was again changed to its 'IL&FS Investment Managers Limited' and a fresh certificate of incorporation was issued on July 29, 2002.

Pursuant to a shareholders' resolution dated March 19, 2004, registered office of IIML was shifted to its present address at 'The IL&FS Financial Centre', Plot No C 22, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, India.

Shareholding Pattern

The equity shares of the IIML are listed on the NSE and the BSE. The shareholding pattern of IIML as on December 31, 2009 is as follows:

Sr. No.	Name of the Shareholder	No. of Equity Shares	%
(1)	IL&FS	105,055,435	51.94
(2)	IVC Employees Welfare Trust	102,790	0.05
(3)	Other Bodies Corporate	12,665,426	6.26
(4)	Banks	6,845	0.00
(5)	Public	67,444,575	33.35
(6)	NRI	1,472,054	0.73
(7)	Foreign Institutional Investors	10,248,346	5.07
(8)	Foreign Mutual Fund	4,550,000	2.25
(9)	Government Nominees	375	0.00
(10)	Foreign Nationals	500	0.00

Sr. No.	Name of the Shareholder	No. of Equity Shares	%
(11)	Mutual Funds	487,553	0.24
(12)	Clearing Members	210,446	0.11
	Total	**202,244,345**	**100.00**

Except for the sub-division of the face value of the equity shares from Rs. 10 per share to Rs. 2 per share and allottment of 3,308,240 equity shares on exercise of options granted under the 'Employees Stock Option Plans' on November 30, 2009, there has been no change in the capital structure of IIML in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of IIML currently comprises of:

1. Mr. S. M. Datta;
2. Mr. Ravi Parthasarathy;
3. Mr. Bansi S. Mehta;
4. Mr. Arun K. Saha;
5. Mr. Vibhav Kapoor;
6. Mr. Shahzaad Dalal;
7. Dr. Archana Hingorani; and
8. Mr Alok Bhargava.

Financial performance

The audited financial results of IIML for Fiscals 2009, 2008 and 2007 are set forth below:

(In Rs. million, except per share data)

	Fiscal 2009	Fiscal 2008	Fiscal 2007
Sales and other income	1,009.39	825.54	503.26
Profit/ (Loss) after tax	366.37	280.34	173.01
Equity capital	397.89	265.27	257.11
Reserves and Surplus (excluding revaluation reserves) (1)	227.74	319.83	131.42
Earnings/ (Loss) per share (basic) (Rs.)	9.21	10.82	7.11
Earnings/ (Loss) per share (diluted) (Rs.) (2)	9.01	10.52	6.75
Net asset value (Rs.) (2)	15.72	22.06	15.11

(1) Net of miscellaneous expenditure not written off.
(2) Face value of each equity share is Rs. 10

Significant notes of auditors for Fiscal 2007

The significant notes as appearing in the report of the auditor for the Fiscal 2007, are reproduced hereinebelow:

"(5) In respect of contracts or arrangements entered in the register maintained in pursuance of section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanation given to us:

a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered into the register, maintained under the said section have been so entered.
b) There were no transactions in excess of Rs. 5 lakhs in respect of any party.

(9) In respect of statutory dues:

a) According to the information and explanations given to us, the Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Cess and other material statutory dues with the appropriate authorities during the year.

b) According to the information and explanations given to us, details of disputed Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax and Cess which have not been deposited as on March 31, 2007 on account of dispute is given below:

Nature of the statute	Nature of the dues	Amount (Rs. Lakhs)	Period of which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	49.68	2003-2004	CIT (Appeals)

"

Significant notes of auditors for Fiscal 2008

The significant notes as appearing in the report of the auditor for the Fiscal 2008, are reproduced hereinebelow:

"(viii) According to the information and explanation given to us in respect of statutory dues:

(a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Cess and any other material statutory dues with the appropriate authorities during the year. There were no undisputed amounts payable on account of the above dues, outstanding as at March 31, 2008 for a period of more than six months from the date they became payable.

(b) Details of disputed Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax and Cess which have not been deposited as on March 31, 2008 on account of dispute is given below:"

Nature of the statute	Nature of the dues	Amount (Rs. Lakhs)	Period of which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	155.13	2002-2005	CIT (Appeals)

Significant notes of auditors for Fiscal 2009

The significant notes as appearing in the report of the auditor for the Fiscal 2009, are reproduced hereinebelow:

"In respect of statutory dues:

(c) In our opinion and according to the information given to us, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Cess and other material statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, there were no undisputed amounts payable on account of the above dues, outstanding as at March 31, 2009 for a period of more than six months from the date they became payable.

(d) According to the information and explanations given to us, details of disputed Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax and Cess which have not been deposited as on March 31, 2009 on account of dispute is given below:"

Nature of the statute	Nature of the dues	Amount (Rs. Lakhs)	Period of which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	200.92	2002-2007	CIT (Appeals)

Share Quotation

The highest and lowest market price of IIML during the preceding six months is as given below:

Period	Highest (Rs)	Lowest (Rs)
January 2010	49.50*	39.80*

Period	Highest (Rs)	Lowest (Rs)
December 2009	53.90 *	41.05 *
November 2009	50.20 *	37.10 *
October 2009	54.80 *	40.10 *
September 2009	282.20 **	46.55 *
August 2009	275.00 **	157.55 **

* Post Split
** Pre Split

The equity share price of IIML one day prior to the filing of this Red Herring Prospectus was Rs. 41.50.

Promise v. Performance

IIML had undertaken a rights issue amounting to Rs. 180.9 million in 1994. As such rights issue was undertaken prior to 10 years immediately preceding the date of filing of this Red Herring Prospectus, details in relation to achievements of all the objects mentioned in the offer document are not required to be disclosed.

Mechanism for disposal of investor grievance

IIML has appointed Link Intime India Private Limited as its registrar and share transfer agent. The investor complaints are redressed by Link Intime India Private Limited. The investor grievances are dealt within 30 days of the receipt of the complaint. As on June 30, 2009, there are no investor grievances pending. During the year ended March 31, 2009, the company received a total of 152 complaints which were resolved within the stipulated time period. As on December 31, 2009, there was one investor complaint pending resolution and the same has since been resolved.

2. Noida Toll Bridge Company Limited ("NTBCL")

NTBCL was incorporated on April 8, 1996, under the Companies Act and obtained the certificate of commencement of business on January 21, 1997. Its CIN is L45101UP1996PLC019759. The registered office of NTBCL is situated at the Toll Plaza, DND Flyway, opposite sector 15A, NOIDA 201 301, Uttar Pradesh. NTBCL is presently engaged in the business of operating and maintaining the 'Delhi NOIDA Bridge' across river Yamuna on a BOOT basis.

Initially, the registered office of NTBCL was situated at Philibhit House, 2nd Floor, 6, Shahnajaf Road, Lucknow 226001, India. Pursuant to a shareholders' resolution dated April 28, 1999 the registered office of NTBCL was shifted to Sector 15A, near Apeejay School, NOIDA 201 301, India. Subsequently, pursuant to a resolution dated April 26, 2001, the registered office was shifted to Toll Plaza, DND Flyway, Opposite Sector 15A, NOIDA 201 301, India. Thereafter, pursuant to a resolution dated May 27, 2003, the registered office was shifted to 205, Ocean Plaza, Sector 18, NOIDA. Again by a resolution dated March 24, 2004, the registered office was shifted to its present address at Toll Plaza, DND Flyway, Opposite Sector 15 A, NOIDA 201 301, India.

Shareholding Pattern

The equity shares of NTBCL are listed on the BSE and NSE and the Global Depository Receipts of NTBCL are listed on the Alternative Investment Market of the London Stock Exchange. The shareholding pattern of NTBCL on December 31, 2009 is as follows:

Category of shareholder	Total number of shares	% to Capital
Promoter Shareholding		
IL&FS	1,900,000	1.02
Our Company	47,195,007	25.35
Total Promoter Shareholding	49,095,007	26.37
Public shareholding		
Mutual Funds/UTI	19,421,046	10.43
Financial Institutions/ Banks	50,000	0.03

Category of shareholder	Total number of shares	% to Capital
Central Government / State Government – NOIDA	10,000,000	5.37
Venture Capital Funds	1,000	Negligible
Insurance Companies	12,223,080	6.56
Foreign Institutional Investors	16,689,355	8.96
Bodies Corporate	22,081,603	11.86
Individual shareholders holding nominal share capital up to Rs. 0.1 million	43,807,571	23.53
Individual shareholders holding nominal share capital in excess of Rs. 0.1 million	8,749,405	4.70
Trust / Clearing Members / Non Resident Indians/ Foreign Bodies	1,684,935	0.90
Foreign National	1,000	0.00
Total Public Holding	**183,804,002**	**98.72**
Shares held by Custodians and against which Depository Receipts have been issued	2,391,000	1.28
TOTAL	**186,195,002**	**100.00**

There has been no change in the capital structure of NTBCL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of NTBCL currently comprises of:

1. Mr. R. K. Bhargava;
2. Mr. Piyush Mankad;
3. Dr. Sanat Kaul;
4. Mr. Deepak Premnarayen;
5. Mr. Mohinder Singh;
6. Mr. K. Ramchand; and
7. Mr. Arun K. Saha / Mr. Hari Sankaran (as an alternate director).

Financial performance

The audited financial results of NTBCL for Fiscals 2009, 2008 and 2007 are set forth below:

(In Rs. million, unless otherwise stated)

	Fiscal 2009	Fiscal 2008	Fiscal 2007
Total Income	803.20	718.81	491.13
Profit/(Loss) after tax	336.87	279.76	110.62
Equity share capital (paid up)	1,861.95	1,861.95	1,861.95
Reserves and Surplus (excluding revaluation reserves)*	2,042.47	1,820.21	1,345.85
Earnings/ (Loss) per share (basic) (Rs.)	1.81	1.50	0.59
Earnings/(Loss) per share (diluted) (Rs.)	1.81	1.50	0.59
Net asset value (Rs.) #	20.97	26.77	18.89

* Net of miscellaneous expenditure not written off
# The face value of the equity share is Rs. 10

Significant notes of auditors for Fiscal 2007

The significant notes as appearing in the report of the auditor for the Fiscal 2007, are reproduced hereinebelow:

We draw the attention of the shareholders to note number 3(a)(iii) of Schedule 17 'Significant Accounting Policies and Notes to Accounts' regarding revaluation of leased land, wherein the formal agreement for grant of development rights, is pending execution.

Significant notes of auditors for Fiscal 2008

The significant notes as appearing in the report of the auditor for the Fiscal 2008, are reproduced hereinebelow:

"4. We draw the attention of the shareholders to note number 3(a) (iii) of schedule 17 'Significant Accounting Policies & Notes to Accounts' regarding revaluation of leased land, wherein the formal agreement for grant of development rights, is pending execution.

15. According to the information and explanation given to us, there is no disputed dues on account of provident fund, investor education and protection fund; employees state insurance, sales tax, wealth tax, service tax, cess except income tax penalty amounting to Rs. 44,00,000 for the Financial Year 2002-03 and the appeal against the same is pending before the CIT (A)."

Significant notes of auditors for Fiscal 2009

The significant notes as appearing in the report of the auditor for the Fiscal 2009, are reproduced hereinebelow:

"8. a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues including provident fund, investor education and protection fund; employees state insurance, income tax, sales tax, wealth tax, service tax, cess and any other statutory dues with the appropriate authorities. There are no arrears of outstanding statutory dues outstanding as at 31 March, 2009 for a period of more than six months from the date they became payable.

b. According to the information and explanation given to us, there is no disputed dues on account of provident fund, investor education and protection fund; employees state insurance, sales tax, wealth tax, service tax, cess except income tax penalty amounting to Rs. 44,00,000 for the Financial Year 2002-03 and the appeal against the same is pending before the CIT (A)."

Details of listing and highest and lowest market price the preceding six months

The equity shares of NTBCL are listed on BSE and NSE. The monthly high and low of the equity shares at BSE and NSE are as follows:

Period	High (BSE) (Rs)	Low (BSE) (Rs)	High (NSE) Rs.	Low (NSE) Rs.
January 2010	41.90	33.95	41.90	34.00
December 2009	40.75	35.40	41.25	35.15
November 2009	39.60	32.15	39.50	32.10
October 2009	46.00	34.30	45.90	34.15
September 2009	44.30	40.45	44.25	40.25
August 2009	45.55	38.30	45.50	38.10

The equity share price of NTBCL one day prior to the filing of this Red Herring Prospectus was Rs. 35.50.

Promise v. Performance

NTBCL has not made any public or rights issue in the last three years. In Fiscal 1999, it had made simultaneous public issues of secured redeemable 'deep discount bonds' ("**DDBs**") for an issue price aggregating to Rs. 500 million and secured fully convertible debentures ("**FCDs**") aggregating to Rs. 207.80 million. The objects of these public issues were to part finance the construction of the 'Delhi NOIDA Toll Bridge Project' and to get the DDBs and FCDs listed on the concerned stock exchange. However, NTBCL was not able to meet such objects. The promise versus performance in respect of the public issues were as under:

(Rs. million)

Year	2002	2003	2004

Year	2002		2003		2004	
	Projected	Actuals	Projected	Actuals	Projected	Actuals
Total Revenue	466.6	118.08	646.7	187.35	759.5	258.64
Profit After Tax	(26.6)	(456.24)	75.4	(285.98)	212.1	(211.06)

The reason for the lesser actual revenues in comparison to the projected revenues was shortfall in the actual traffic volumes on the "DND Flyway" in comparison to those expected. The same was a result of failure of NTBCL to complete the Ashram Flyover link within the expected time to enable diversion of traffic on to the "DND Flyway".

Further, NTBCL had issued 11,363,636 GDRs (plus green shoe option of 1,136,363 GDRs) to Deutsche Bank Trust Company Americas in April/March 2006 representing 56,818,180 and 5,681,815 equity shares respectively. Each GDR represented 5 equity shares of Rs. 10 each (the price of GDR/shares in the main issue was US$ 3.96 per GDR/Rs. 35.15 per equity share and in the green shoe option was US$ 3.96 per GDR/Rs. 36.43 per equity share). The total amount raised was Rs. 2,198,400,000. GDRs were listed on the 'Alternative Investment Market' segment of the London Stock Exchange during March and April 2006.

The entire issue proceeds were to be utilised for repayment, prepayment of loans and for financing the construction of 'Mayur Vihar Link'. As the construction of 'Mayur Vihar Link' to 'Delhi NOIDA Toll Bridge' could not be commenced by April 21, 2008, pending receipt of all approvals, NTBCL used the funds for prepayment of loans as mentioned in the GDR issue admission documents.

The proceeds of the issue have been utilised in the following manner:

Purpose	Amount Deployed (Rs. million)
Share issue expenses	Rs. 126.95
Repayment of secured loans due on March 3, 2006	Rs. 501.48
Prepayment of secured loan inclusive of prepayment charges/ project cost of 'Mayur Vihar Link'	Rs. 1,570.00

The cost and progress of implementation of the project as stated in the offer document was Rs. 4,080 million, while the actual cost and progress of implementation of the project was Rs. 3,790 million.

Mechanism for disposal of investor grievance

NTBCL has appointed Karvy Computershare Private Limited as its registrar and transfer agents to handle all direct interface with the investors. For redressal of investor grievances, NTBCL has nominated Ms. Monisha Macedo, senior vice president (legal and corporate affairs) as its compliance officer. The compliance officer is responsible for attending to investor queries / complaints etc. and to present a status report on the same before the investor grievance committee on a quarterly basis for their review and comments / suggestions. Generally, investor queries are attended to in three days and the complaints are resolved within a week to 10 days (a loss of share certificate case, may take longer as depending on the value of the shares, advertisements have to be published).

During the year ended March 31, 2009, the company received a total of two complaints for non receipt of debenture certificates and seven for non receipt of interest which were resolved within the stipulated time period. Further, during the three month period ended June 30, 2009, the company received a total of one complaint for which was resolved within the stipulated time. During the quarter ended September 30, 2009, the company received a total of one investor complaint for non receipt of interest which was resolved within the stipulated time period. There were no complaints pending at the end of the quarter. There has been no investor complaint during the quarter ended December 2009.

3. Maytas Infra Limited ("MIL")

MIL was incorporated as Satyam Constructions Private Limited on May 6, 1988 under the Companies Act. Its CIN is L45201AP1988PLC008624. MIL became a deemed public company with effect from July 1, 1993. The name of the company was changed to 'Maytas Infra Limited' pursuant to a special resolution of the shareholders of the company at an extraordinary general meeting on May 6, 1998. The fresh certificate of incorporation consequent upon the change of name was granted on June 1, 1998 by the Registrar of Companies, Andhra Pradesh. The company became a private limited company on May 7, 2002. Subsequently, pursuant to a special resolution of the shareholders of the company at an extraordinary general meeting held on December 30, 2006, the company has become a public limited company. The certificate of incorporation to reflect the change in name was issued on February 9, 2007. MIL is presently engaged in the business of construction and infrastructure development.

Shareholding Pattern

The equity shares of MIL are listed on the BSE and NSE. The shareholding pattern of MIL on February 5, 2010 is as follows:

Sr. No.	Name of the Shareholder	No. of Equity Shares	%
1.	Promoter and Promoter Group	21,778,624	37.01
2.	Bodies Corporate	17795924	30.24
3.	Resident Individuals	11946284	20.30
4.	Foreign Institutional Investors	2685925	4.56
5.	Mutual Funds	2285446	3.88
6.	Hindu Undivided Family	1638210	2.78
7.	Non Resident Indian	383417	0.65
8.	Indian Financial Institutions	20,812	0.04
9.	Trusts	5,252	0.01
10.	Overseas Corporate Bodies	18	0.00
11	Banks	3,000	0.01
11.	Clearing Members	307,944	0.52
	Total	**58,850,856**	**100.00**

Except for transfer of management control of the company to the Promoter pursuant to an order of the Company Law Board dated August 31, 2009, there has been no change in the capital structure of MIL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of MIL currently comprises of:

1. Mr. Ravi Parthasarathy;
2. Mr. Vimal Kishore Kaushik;
3. Mr. Ved Kumar Jain;
4. Mr. Anil K Agarwal;
5. Mr. Arun K. Saha; and
6. Mr. K. Ramchand.

Financial performance

The audited financial results of MIL for Fiscals 2009, 2008 and 2007 are set forth below:

(Rs. in million except per share data)

	Fiscal 2009	Fiscal 2008	Fiscal 2007
Total Income $	13924.60	16701.50	6089.75
Profit/(Loss) after tax	(4897.90)	996.40	531.20
Equity share capital (paid up)	588.50	588.50	500.00
Reserves and Surplus (excluding revaluation reserves)*	1042.30	5939.90	2152.63
Earnings/(Loss) per share (Basic) (Rs.)	(83.23)	18.44	10.62
Earnings/(Loss) per share (diluted) (Rs.)	(83.23)	18.44	10.62
Net Asset Value (Rs.) #	27.71	110.93	53.05

$ Total Income includes share in (loss)/ profit in integrated joint ventures
**Net of miscellaneous expenditure not written off*
 # The face value of the equity share is Rs. 10

Significant notes of auditors for Fiscal 2009

The significant notes as appearing in the report of the auditor for the Fiscal 2009, are reproduced hereinebelow:

"(i) (b) All fixed assets have not been physically verified by Management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. As informed, no material discrepancies were noticed on such verification.

(iii) (a) The Company has granted unsecured loans to eighteen companies covered in the register maintained under section 301 of the Companies Act, 1956 which are payable on demand. The maximum amount involved during the year was Rs. 103.42 Crores and the aggregate balance of loans as at March 31, 2009 was Rs. 47.87 Crore."

Significant notes of auditors for Fiscal 2008

The significant notes as appearing in the report of the auditor for the Fiscal 2008, are reproduced hereinebelow:

"(i) (b) All fixed assets have not been physically verified by Management during the year but there is a regular programme of verification which, in our opinion is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.

(ii) (a) The Company has granted unsecured interest free loans to nineteen companies listed in the register maintained under section 301 of the Companies Act, 1956 which are repayable on demand. The maximum amount involved during the year was Rs. 639.11 million and the aggregate balance as at arch 31, 2008 was Rs. 348.21 million.

(e) The Company had accepted loans from two companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 430.36 million and the aggregate balance of loans taken from such parties as at March 31, 2008 was Rs. 0.10 million.

(ix) (c) According to the records of the Company the dues outstanding of income-tax, wealth-tax, service-tax, customs duty, excise duty and cess on account of any dispute are as follows:

Name of the statute	Nature of dues	Amount (Rs. million)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax and interest	5.61	AY 2005-06	CIT Appeals Hyderabad

Significant notes of auditors for Fiscal 2007

The significant notes as appearing in the report of the auditor for the Fiscal 2007, are reproduced hereinebelow:

"(i) (b) All fixed assets have not been physically verified by Management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.

(iii) (a) The Company has granted interest free loans to seventeen companies listed in the register maintained under section 301 of the Companies Act, 1956 maximum amount involved during the year was Rs.360.85 Million and the aggregate balance as at March 31, 2007 was Rs. 257.32 Million.

(e) The Company had accepted loans from three companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 450 Million and the aggregate balance of loans taken from such parties as at March 31, 2007 was Rs. 0.10 Million.

(ix) (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. million)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	13.56	AY 2004-05	Appellate Tribunal

Details of listing and highest and lowest market price the preceding six months

The equity shares of MIL are listed on BSE and NSE. The monthly high and low of the equity shares at BSE and NSE are as follows:

Period	Highest (Rs.)	Lowest (Rs.)
January 2010	211.80	154.00
December 2009	166.50	143.60
November 2009	182.00	136.30
October 2009	179.90	123.00
September 2009	151.00	118.40
August 2009	112.80	77.10

The equity share price of MIL one day prior to the filing of this Red Herring Prospectus was Rs. 171.75.

Promise v. Performance

MIL has utilized the proceeds of the initial public offering as follows as on March 31, 2009:

Rs. million

S. No.	Particulars	Utilisation as proposed in the offer document	Status on utilization as at 31st March, 2009
A.	Investment in Associate companies:		
	i) Bangalore Elevated Tollway for the construction of the elevated highway project of the Bangalore-Hosur section of NH7;	277.10	169.80
	ii) KVK Nilachal Power for developing, constructing and commissioning a 300 MW coal-based power plant in Orissa; and	1,274.40	412.40
	iii) SV Power for setting up a 56 MW coal washery reject based power plant and a 2.5 million metric tonne per annum coal whasery at Korba District, Chhattisgarh.	342.50	257.80
B.	Purchase of construction Equipment	332.90	332.90
C.	General corporate purposes	747.60	760.50
D.	Issue expenses	300.00	287.10
	Total	**3,274.50**	**2,220.50**

The differential amount of Rs 1,054 million was placed in Inter-Corporate Deposits. MIL also made other project related investments, subsequent to the public issue as on March 31, 2009, into the following project companies/ SPVs out of its funds:

Name of the Company	Amount (Rs. million)
Gulbarga Airport Developers Private Limited	8.30
Shimoga Airport Developers Private Limited	8.20
Maytas Metro Limited	115.30
Cyberabad Expressways Private Limited	168.70
Hyderabad Expressways Private Limited	171.50
Machilipatnam Port Limited	177.40
Gautami Power Limited	182.10
Subsidiaries	
Pondicherry Tindivanam Tollway Limited	170.70

Name of the Company	Amount (Rs. million)
Maytas Infra Assets Limited	40.00
Maytas Vashita Varadhi Limited	23.60
Total	**1,065.80**

The offer documents for the initial public offering of shares of MIL state that the fund requirements and the intended use of the net proceeds are based on management estimates and the company's current business plan. The fund requirements and intended use of net proceeds have not been appraised by any bank or financial institution. In view of the competitive and dynamic nature of the construction industry, the expenditure and fund requirements may have to be revised as a result of variations in the cost structure, changes in estimates and external factors, which may not be within the control of the management. This may entail rescheduling, revising or canceling the planned expenditure and fund requirements and increasing or decreasing the expenditure for a particular purpose from its planned expenditure at the discretion of the management. In addition, the estimated dates of completion of various projects as described in the offer documents are based on management's current expectations and are subject to change due to various factors, some of which may not be in the company's control.

Thus, in terms of offer documents, the investments into such SPVs could be construed as within the scope of the prospectus, which duly recognized dynamic nature of business and growth compulsions for the company to pursue new business opportunities, as a going concern.

On the other hand, pending shareholders approval for appropriation of these funds to other investments, it was reported in the results published quarterly/annually till June, 2009 that amounts unutilized towards investment into SPVs specified as per 'objects clause' were placed in Inter-Corporate Deposits and current accounts with banks. Further, it was reported in the 'Notes to Balance Sheet' that as March 31, 2009, the company utilized the initial public offering funds as per the 'Objects of the Issue' in the prospectus, except for the balance investment to be made into the specified associate companies amounting to Rs. 1,054 million as at March 31, 2009 and that the unutilized amounts have been placed in Inter-Corporate Deposits and current accounts with banks.

In view of the foregoing, the shareholders in the annual general meeting held on November 9, 2009 approved variance in usage of the initial public offering funds and consequently treated that the funds have been utilized in full as per the objects of the issue.

Mechanism for disposal of investor grievance

MIL has appointed Karvy Computershare Private Limited as its registrar and transfer agents to handle all direct interface with the investors. For redressal of investor grievances, MIL has nominated Mr. G.Venkateswar Reddy, company secretary as its compliance officer. The compliance officer is responsible for attending to investor queries / complaints etc. and to present a status report on the same before the investor grievance committee on a quarterly basis for their review and comments / suggestions. Generally, investor queries are attended to in three days and the complaints are resolved within a week to 10 days (a loss of share certificate case, may take longer as depending on the value of the shares, advertisements have to be published).

During the year ended March 31, 2009, the company received a total of 54 complaints which were all resolved within the stipulated time period.

Three largest Group Companies (based on their turnover for last audited fiscal)

4. IL&FS Financial Services Limited ("IFIN")

IFIN was incorporated on September 29, 1995, under the Companies Act and obtained the certificate for commencement of business on January 24, 1996. Its CIN is U65990MH1995PLC093241. The registered office of IFIN is situated at 'The IL&FS Financial Centre', Plot C 22, G-Block, Bandra Kurla Complex, Bandra East, Mumbai 400 051, India. IFIN is presently engaged in the business of financing of large projects in the public and private sector and also provide a range of investment banking and financial advisory services.

IFIN was originally incorporated as 'IL&FS Asset Management Company Limited'. Subsequently, the name of the company was changed to 'IL&FS Finvest Limited' and a fresh certificate of incorporation was issued on February 28, 2005. Subsequently the name was again changed to 'IL&FS Financial Services Limited' and a fresh certificate of incorporation for change of name was issued on July 28, 2006.

Shareholding Pattern

The equity shares of IFIN are not listed on any stock exchange. The shareholding pattern of IFIN as of February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
IL&FS	265,666,855	99.99
IL&FS and Mr Avinash Bagul	200	Negligible
IL&FS and Mr. Ravi Parthasarathy	100	Negligible
IL&FS and Mr. Vibhav Kapoor	100	Negligible
IL&FS and Mr. Manu Kochhar	100	Negligible
IL&FS and Mr. Shahzaad Dalal	100	Negligible
IL&FS and Mr. Arun K Saha	100	Negligible
Total	**265,667,555**	**100.00**

There has been no change in the capital structure of the company in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of IFIN currently comprises of:

1. Mr. Ravi Parthasarthy;
2. Mr. Ramesh C. Bawa;
3. Mr. Milind Patel;
4. Mr. Hari Sankaran;
5. Mr. Arun K. Saha;
6. Mr. Vibhav Kapoor;
7. Mr. Shahzaad Dalal;
8. Mr. Manu Kochhar; and
9. Mr. Rajesh Kotian.

Financial performance

The audited financial results of IFIN for Fiscals 2009, 2008 and 2007 are set forth below:

(In Rs. million except per share data)

	Fiscal 2009	Fiscal 2008	Fiscal 2007
Sales and other income	10,987.07	9,630.76	531.25
Profit/ (Loss) after tax	1,233.97	1,684.00	108.09
Equity capital	2,656.68	656.68	556.68
Reserves and Surplus (excluding revaluation reserves) *	10,305.58	1,951.47	530.85
Earnings/(Loss) per share (Basic) (Rs.)	4.64	26.67	12.73
Earnings/ (Loss) per share (Diluted) (Rs.)	4.64	6.40	12.73
Net asset value per share (Rs.)	48.79	39.72	19.54

* Net of miscellaneous expenditure not written off
\# The face value of the equity share is Rs. 10

Significant notes of auditors for Fiscal 2007

The significant notes as appearing in the report of the auditor for the Fiscal 2007, are reproduced hereinebelow:

"In respect of statutory dues:

(a) According to the information and explanations given to us and on the basis of our examination of the books of account, the company has been generally regular in depositing with the appropriate authorities, undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Value Added Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other applicable statutory dues.

(b) Due relating to Income Tax, which have not been deposited on account of disputes with the related authorities, have been reflected in the table below:"

Nature of the statute	Amount (Rupees in Millions)	Forum where dispute is pending
Income Tax	0.89	Tribunal
Total	**0.89**	

Significant notes of auditors for Fiscal 2008

The significant notes as appearing in the report of the auditor for the Fiscal 2008, are reproduced hereinebelow:

"(b) Due relating to Income Tax, which have not been deposited on account of disputes with the related authorities, have been reflected in the below table:

Nature of the statute	Amount (Rupees in Millions)	Forum where dispute is pending
Income Tax	0.89	Tribunal
Total	**0.89**	

Significant notes of auditors for Fiscal 2009

The significant notes as appearing in the report of the auditor for the Fiscal 2009, are reproduced hereinebelow:

"(iii) In respect of loans, secured or unsecured, granted or taken by the Company to or from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations give to us:

(a) The Company has granted loans to 5 parties. At the year-end, the outstanding balances of such loans granted aggregated to Rs. 474.74 million (number of parties 3) and the maximum amount involved during the year was Rs. 1,561.57 million.
(b) The rate of interest and other terms and conditions of such loans are, in our opinion, prima facie not prejudicial to the interest of the Company.
(c) The receipt of principal amounts and interest have during the year been regular.
(d) There are no overdue amounts over Rs. 0.1 million remaining outstanding at the year-end."

5. ORIX Auto Infrastructure Services Limited ("OAISL")

OAISL was incorporated on March 2, 1995, under the Companies Act and obtained the certificate for commencement of business on July 3, 1995. The registered office of the company is situated at Plot No.94, Marol Co-operative Industrial Estate, Andheri-Kurla Road, Andheri (East), Mumbai 400 059.

The registered office of the company was originally situated at Mahindra Towers, 4th Floor, Dr. G. M. Bhosale Marg, Worli, Mumbai 400 018. With effect from June 22, 2000, the registered office of the company was shifted to 'The IL&FS Financial Centre', Plot No. C-22, 'G' Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 050. With effect from November 1, 2001, the registered office of the company was changed and was shifted to Gala No. 1 & 2, Mohata Bhavan, Off. Dr. E. Moses Road, Worli, Mumbai 400 018. Thereafter, with effect from April 1, 2002 the registered office of the company was changed and shifted to Plot No.94, Marol Co-operative Industrial Estate, Andheri-Kurla Road, Andheri (East), Mumbai 400 059.

OAISL was originally registered as 'ORIX Auto Finance (India) Limited'. Subsequently its name was changed to 'ORIX Auto and Business Solutions Limited' and a fresh certificate of incorporation pursuant to change in name was issued on October 31, 2002. Subsequently, by a shareholders' resolution dated November 24, 2006 the name of the company was further changed to its 'ORIX Auto Infrastructure Services Limited' and a fresh certificate of incorporation pursuant to change in name was issued on December 5, 2006. It is presently engaged in the business of providing infrastructure services in the field of auto and transportation which *inter-alia* includes auto-financing, car rentals, logistics management, business transport solutions, service centres, commercial vehicle financing, equipment banking and taxi services.

Shareholding Pattern

The equity shares of OAISL are not listed on any stock exchange. The shareholding pattern of OAISL as of February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
ORIX Corporation, Japan	19,500,000	39.00
IL&FS	19,499,993	39.00
IL&FS EWT	9,723,750	19.45
Others (including employees)	1,276,257	2.55
Total	**50,000,000**	**100.00**
Name of Shareholder	**Number of cumulative convertible preference shares**	**% of issued capital**
IL&FS	10,000,000	100.00
Total	**10,000,000**	**100.00**

There has been no change in the capital structure of OAISL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of OAISL currently comprises of:

1. Mr. Makoto Inoue;
2. Mr. Takeshi Mori;
3. Mr. Hideo Ichida;
4. Mr. Makoto Shioda;
5. Mr. Ravi Parthasarathy;
6. Mr. Hari Sankaran;
7. Mr. Arun K. Saha;
8. Mr. Vibhav Kapoor;
9. Mr. Vijay Kumar Chopra; and
10. Mr. Neeraj Kumar.

Financial performance

The audited financial results of OAISL for Fiscals 2009, 2008 and 2007 are set forth below:

(Rs. million, unless otherwise stated)

	Fiscal 2009	Fiscal 2008	Fiscal 2007
Total Income	2,440.98	1,938.28	1,033.82
Profit/(Loss) after tax	(23.47)	101.88	45.73
Equity share capital (paid up)	500	500	500
Reserves and Surplus (excluding revaluation reserves)*	437.56	461.03	401.45
Earnings/(Loss) per share (basic) (Rs.)	(0.47)	2.04	1.31
Earnings/(Loss) per share (diluted) (Rs.)	(0.47)	2.04	1.31
Net asset value per share (Rs.)	21.16	21.67	18.03

* Net of miscellaneous expenditure not written off
\# The face value of the equity share is Rs. 10

Significant notes of auditors for Fiscal 2007

The significant notes as appearing in the report of the auditor for the Fiscal 2007, are reproduced hereinebelow:

"(iv) According to the information and explanation given to us:

(a) The Company has not granted loans, secured and unsecured, to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly sub-clauses (b), (c) and (d) of clause (iii) of CARO is not applicable

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

(a) The Company has generally been regular in depositing undisputed statutory dues relating to Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax and any other material statutory dues with the appropriate authorities during the year. There were undisputed amounts payable aggregating Rs. 44,061 which are on account of Tax deducted at source in respect of Contractors payments outstanding as at 31st March, 2007 for a period of more than six months from the date they became payable.
(b) According to the information and explanations given to us, details of disputed Income-tax and Value Added Tax which have not been deposited as on 31st March, 2007 on account of any dispute are given below:"

Name of the Statue	Amount (Rupees)	Financial Year to which the matters pertains	Forum where dispute is pending
Income Tax Act	5,771,187	1998-99	CIT (Appeals)
Income Tax Act	138,760	2003-04	CIT (Appeals)
Value Added Tax Act	7,974,872	2005-06	Appellate Tribunal (Delhi)
Value Added Tax Act	1,961,449	2006-07	Appellate Tribunal (Delhi)

Significant notes of auditors for Fiscal 2008

The significant notes as appearing in the report of the auditor for the Fiscal 2008, are reproduced hereinebelow:

"(iv) In respect of loans, secured or unsecured, granted or taken by the Company to or from Companies, firm or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:

(a) The Company has granted loan to one Company. At the year-end, the outstanding balance of such loans granted aggregated to Rs. NIL and the maximum amount involved during the year was Rs.110 million
(b) The rate of interest and other terms and conditions of such loans were, in our opinion, prima facie not prejudicial to the interest of the Company.
(c) The receipt of principal amounts and interest has been regular during the year.
(d) There are no overdue amounts exceeding Rs. 0.1 million at the end of the year.
(e) According to the information and explanations given to us, details of disputed Income tax, Value Added Tax and Service Tax which have not been deposited as on 31st March, 2008 on account of any dispute are given below:"

Name of the Statue	Nature of dues	Amount (Rupees)	Financial Year to which the matters pertains	Forum where dispute is pending
Income Tax Act	Income Tax	35,690,797	1999-00,2000-01, 2001-02 & 2005-06	Commissioner of Income Tax (Appeals), Mumbai
Income Tax Act	Income Tax	7,032,501	2002-03 & 2003-04	Income Tax Appellate Tribunal, Mumbai
Value Added Tax Act	Sales Tax	11,548,738	2005-06 to 2007-08	VAT Appellate Tribunal, New Delhi
Value Added Tax Act	Sales Tax	11,139,893	2004-05 to 2006-07	Appellate Deputy Commissioner of Commercial Taxes,

Name of the Statue	Nature of dues	Amount (Rupees)	Financial Year to which the matters pertains	Forum where dispute is pending
				Hyderabad
Service Tax Act	Service Tax	9,759,263	2005-06	Commissioner of Service Tax, Mumbai
Service Tax Act	Service Tax	572,313	2005-06	Additional Commissioner of Service Tax, Mumbai
Service Tax Act	Service Tax	26,393,379	1997-98, 1998-99, 2000-01, 2004-05, 2002-03 to 2007-08	Superintendent of Service Tax, Mumbai
Service Tax Act	Service Tax	3,117,371	2002-2003	Additional Commissioner of Service Tax
Service Tax Act	Service Tax	14,006,766	April 2006 to September 2006	Commissioner of Service Tax

Significant notes of auditors for Fiscal 2009

The significant notes as appearing in the report of the auditor for the Fiscal 2009, are reproduced hereinebelow:

"(iv) In respect of loans, secured or unsecured, granted or taken by the Company to or from Companies, firm or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:

(e) The Company has granted loan to one such party. At the year-end, the outstanding balance of such loans granted aggregated to Rs. 250 million and the maximum amount involved during the year was Rs.250 million
(f) The rate of interest and other terms and conditions of such loans were, in our opinion, prima facie not prejudicial to the interest of the Company.
(g) The receipt of principal amounts and interest have been regular during the year.
(h) There are no overdue amounts exceeding Rs. 0.1 million at the end of the year.
(i) According to the information and explanations given to us, the Company had taken loan from two such parties. At the year-end, the outstanding balance of loan taken aggregated to Rs. NIL and the maximum balance outstanding at any time during the period was Rs. 450 million.
(j) The rate of interest and other terms and conditions of such loans were, in our opinion, prima facie not prejudicial to the interest of the Company.
(k) The repayment of principal amount and interest in respect of such loan had been regular during the year.

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

(a) The Company has been generally regular in depositing undisputed statutory dues relating to Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Cess and other material statutory dues with the appropriate authorities during the year.
(b) According to information and explanation given to us, there were no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues outstanding in arrears as at March 31, 2009 for a period of more than six months from the date they became payable
(c) According to the information and explanations given to us, details of disputed Income tax, Value Added Tax and Service Tax which have not been deposited as on 31st March, 2009 on account of any dispute are given below:"

Name of the Statue	Nature of dues	Amount (Rupees)	Financial Year to which the matters pertains	Forum where dispute is pending
Value Added Tax Act	Sales Tax	12,265,060	2005-06, 2006-07, 2007-08	VAT Appellate Tribunal, New Delhi
		88,952,007	2005-06	Department of Trade &

Name of the Statue	Nature of dues	Amount (Rupees)	Financial Year to which the matters pertains	Forum where dispute is pending
				Taxes – VAT Officer, New Delhi
		12,183,114	2003-04 to 2004-05	Joint Commissioner of Commercial Taxes Bangalore
Service Tax Act	Service Tax	9,759,263	2005-06	Commissioner of Service Tax, Mumbai
Service Tax Act	Service Tax	572,313	2005-06	Additional Commissioner of Service Tax, Mumbai
Service Tax Act	Service Tax	30,170,696	1997-99, 2000-01, 2002-03, 2004-05, 2006-08	Superintendent of Service Tax, Mumbai
Service Tax Act	Service Tax	3,117,371	2002-2003	Additional Commissioner of Service Tax
Service Tax Act	Service Tax	14,006,766	April 2006 to September 2006	Commissioner of Service Tax

Other Group Companies

6. IL&FS Securities Services Limited ("ISSL")

ISSL was incorporated on July 27, 2006, under the Companies Act. Its CIN is U74992MH2006PLC163337. ISSL is presently engaged in the business of providing services of a depository participant with security exchanges, clearing house services with commodity and other exchanges, to operate on various segments of the securities, futures and options, commodities, and related markets. It acts as a custodian of securities, professional clearing member on various stock, currency and commodities exchanges and render various back office services to R&T agents, brokers and others.

Shareholding Pattern

The equity shares of ISSL are not listed on any stock exchange. The shareholding pattern of ISSL as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
IL&FS	19,321,359	81.24
Mr. Arun K Saha jointly with Mr Vibhav Kapoor (on behalf of IL&FS EWT)	2,142,857	9.01
ORIX Corporation, Japan	1,129,699	4.75
Croupier Prive Private Equity Master Fund, LP	1,189,474	5.00
IL&FS jointly with Mr. Arun K Saha	10	Negligible
IL&FS jointly with Mr. Vibhav Kapoor	10	Negligible
IL&FS jointly with Mr. S Rengarajan	10	Negligible
IL&FS jointly with Mr. Sujoy Das	10	Negligible
IL&FS jointly with Mr. Hemang Raja	10	Negligible
IL&FS jointly with Mr. Manu Kochhar	10	Negligible
ITCL	10	Negligible
TOTAL	**23,783,459**	**100.00**

There has been no change in the capital structure of ISSL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of ISSL currently comprises of:

1. Mr. Arun K Saha;
2. Mr. Vibhav Kapoor;
3. Mr. V Janakiraman;
4. Mr. Kanaiyalal Naraindas Atmaramani;
5. Mr. Makoto Inoue;
6. Mr. Makoto Shioda (alternate director to Mr. Makoto Inoue);
7. Mr. Murry Stahl; and
8. Mr. Navin Kumar (alternate director to Mr. Murry Stahl).

7. Bihar e-Governance Services and Technologies Limited ("BEST")

BEST was incorporated on September 22, 2006. BEST is presently engaged in the business of undertaking, promoting, aiding, developing, managing, fostering and engaging in e-government services in the state of Bihar, including, providing advisory and consultancy services to the government of Bihar for all e-governance related activities and providing technical and technological inputs on all aspects relating to e-governance activities in the state.

Shareholding Pattern

The equity shares of BEST are not listed on any stock exchange. The shareholding pattern of BEST as of February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
IL&FS	50,000	49.99
Mr. Alok Vardhan Chaturvedi on behalf of Bihar State Electronics Development Corporation Limited ("**Beltron**")	50,000	49.99
Mr. Dinesh Kumar Tyagi on behalf of IL&FS	1	Negligible
Ms. S. Vijaya Raghavan on behalf of Beltorn	1	Negligible
Mr. Venkat Patnaik on behalf of IL&FS	1	Negligible
Mr. P.C. Choudhary on behalf of Beltron	1	Negligible
Mr. Vijay Sinha on behalf of Beltron	1	Negligible
Ms. Aruna Sundhrarajan on behalf of IL&FS	1	Negligible
Total	**100,006**	**100.00**

There has been no change in the capital structure of BEST in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of BEST currently comprises of:

1. Mr. Navin Kumar;
2. Mr. R.K. Khandelwal;
3. Mr. Jitendra Srivastava;
4. Mr. A.K. Chouhary;
5. Mr. Dinesh Kumar Tyagi;
6. Dr. Sabnam Sinha; and
7. Mr. G.V.S. Bhaskar Prasad.

8. Chhattisgarh Highways Development Company Limited ("CHDCL")

CHDCL was incorporated on March 12, 2007, under the Companies Act. Its CIN is U45203CT2007PLC020220. CHDCL is presently engaged in the business of implementation of the 'Chhattisgarh Accelerated Road Development Programme' in the state of Chhattisgarh on BOT (annuity) basis.

Shareholding Pattern

The equity shares of CHDCL are not listed on any stock exchange. The shareholding pattern of CHDCL as of February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
IL&FS	7,399,940	74.00
Governor of Chhattisgarh	2,599,960	26.00
Governor of Chhattisgarh and Mr. Brij Mohan Agarwal, Minister – PWD, GoCG	10	Negligible
Governor of Chhattisgarh and Mr. MK Raut, Secretary - PWD, GoCG	10	Negligible
Governor of Chhattisgarh and Mr. P K Janawade, Engineer In Chief- PWD, GoCG	10	Negligible
Governor of Chhattisgarh and Mr. Ajay Singh, Principal Secretary-Finance, GoCG	10	Negligible
IL&FS jointly with Mr. K Ramchand	10	Negligible
IL&FS jointly with Mr. Mukund Sapre	10	Negligible
IL&FS jointly with Mr. Krishna Ghag	20	Negligible
IL&FS jointly with Mr. Narayanan Doraiswamy	20	Negligible
Total	**10,000,000**	**100.00**

There has been no change in the capital structure of CHDCL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of CHDCL currently comprises of:

1. Mr. Mukund Sapre;
2. Mr. Brij Mohan Agarwal;
3. Mr. Cherian George;
4. Mr. Harish Mathur;
5. Mr. M K Raut;
6. Mr. Ajay Singh;
7. Mr. K Ramchand; and
8. Mr. P K Janawade.

9. Delhi Mumbai Industrial Corridor Development Corporation Limited ("DMICDCL")

DMICDCL was incorporated on January 7, 2008, under the Companies Act. Its CIN is U45400DL2008PLC172316. DMICDCL is presently engaged in the business of facilitating, promoting, establishing industrial corridors, investment regions, industrial areas, economic regions, industrial nodes, special economic zones and townships.

Shareholding Pattern

The equity shares of DMICDCL are not listed on any stock exchange. The shareholding pattern of DMICDCL as of February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
President of India through Mr. Ajay Shankar, Secretary, DIPP, Ministry of Commerce and Industry	4,899,998	49.00
IL&FS	4,099,998	41.00
Infrastructure Development and Finance Company Limited	1,000,000	10.00
Dr. Amit Mitra, Secretary General, FICCI	1	*Negligible*
Mr. Gopal Krishna, Joint Secretary, DIPP, Ministry of Commerce and Industry	1	*Negligible*
IL&FS jointly with Mr. Subhabrata Haldar	1	*Negligible*
IL&FS jointly with Mr. Pradeep Puri	1	*Negligible*
Total	**1,990,000**	**100.00**

There has been no change in the capital structure of DMICDCL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of DMICDL currently comprises of:

1. Mr. Ajay Shankar;
2. Dr. Amit Mitra;
3. Mr. Jai Prakash Batra;
4. Mr. Athar Sahab;
5. Mr. Pradeed Puri;
6. Mr. Girish Pillai;
7. Mr. Amitabh Kant;
8. Mr. Hari Sankaran;
9. Mr. K. Ramchand; and
10. Mrs. Anjali Prasad.

10. Dighi Port Limited ("DPL")

DPL was incorporated on July 27, 2000, under the Companies Act. Its CIN is U35110MH2000PLC127953. The registered office of DPL is situated at 6th Floor, New Excelsior Building, A.K. Nayak Marg, Fort, Mumbai 400 001. DPL is presently engaged in the business of developing, operating, maintaining and marketing of port and port-related infrastructure facilities.

Shareholding Pattern

The equity shares of DPL are not listed on any stock exchange. The shareholding pattern of DPL as of February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
Mr. Vijay G. Kalantri	250,100	0.13
Mr. Vishal V. Kalantri	5,100	Negligible
Mrs. Mohini V. Kalantri	1,000,100	0.55
Mr. Mahendra L. Kalantri	100	Negligible
Ms. Sangeeta V. Kalantri	100	Negligible
Mr. Vikas V. Kalantri	50,100	0.02
Ms. Sujata M. Kalantri	100	Negligible
Balaji Infra Projects Limited	91,611,800	50.81
Balaji Infrastructure and Development Company Limited	4,366,000	2.43
IL&FS	33,044,524	18.33
Mr. Vinay V. Kalantri	50,000	0.02
CRD Holding Private Limited	400,000	0.23
IL&FS Financial Services Limited	46,000,000	25.51
Mr. Arun K. Saha & Mr. Vibhav Kapoor (Trustees of IL&FS EWT)	3,540,776	1.97
Total	**180,318,800**	**100.00**

There has been no change in the capital structure of DPL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of DPL currently comprises of:

1. Mr. Vijay G. Kalantri;
2. Mr. Vishal V. Kalantri;
3. Mr. Vikaas V. Kalantri;
4. Captain J.B. Rohilla;
5. Mr. Sudhir S. Srivastava;
6. Mr. Milind N. Patel;
7. Mr. Mark S. Fernandes; and
8. Mr. Arun Ramchandra.

11. Gorakhpur Expressway Limited ("GEL")

GEL was incorporated on November 11, 2005, under the Companies Act and obtained the certificate for commencement of business on August 4, 2006. Its CIN is U63031MH2005PLC157257. GEL is engaged in the business of promoting, developing, establishing, building, constructing, equipping, operating, maintaining, controlling, upgrading and regulating road projects.

Shareholding Pattern

The equity shares of GEL are not listed on any stock exchange. The shareholding pattern of GEL as of February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
Kohinoor Planet Constructions Private Limited	25,024,940	50.02
IL&FS	25,000,000	49.98
IL&FS and Mr. K. Ramchand	10	Negligible
IL&FS and Mr. Avinash Bagul	10	Negligible
IL&FS and Mr. Narayanan Doraiswamy	10	Negligible
IL&FS and Mr. Mukund Sapre	10	Negligible
IL&FS and Mr Krishna Ghag	10	Negligible
IL&FS and Mr. Ravi Sreehari	10	Negligible
Total	**50,025,000**	**100.00**

There has been no change in the capital structure GEL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of GEL currently comprises of:

1. Mr. Mohan Gadre;
2. Mr. Avinash Bagul; and
3. Mr. Ramesh C Bawa.

12. Gujarat International Finance Tec-City Company Limited ("GIFT")

GIFT was incorporated on June 21, 2007, under the Companies Act and obtained the certificate for commencement of business on September 21, 2007. GIFT is presently engaged in the business of designing, developing, financing, constructing, operating and maintaining international financial services city, center, hub including business districts.

Shareholding Pattern

The equity shares of GIFT are not listed on any stock exchange. The shareholding pattern of GIFT as of February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs.10 each	% of issued capital
Gujarat Urban Development Company Limited	2,499,970	49.99
IL&FS	2,499,970	49.99
Ms. Mamta Verma	10	Negligible
Mr. Lekhan Thakkar	10	Negligible
Mrs. Pannaben Mehta	10	Negligible
Mr. Mehul Patwari	10	Negligible
Mr. Avinash Bagul	10	Negligible
Mr. Sunil Bahl	10	Negligible
Total	**5,000,000**	**100.00**

There has been no change in the capital structure of the company in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of GIFT currently comprises of:

1. Mr. Sudhir Mankad;
2. Smt. Gauri Kumar;
3. Mr. M. M. Srivastava;
4. Mr. K. Ramchand;
5. Mr. Ramesh Bawa;
6. Mr. D. C. Anjaria;
7. Mr. R.K. Jha; and
8. Mr. Hari Sankaran.

13. Greater Noida Integrated Warehousing Private Limited ("GNIWPL")

GNIWPL was incorporated on August 29, 2005. Its CIN is U63023DL2005PTC140106. The registered office of GNIWPL is situated at 4th floor, Core 4B, India Habitat Centre, Lodhi Road, New Delhi 110 003, India. GNIWPL is presently engaged in the business of establishing, acquiring, developing, managing and maintaining warehouses and warehousing zones in free trade areas or otherwise, integrated industrial parks, special economic zones, industrial areas, business parks and industrial estates for industries / corporate / entrepreneurs in India and outside India.

Shareholding Pattern

The equity shares of GNIWPL are not listed on any stock exchange. The shareholding pattern of GNIWPL as of February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
IL&FS	5,000	50.00
MMTC Limited	2,600	26.00
Free Trade Warehousing Private Limited	2,399	23.99
Mr. Umesh Soni as nominee of Free Trade Warehousing Private Limited	1	0.01
Total	**10,000**	**100.00**

There has been no change in the capital structure of the company in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of GNIWPL currently comprises of:

1. Mr. Umesh Soni;
2. Mr. Shiv Dayal Kapoor; and
3. Mr. Manish Tripathi.

14. IL&FS Asian Infrastructure Managers Limited ("IAIML")

IAIML was incorporated on April 27, 2006, under the Companies Act and obtained the certificate for commencement of business on August 19, 2006. IAIML is presently engaged in the business of fund management.

Shareholding Pattern

The equity shares of IAIML are not listed on any stock exchange. The shareholding pattern of the company as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
IIML	2,341,777	51.00
ORIX Corporation	2,250,000	49.00
Mr. Manoj Borkar, jointly with IIML	10	Negligible
Mr. Sanjay Mitra, jointly with IIML	10	Negligible
Mr. G. Krishna Kumar, jointly with IIML	10	Negligible
Mr. Parag Baduni, jointly with IIML	10	Negligible
Mr. Alok Bhargava, jointly with IIML	10	Negligible
Dr. Archana Niranjan Hingorani, jointly with IIML	10	Negligible
Total	**4,591,837**	**100.00**

There has been no change in the capital structure of the company in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of IAIML currently comprises of:

1. Mr. Manoj Borkar;
2. Mr. Sachin Gupta;
3. Mr. Ramesh C. Bawa;
4. Mr. Makoto Inoue;
5. Mr. Akira Mochizuki;
6. Mr. Milind Patel;
7. Mr. Sanjay Mitra; and
8. Mr. Shahzad Dalad (alternate director to Mr. Ramesh C. Bawa).

15. IL&FS Infrastructure Development Corporation Limited ("IIDCL")

IIDCL was incorporated on December 7, 1999 under the Companies Act. Its CIN is U45201DL1999PLC125988. The registered office of IIDCL is situated at 4th Floor, Core 4B, India Habitat Centre, Lodhi Road, New Delhi 110 003, India. IIDCL is engaged in the business of infrastructure project development, project appraisal, project finance, project management consultancy and undertakes its activities through various public private partnerships.

IIDCL was originally incorporated as 'India Water Infrastructure Company Limited'. Subsequently, the name of the company was changed to 'IL&FS Project Development Corporation Limited' and a fresh certificate of incorporation was issued on October 4, 2001. Thereafter, the name of the company was changed to 'IL&FS Infrastructure Development Corporation Limited' and a fresh certificate of incorporation was issued on July 8, 2002.

At the time of incorporation, the registered office of IIDCL was situated at 'The IL&FS Financial Centre', Plot C 22, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, India. Subsequenlty, pursuant to a shareholders' resolution dated February 27, 2004, its registered office was shifted to Core 4B, 4th Floor, India Habitat Centre, Lodhi Road, New Delhi 110 003, India. Further, pursuant to a board resolution dated August 12, 2005, the registered office was shifted to UG Floor, 2A, Mahindra Towers, Bhikaji Cama Place, New Delhi 110 066, India. Thereafter, pursuant to a board resolution dated May 23, 2008 the registered office of IIDCL has been changed to its current address at Eros Shopping Complex, Hotel Shangri- La, 19, Ashoka Road, New Delhi 110 001, India. Subsequently, the registered office has again been changed to 4th Floor, Core 4B, India Habitat Centre, Lodhi Road, New Delhi 110 003 as of April 25, 2009.

Shareholding Pattern

The equity shares of IIDCL are not listed on any stock exchange. The shareholding pattern of IIDCL as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
IL&FS	9,999,992	99.99

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
IL&FS and Mr. Hari Sankaran	1	Negligible
IL&FS and Mr. Arun K Saha	1	Negligible
IL&FS and Mr. Manu Kochhar	1	Negligible
IL&FS and Mr. Avinash Bagul	1	Negligible
IL&FS and Mr. Maharudra Wagle	1	Negligible
IL&FS and Mr. Hemant Thanvi	1	Negligible
IL&FS and Mr. Manish Gupta	1	Negligible
IL&FS and Mr. Amit Dhamija	1	Negligible
Total	**10,000,000**	**100.00**

There has not been any change in the capital structure of IIDCL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of IIDCL currently comprises of:

1. Mr. Ravi Parthasarathy;
2. Mr. Hari Sankaran;
3. Mr. Arun K Saha;
4. Mr. Sandeep Junnarkar;
5. Mr. Pradeep Puri;
6. Mr. Shiv Dayal Kapoor;
7. Mr. Chandra Prakash Jain; and
8. Mr. Sushil Chandra Tripathi.

16. IL&FS Ecosmart Limited ("EIL")

EIL was incorporated on October 17, 2000 and obtained the certificate for commencement of business on November 20, 2000. The company was incorporated with the objective to offer services in environmental information processing, geo-spatial solutions, urban infrastructure, solid waste management, resettlement and rehabilitation, environmental management, environmental impact studies, environmental policy intervention and regulation, risk management, environmental capacity building and training, and others. The company was initially incorporated as EcosmartIndia.com Limited. Thereafter the name of the company changed to Ecosmart India Limited. Further, again the name of the company was changed to IL&FS Ecosmart Limited. The company's registered office is situated at D-64, Defence Colony, New Delhi 110 024, India.

Shareholding Pattern

The equity shares of EIL are not listed on any stock exchange. The shareholding pattern of EIL as of February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
IL&FS	2,500,000	51.02
Mr. Arun K. Saha and Mr. Vibhav Kapoor (on behalf of IL&FS EWT)	2,399,992	48.98
IL&FS jointly with Mr. Ashok Totlani	1	Negligible
IL&FS jointly with Mr. Hari Sankaran	1	Negligible
IL&FS jointly with Mr. Avinash Bagul	1	Negligible
IL&FS jointly with Dr. Vijay Joshi	1	Negligible
IL&FS jointly with Mr. Mahesh Babu	1	Negligible
IL&FS jointly with Mr. V. Srinivas Rao	1	Negligible
IL&FS jointly with Ms. Shaivali Parekh	1	Negligible
IL&FS jointly with Mr. Ajay Menon	1	Negligible
Total	**4,900,000**	**100.00**

There has been no change in the capital structure of EIL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of EIL currently comprises of:

1. Mr. Pradeep Puri;
2. Mr. Milind Patel; and
3. Dr. Archana Hingorani.

17. IL&FS Energy Development Company Limited ("IEDCL")

IEDCL was incorporated on May 21, 2007, under the Companies Act and obtained the certificate for commencement of business on June 15, 2007. Its CIN is U40300DL2007PLC163679. IEDCL is presently engaged in the business of implementing, operating and maintaining both conventional and non-conventional sources of energy.

Shareholding Pattern

The equity shares of IEDCL are not listed on any stock exchange. The shareholding pattern of IEDCL as of February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
IL&FS	1,899,994	94.99
IL&FS jointly with Mr. Akhil Agarwal	1	Negligible
IL&FS jointly with Mr. Haziq Beg	1	Negligible
IL&FS jointly with Mr. R. Shanmuganandam	1	Negligible
IL&FS jointly with Mr. Sutanu Pati	1	Negligible
IL&FS jointly with Mr. Amit Dhamiji	1	Negligible
IL&FS jointly with Mr. Umesh Soni	1	Negligible
Mr. Arun K. Saha jointly with Mr. Vibhav Kapoor	100,000	5.00
Total	**2,000,000**	**100.00**

Except for increase in the authorized share capital of the company from Rs. 80 million divided into 8,000,000 equity shares of Rs. 10 each to Rs. 250 million divided into 25,000,000 equity shares of Rs. 10 each on November 5, 2009, there has not been any change in the capital structure of IEDCL in the last six months prior to filing of this Red Herring Prospectus.

Board of Directors

The board of directors of IEDCL currently comprises of:

1. Mr. Ravi Parthasarthy;
2. Mr. Hari Sankaran;
3. Mr. Shazaad Dalal;
4. Mr. R.C. Bawa;
5. Mr. K. Ramchand;
6. Mr. S.C. Tripathi;
7. Mr. K.G. Ramchandran;
8. Mr. K.C. Lahiry; and
9. Mr. M.S. Srinivasan.

18. IL&FS Hydro Energy Limited ("IHEL")

IHEL was incorporated on November 30, 2007 under the Companies Act and obtained the certificate for commencement of business on June 3, 2008. Its CIN is U40109MH2007PLC176368. IHEL is presently engaged in the business of financing for procuring, supplying, distributing and dealing in hydro power and allied business and other forms of energy.

Shareholding Pattern

The equity shares of IHEL are not listed on any stock exchange. The shareholding pattern of IHEL as of February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
IL&FS Energy Development Company Limited	49,940	99.88
IL&FS jointly with Mr. Avinash Bagul	10	Negligible
IL&FS jointly with Mr. Milind Patel	10	Negligible
IL&FS jointly with Mr. M.M. Wagle	10	Negligible
IL&FS jointly with Mr. Sujoy Das	10	Negligible
IL&FS jointly with Mr. Manu Kochhar	10	Negligible
IL&FS jointly with Mr. Srinivas Rao	10	Negligible
Total	**50,000**	**100.00**

There has been no change in the capital structure of IHEL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of IHEL currently comprises of:

1. Dr. Ashok Harane;
2. Mr. Avinash Bagul; and
3. Mr. Haziq Beg.

19. Integrated Electronic Waste Management and Recycling Limited ("IEWMRL")

IEWMRL was incorporated on July 16, 2008, under the Companies Act and obtained the certificate for commencement of business on August 17, 2008. The company was incorporated as a joint venture and IL&FS Waste Management & Urban Services Limited and Newport Computer Services, Inc USA. It is presently engaged in the business of managing, processing and scientific disposal of electronic waste and other type of waste within and outside India.

Shareholding Pattern

The equity shares of IEWMRL are not listed on any stock exchange. The shareholding pattern of IEWMRL as of February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
IWMUSL	499,994	99.99
IWMUSL jointly with Mr. Rajiv Kumar	1	Negligible
IWMUSL jointly with Mr. Mahesh Babu	1	Negligible
IWMUSL jointly with Mr. Sureshkumar Jayawantrao Rege	1	Negligible
IWMUSL jointly with Mr. Debashish Tripathy	1	Negligible
IWMUSL jointly with Mr. Sandeep Malhotra	1	Negligible
IWMUSL jointly with Mr. Arun Tuli	1	Negligible
Total	**500,000**	**100.00**

There has been no change in the capital structure of IEWMRL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of IEWMRL currently comprises of:

1. Mr. Mahesh Babu;
2. Dr. N.B. Mazumdar; and
3. Mr. Debashish Tripathy.

20. IL&FS Urban Infrastructure Managers Limited ("IUIML")

IUIML was incorporated on May 24, 2006, under the Companies Act and obtained the certificate for commencement of business on August 19, 2006. IUIML is presently engaged in the business of fund management.

Shareholding Pattern

The equity shares of IUIML are not listed on any stock exchange. The shareholding pattern of IUIML as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs.10 each	% of issued capital
IIML	999,940	99.99
Mr. Manoj Borkar jointly with IIML	10	Negligible
Mr. Sanjay Mitra jointly with IIML	10	Negligible
Mr. Alok Bhargava jointly with IIML	10	Negligible
Mr. G. Krishna Kumar jointly with IIML	10	Negligible
Mr. Parag Baduni jointly with IIML	10	Negligible
Mr. Cornad Fernandes jointly with IIML	10	Negligible
Total	**1,000,000**	**100.00**

There has not been any change in the capital structure of IUIML in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of IUIML currently comprises of:

1. Mr Arun K. Saha;
2. Mr Pradeep Puri;
3. Mr. Manu Kochhar;
4. Dr. Archana Hingorani; and
5. Mr. Manoj Borkar.

21. IL&FS Maritime Infrastructure Company Limited ("IMICL")

IMICL was incorporated on November 27, 2006, under the Companies Act. Its CIN is U45201MH2006PLC165803. IMICL is presently engaged in the business of developing, implementing and operating projects in the maritime infrastructure and logistics sector.

Shareholding Pattern

The equity shares of IMICL are not listed on any stock exchange. The shareholding pattern of IMICL as of February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
IL&FS	52,297,440	95.00
Mr. Arun K. Saha and Mr. Vibhav Kapoor as trustees of IL&FS EWT	2,752,500	5.00
IL&FS jointly with Mr. Krishna Ghag	10	Negligible
IL&FS jointly with Mr. Ateesh Samant	20	Negligible
IL&FS jointly with Mr. Ajay Menon	10	Negligible
IL&FS jointly with Mr. Saibel De	10	Negligible
IL&FS jointly with Mr. Sandeep Hasurkar	10	Negligible
Total	**55,050,000**	**100.00**

Except for transfer of 2,752,500 equity shares from IL&FS to Mr. Arun K. Saha and Mr. Vibhav Kapoor (Trustees of IL&FS EWT) on June 30, 2009, there has been no change in the capital structure of IMICL in the last six months prior to the date of filing of this Red Herring Prospectus.

Board of Directors

The board of directors of IMICL currently comprises of:

1. Mr. Ravi Parthasarathy;
2. Mr. Manu Kochhar;
3. Mr. R. C. Bawa;
4. Mr Milind Patel; and
5. Mr Ram Walase.

22. IL&FS Property Management and Services Limited ("IPMSL")

IPMSL was incorporated on November 26, 1991, under the Companies Act. Its CIN is U74999MH199IPLC064167. IPMSL is engaged in the business of property management, project management, office support services and realty services.

Shareholding Pattern

The equity shares of IPMSL are not listed on any stock exchange. The shareholding pattern of IPMSL as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
IL&FS	8,999,916	72.00
Mr. Arun K. Saha jointly with Mr. Vibhav Kapoor (for IL&FS EWT)	1,000,000	8.00
ITCL (as trustee of IL&FS Infrastructure Equity Fund)	2,500,000	20.00
IL&FS jointly with Mr. Arun K. Saha	12	Negligible
IL&FS jointly with Mr. Sujoy Das	12	Negligible
IL&FS jointly with Mr. Shavali Parekh	12	Negligible
IL&FS jointly with Mr. M.M.Wagle	12	Negligible
IL&FS jointly with Mr. Avinash Bagul	12	Negligible
IL&FS jointly with Mr. Srinivas Rao	12	Negligible
IL&FS jointly with Ms. Mahua Ghose	12	Negligible
Total	**12,500,000**	**100.00**

There has been no change the capital structure of the company in the last six months prior to the date of filing of this Red Herring Prospectus.

Board of Directors

The board of directors of IPMSL currently comprises of:

1. Mr. Ravi Parthasarthy;
2. Mr. Arun K. Saha;
3. Mr. K. Ramchand;
4. Mr. Ramesh Chand Bawa;
5. Dr. Archana Hingorani; and
6. Mr. Manu Kochhar.

23. IL&FS Portfolio Management Services Limited (IL&FS PoMSL)

IL&FS PoMSL was incorporated on November 3, 2006 under the Companies Act and obtained the certificate for commencement of business on November 27, 2006. Its CIN is U74140MH2006PLC165363. IL&FS PoMSL is presently engaged in the business of advisory services in relation to portfolio management.

Shareholding Pattern

The equity shares of IL&FS PoMSL are not listed on any stock exchange. The shareholding pattern of IL&FS PoMSL as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
IL&FS	2,374,930	94.99
Mr. Arun K. Saha jointly with Mr. Vibhav Kapoor (as trustees of IL&FS EWT)	125,000	5.00
IL&FS jointly with Mr. Vibhav Kapoor	10	Negligible
IL&FS jointly with Mr. Milind Patel	10	Negligible
IL&FS jointly with Mr. Rajesh Nair	10	Negligible
IL&FS jointly with Mr. Sujoy Das	10	Negligible
IL&FS jointly with Mr. Suhas Naik	10	Negligible
IL&FS jointly with Mr. Avinash Bagul	10	Negligible
IL&FS jointly with Mr. Srinivas Rao	10	Negligible
Total	**2,500,000**	**100.00**

Except for transfer of 125,000 equity shares from IL&FS to IL&FS EWT on August 24, 2009, there has been no change in the capital structure of IL&FS PoMSL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of IL&FS PoMSL currently comprises of:

1. Mr. Vibhav Kapoor;
2. Mr. Milind Patel;
3. Dr. Archana Hingorani; and
4. Mr. S. Rengarajan.

24. IL&FS Renewable Energy Limited ("IREL")

IREL was incorporated on November 23, 2007 under the Companies Act and obtained the certificate for commencement of business on March 14, 2008. Its CIN is U32202MH2007PLC176153. IREL is presently engaged in the business of developing, implementing and financing non-conventional projects in India. It focuses on a range of projects across the energy sector, which includes mini-hydel, co-generation, biomass, waste, bio-diesel and solar power projects across India.

Shareholding Pattern

The equity shares of IREL are not listed on any stock exchange. The shareholding pattern of IREL as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
IL&FS Energy Development Company Limited	49,940	99.88
IL&FS jointly with Mr. Avinash Bagul	10	Negligible
IL&FS jointly with Mr. Milind Patel	10	Negligible
IL&FS jointly with Mr. M.M .Wagle	10	Negligible
IL&FS jointly with Mr. Sujoy Das	10	Negligible
IL&FS jointly with Mr. Manu Kochhar	10	Negligible
IL&FS jointly with Mr. Srinivas Rao	10	Negligible
Total	**50,000**	**100.00**

There has been no change in the capital structure of IREL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of IREL currently comprises of:

1. Mr. A.K. Purwar;
2. Mr. A.K. Doda;
3. Mr. P.D. Karandirar; and
4. Dr. Ashok Harane.

25. IL&FS Tamil Nadu Power Company Limited ("ITNPCL")

ITNPCL was incorporated on June 26, 2006, under the Companies Act. ITNPCL is presently engaged in the business of generating, harnessing, developing, purchasing, accumulating, transmitting, distributing and supplying electricity by conventional and non-conventional means, including setting up of hydro and thermal power plants, or through renewable energy sources such as biomass, agricultural waste, solar or photovoltaic, and to supply power either directly or through transmission lines and such other facilities of the central or state government or private companies or electricity boards to industries, central and state governments and other consumers.

Shareholding Pattern

The equity shares of ITNPCL are not listed on any stock exchange. The shareholding pattern of ITNPCL as of February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
IEDCL	249,994	99.99
IEDCL with Mr. N. Ramesh	1	Negligible
IEDCL with Mr. Haziq Beg	1	Negligible
IEDCL with Mr. Akhil Agarwal	1	Negligible
IEDCL with Mr. Suntanu Pati	1	Negligible
IEDCL with Mr. Rajpal Singh Ahuja	1	Negligible
IEDCL with Mr. Shanmuganandam	1	Negligible
Total	**250,000**	**100.00**

There has been no change in the capital structure of ITNPCL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of ITNPCL currently comprises of:

1. Mr. M. S. Srinivasan;
2. Mr. Hari Sankaran; and
3. Mr. R. C. Bawa.

26. IL&FS Trust Company Limited ("ITCL")

ITCL was incorporated on December 19, 1995, under the Companies Act and obtained the certificate for commencement of business on March 12, 1996. ITCL is presently engaged in the business of providing trusteeship and allied services for debt issuances and loans, securitized paper, private equity funds, venture capital funds, private family trusts, social trusts and other special purpose vehicles as well as acting as securitisation agent for banks and financial investors.

Shareholding Pattern

The equity shares of ITCL are not listed on any stock exchange. The shareholding pattern of ITCL as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 100 each	% of issued capital
IL&FS	213,400	85.09
IL&FS EWT	25,080	10.00
Individuals	12,320	4.91
Total	**250,800**	**100.00**

There has been no change in the capital structure of ITCL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of ITCL currently comprises of:

1. Dr. Arcot Ramchandran;
2. Mr. Moosa Raza;
3. Mr. J. L. Bajaj;
4. Mr. D. K. Contractor;
5. Mr. Arun K. Saha;
6. Dr. Archana Hingorani; and
7. Mr. Sujoy Kumar Das.

27. IL&FS Technologies Limited ("ITL")

ITL was incorporated on February 9, 1993, under the Companies Act. Its CIN is U74999MH1993PLC070724. It is presently engaged in the business of consulting, software development, enterprise resource planning, geographic information systems and facilities management services to global customers.

Shareholding Pattern

The equity shares of ITL are not listed on any stock exchange. The shareholding pattern of ITL as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
Equity shares		
Infrastructure Leasing & Financial Services Limited	3,029,804	42.55
Arun K Saha & Vibhav Kapoor – Trustees - IL&FS Employees' Welfare Trust	274,000	3.85
Prem Saigal	1,743,699	24.49
Kanta Saigal	506,250	7.11
Hemendra Kothari	867,566	12.19
Shitin Desai	2,009	0.03
Sanjiv Sharma	52,006	0.73
Hari Sankaran	20,006	0.28
Arun K Saha	10,003	0.14
Manu Kochhar	20,006	0.28
Namita Mendiratta	23,003	0.32
Manoj Khanderia	12,003	0.16
Rewarding Investment & Consultancy Private Limited	367,645	5.16
Aneeta Malhotra	3,000	0.04
Ravi Parthasarathy	20,000	0.28
Deepak Kumar	12,000	0.16
M Venkatraman	10,000	0.14
K Ramchand	10,000	0.14
Vibhav Kapoor	10,000	0.14
Anjani Shetty	10,000	0.14
Rakesh Bedi	5,000	0.07
Gulshan Kumar Bhatia	5,000	0.07
Gaurav Varshney	5,000	0.07
Mrinal Kapoor	5,000	0.07
Himanshu Mishra	5,000	0.07
Savio Furtado	4,000	0.05
Karunakar Shetty	4,000	0.05
Ameeta Marfatia	4,000	0.05
Anil Kantilal Somaiya	4,000	0.06

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
Equity shares		
Valentine Rodrigues	4,000	0.06
Anurag Singh Negi	3,000	0.04
Sanjeev Kumar	3,000	0.04
Chandan Kumar	3,000	0.04
Hitesh Kumar Gupta	3,000	0.04
Satya Prakash Kejriwal	3,000	0.04
Ramakant Vipat	2,800	0.035
Ruchir Kr. Sharma	2,500	0.035
Seema Mitra	2,500	0.035
Smita Garg	2,500	0.035
Vijay Kumar Bhalotra	2,500	0.035
Jagmohan Baswal	2,500	0.035
Kannan Arjun Mudaliar	2,500	0.035
Sukumar Mandal	2,500	0.035
Vivek Sharma	2,500	0.035
Rakesh Kumar	2,500	0.035
Vinod Basutkar	2,500	0.035
Manmohan Malhotra	1,500	0.02
Vivekanand Jakhmola	1,500	0.02
Prity Trehan	1,500	0.02
Tarun Garg	1,500	0.02
Gaurav Sharma	1,500	0.02
Rohit Mehandiratta	1,500	0.02
Guddu Kumar Singh	1,500	0.02
Prashant Verma	1,500	0.02
Mukesh Kumar Mutreja	1,500	0.02
Deepankar Sahdev	1,500	0.02
P K Gopalkrishnan Nair	1,000	0.02
Pramod Prabhakar Mangulkar	1,000	0.02
Aparajita Banerjee	1,000	0.02
Rajesh Kumar	1,000	0.02
Sandeep Kumar Malik	1,000	0.02
Sanjay Jhamb	1,000	0.02
Abhinendra Singh	1,000	0.02
S. Anbu	1,000	0.02
Kamal Kalia	1,000	0.02
Amit Khurana	1,000	0.02
Dheeraj Saxena	1,000	0.02
Renuka Handa	1,000	0.02
Navneet Kaur	700	0.009
Sudhakar Tiwari	600	0.009
Nilesh Chitre	200	0.001
Sanatan Parida	200	0.001
Vishal Ramdayal Shukla	200	0.001
Nizel Roland Jacinto	200	0.001
Arun Uttam Mane	100	0.001
IL&FS Trust Company Limited	1	Negligible
Pan Asia Infrastructure Asset Management Company Pte, Ltd, Singapore	1	Negligible
Total	**7,120,002**	**100.00**
Preference shares		
Redeemable Cumulative Preference Shares	**Number of shares of Rs. 10 each**	**% of issued capital**
Infrastructure Leasing & Financial Services Limited	10,000,000	100.00
Total	**10,000,000**	**100.00**
Compulsory Convertible Preference Shares	**Number of shares of Rs. 40 each**	**% of issued capital**
IL&FS Trust Company Limited	396,126	52.94
Pan Asia Infrastructure Asset Management Company Pte, Ltd, Singapore	352,111	47.06
Total	**748,237**	**100.00**

Except for division in the authorised share capital of Rs. 250 million into 12,000,000 equity shares of Rs. 10 each, 750,000 into compulsory convertible preference shares of Rs. 40 each and 10,000,000 preference shares of Rs. 10 each, there has been no change in the capital structure of ITL in the last six months from the date of filing of this Red Herring Prospectus.

Board of Directors

The board of directors of ITL currently comprises of:

1. Mr. Prem Saigal;
2. Mr. Arun K Saha;
3. Mr. Manu Kochhar;
4. Mr. M. Venkataraman; and
5. Mr. Alok Bhargava.

28. IL&FS Waste Management and Urban Services Limited ("IWMUSL")

IWMUSL was incorporated on August 2, 2007, under the Companies Act and obtained the certificate for commencement of business on August 6, 2007. IWMUSL was incorporated as a 100% subsidiary of IL&FS with the objective of carrying on business related to municipal solid waste management. The aim is to provide a one-stop solution to all Municipal Corporations/Councils for collection, transportation, processing and final disposal of municipal solid waste. IWMUSL is presently engaged in the business of collection, segregation, transportation, trading, processing, composting, recycling, treatment and disposal of all types of waste including municipal solid waste, e-waste, construction and demolition debris, bio-medical waste, hazardous waste, sewage and waste water.

Shareholding Pattern

The equity shares of IWMUSL are not listed on any stock exchange. The shareholding pattern of IWMUSL, as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
IL&FS	11,000,000	80.00
IL&FS jointly with Mr. Pradeep Puri	1	Negligible
IL&FS jointly with Mr. Debashish Tripathy	1	Negligible
IL&FS jointly with Mr. Mahesh Babu	1	Negligible
IL&FS jointly with Mr. Sanjay Singh	1	Negligible
IL&FS jointly with Mr. Dibendu Das	1	Negligible
IL&FS jointly with Mr. Sandeep Malhotra	1	Negligible
Pan Asia Infrastructure and Asset Management Company Pte Limited, Singapore	1,185,185	9.00
ITCL (Trustee of Pan Asia Project Development Fund) c/o IL&FS Asian Urban Infrastructure Managers Limited	1,481,482	11.00
Total	**13,666,673**	**100.00**

There has been no change in the capital structure of IWMUSL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of IWMUSL currently comprises of:

1. Mr Pradeep Puri;
2. Mr Mahesh Babu;
3. Mr. Manu Kochhar;
4. Dr. Prasad Modak;
5. Dr. Prodipto Ghosh;
6. Mr. V. Janakiraman; and

7. Mr. Alok Bhargava.

29. Integrated Waste Management and Urban Services Company (Tamil Nadu) Limited (“IWMUSTL”)

IWMUSTL was incorporated on October 26, 2007, under the Companies Act. Its CIN is U74900TN2007PLC065176. IWMUSTL is engaged in the business of solid waste management.

Shareholding Pattern

The equity shares of IWMUSTL are not listed on any stock exchange. The shareholding pattern of IWMUSTL as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
IWMUSL	3,123,999	81.69
Mr. S. Senthilkumar (on behalf of Sivasakthi Environment Improvement Trust)	700,000	18.30
Mr L Ravikumar (on behalf of IWMUSL)	1	Negligible
Mr. L.Krishnan	10	Negligible
Mr. V. Shenbagaraman	10	Negligible
Mr. G. Viswanthan	10	Negligible
Lt. Col. Suresh Rege	10	Negligible
Mr. Vijay Joshi	10	Negligible
Total	**3,824,050**	**100.00**

There has been no change in the capital structure of the company in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of IWMUSTL currently comprises of:

1. Mr. L. Ravikumar;
2. Mr. S. Senthilkumar;
3. Mr. G. Viswanathan; and
4. Mr. Alok Bhargava.

30. IL&FS Urban Infrastructure Services Limited (“IUISL”)

IUISL was incorporated on January 22, 2008, under the Companies Act and obtained the certificate for commencement of business on January 30, 2008. IUISL is engaged in the business of urban infrastructure including identification, development, implementation and management of urban infrastructure projects.

Shareholding Pattern

The equity shares of IUISL are not listed on any stock exchange. The shareholding pattern of IUISL as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
IWMUSL	49,994	99.90
IWMUSL jointly with Mr. Pradeep Puri	1	Negligible
IWMUSL jointly with Mr. Mahesh Babu	1	Negligible
IWMUSL jointly with Mr. G. Viswanathan	1	Negligible
IWMUSL jointly with Mr. Subhash Gupta	1	Negligible
IWMUSL jointly with Ms. Monisha Macedo	1	Negligible
IWMUSL jointly with Mr. Jiten Hindocha	1	Negligible
Total	**50,000**	**100.00**

There has been no change in the capital structure of IUISL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of IUISL currently comprises of:

1. Mr. Pradeep Puri;
2. Mr. Mahesh Babu; and
3. Ms. Monisha Macedo.

IUISL has a negative Net Worth. The audited financial results of IUISL for Fiscals 2009 and 2008 are set forth below:

(Rs million, except per share data)

	Fiscal 2009	Fiscal 2008
Total Income	149.14	89.95
Profit/(Loss) after tax	(0.86)	(14.21)
Equity share capital (paid up)	0.50	0.50
Reserves and Surplus (excluding revaluation reserves) *	(15.08)	(14.21)
Earnings/(Loss) per share (diluted) (Rs.)	(17.28)	(284.29)
Earnings/(Loss) per share (basic) (Rs.)	(17.28)	(284.29)
Book Value per share (Rs.) #	(291.57)	(274.29)

* Net of miscellaneous expenditure not written off
\# The face value of the share is Rs. 10

As IUISL was incorporated on January 22, 2008, the audited financial for the Fiscal 2007 are not available.

31. IL&FS Wind Farms Limited ("IWFL")

IWFL was incorporated on January 22, 1997, under the Companies Act. Its CIN is U40100MH1997PLC105323**.** IWFL is engaged*,* in the business of generation of wind power.

Shareholding Pattern

The equity shares of IWFL are not listed on any stock exchange. The shareholding pattern of IWFL as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
IL&FS	17,296,993	99.99
IL&FS jointly with M. M. Wagle	1	Negligible
IL&FS jointly with Mr. Hari Sankaran	1	Negligible
IL&FS jointly with Sutanu Pati	1	Negligible
IL&FS jointly with Mr. Ashok Harane	1	Negligible
IL&FS jointly with Mr. Avinash Bagul	1	Negligible
IL&FS jointly with Mr. Sanjay Joshi	1	Negligible
IL&FS jointly with Mr. Subhash Mathurvaishya	1	Negligible
Total	**17,297,000**	**100.00**

There has been no change in the capital structure of IWFL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of IWFL currently comprises of:

1. Mr. Manu Kochhar;
2. Dr. Ashok Harane; and

3. Mr. Bijoy Daga.

32. IL&FS Water Limited ("IWL")

IWL was incorporated on June 14, 2007 under the Companies Act and obtained the certificate for commencement of business on November 19, 2007. IWL is engaged in the business of development, implementation, operation and maintenance of water supply/ water reuse projects.

Shareholding Pattern

The equity shares of IWL are not listed on any stock exchange. The shareholding pattern of IWL as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
IL&FS	9,499,930	94.99
IL&FS jointly with Mr. Hari Sankaran	10	Negligible
IL&FS jointly with Mr. Manu Kochar	10	Negligible
IL&FS jointly with Mr. Avinash Bagul	10	Negligible
IL&FS jointly with Mr. S. Prakash	10	Negligible
IL&FS jointly with Mr. Sameer Vyas	10	Negligible
IL&FS jointly with Mr. Mukund Sapre	10	Negligible
IL&FS jointly with Mr. Manu Trivedi	10	Negligible
Mr. Arun K. Saha jointly with Mr. Vibhav Kapoor	500,000	5.00
Total	**10,000,000**	**100.00**

Except for transfer of 500,000 equity shares from IL&FS to Mr. Arun K. Saha and Mr. Vibhav Kapoor on August 31, 2009, there has been no change in the capital structure of IWL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of IWL currently comprises of:

1. Mr. Sameer Vyas;
2. Mr. L. K. Krishnan;
3. Mr. R. C. Bawa; and
4. Mr. Prasad Modak.

33. IL&FS Wind Power Limited ("IWPL")

IWPL was incorporated on November 30, 2007 under the Companies Act and obtained the certificate for commencement of business on June 3, 2008. Its CIN is U40102MH2007PLC176369. IWPL is engaged in the business of financing of or procuring, distributing, manufacturing, importing, exporting and are dealers of wind power, electricity and any products or by products derived from such business and any products with any other form of energy including dealing in hydrocarbon fuels, fuel handling equipments and machinery.

Shareholding Pattern

The equity shares of IWPL are not listed on any stock exchange. The shareholding pattern of IWPL as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
IL&FS Energy Development Company Limited	49,940	99.88
IL&FS jointly with Mr. Avinash Bagul	10	Negligible
IL&FS jointly with Mr. Milind Patel	10	Negligible
IL&FS jointly with Mr. M.M. Wagle	10	Negligible
IL&FS jointly with Mr. Sujoy Das	10	Negligible
IL&FS jointly with Mr. Manu Kochhar	10	Negligible

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
IL&FS jointly with Mr. Srinivas Rao	10	Negligible
Total	**50,000**	**100.00**

There has been no change in the capital structure of IWPL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of IWPL currently comprises of:

1. Dr. Ashok Harane;
2. Mr. Avinash Bagul; and
3. Mr. Haziq Beg.

34. India Telecom Infra Limited ("ITIL")

ITIL was incorporated on April 9, 2007, under the Companies Act and obtained the certificate for commencement of business on June 12, 2007. Its CIN is U72900TN2007PLC063049. ITIL is presently engaged in the business of construction and making passive telecom infrastructure for mobile service providers.

The company was initially incorporated as "NK Digital Infrastructure Services Limited". Pursuant to a resolution dated November 23, 2007, the name of the company was changed to its current name and a fresh certificate of incorporation pursuant to change of name was granted on December 3, 2007.

Shareholding Pattern

The equity shares of ITIL are not listed on any stock exchange. The shareholding pattern of ITIL as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
IL&FS	250,000	50.00
N.K. Tele Systems Limited	49,994	9.99
N.K. Telecom Products Limited	200,000	40.00
Mr. R. Naresh*	1	Negligible
Mr. R. Dinesh*	1	Negligible
Ms. Shobana Ramchandran*	1	Negligible
Mrs. Indu Ramchandran*	1	Negligible
Mr. M.G. Siva Subramanian*	1	Negligible
Mr. M.K. Vadivelu*	1	Negligible
Total	**500,000**	**100.00**

* *holding for the beneficial interest of N.K. Tele Systems Limited*

Except for the allotment of 200,000 equity shares of Rs.10 each to IL&FS and 200,000 equity shares to N.K. Telecom Products Limited pursuant to a resolution of the board of directors of the company dated November 19, 2009, there has been no change in the capital structure of the company in the last six months prior to the filing of this Red Herring Prospectus.

Name of Shareholder	Number of preference shares of Rs. 100 each for cash at par	% of preference shareholding
IL&FS	12,475,000	50.00
N.K. Tele Systems Limited	2,495,000	10.00
N.K. Telecom Products Limited	9,980,000	40.00
Total	**24,950,000**	**100.00**

Except for allotment of 9,980,000 6% cumulative redeemable preference shares of Rs. 100 each to IL&FS and 9,980,000 6% cumulative redeemable preference shares to N.K. Telecom Products Limited pursuant to a resolution of the board of directors dated November 19, 2009, there has been no change in the capital structure of the company in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of ITIL currently comprises of:

1. Mr. R. Haresh;
2. Mr. V. Babuji;
3. Mr. Milind Patel; and
4. Mr. Bijoy Kumar Daga.

ITIL has a negative Net Worth. The audited financial results of ITIL for the Fiscal 2008 and Fiscal 2009 are as follows:

(Rs. million, except per share data)

	Fiscal 2009	Fiscal 2008
Sales and other income	227.96	48.59
Profit/ (Loss) after tax	(518.35)	(86.01)
Equity capital	1.00	0.50
Reserves and Surplus (excluding revaluation reserves) (1)	(604.36)	(86.01)
Earnings/ (Loss) per share (diluted) (Rs.) (2)	(6,349.00)	(1,720.00)
Earnings/ (Loss) per share (basic) (Rs.) (2)	(6,349.00)	(1,720.00)
Book value per equity share (Rs.) (2)	(7,390.00)	(1,710.18)

(1) *Net of miscellaneous expenditure not written off.*
(2) *Face value of each equity share is Rs.10.*

As ITIL was incorporated on April 9, 2007, the audited financial results for the Fiscal 2007 are not available.

Significant notes of auditors for Fiscal 2008

The significant notes as appearing in the report of the auditor for the Fiscal 2008, are reproduced hereinebelow:

"(b) The company has taken unsecured loans from the holding company covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end balance of such loans amounts Rs. 205,060,000."

35. Jharkhand Accelerated Road Development Company Limited ("JARDCL")

JARDCL was incorporated on March 12, 2008 under the Companies Act and obtained the certificate of commencement of business on May 12, 2008. Its CIN is U45203JH2008PLC013085. It is presently engaged in the business of implementation of 'Jharkhand Accelerated Road Development Programme' in the state of Jharkhand on BOT (annuity) basis.

Shareholding Pattern

The equity shares of JARDCL are not listed on any stock exchange. The shareholding pattern of JARDCL on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
IL&FS	7,399,940	73.99
Governor of Jharkhand	2,600,000	26.00
IL&FS jointly with Mr. Ajay Menon	10	Negligible
IL&FS jointly with Mr. Naresh Sasanwar	10	Negligible

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
IL&FS jointly with Mr. Manu Trivedi	10	Negligible
IL&FS jointly with Mr. Krishna Ghag	10	Negligible
IL&FS jointly with Mr. Ravi Sreehari	10	Negligible
IL&FS jointly with Mr. Danny Samuel	10	Negligible
Total	**10,000,000**	**100.00**

There has been no change in the capital structure of JARDCL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of JARDCL currently comprises of:

1. Mr. Shiv Basant;
2. Ms. Rajbala Verma;
3. Mr. Nagendra Nath Sinha;
4. Mr. Harish Mathur;
5. Mr. K. Ramchand; and
6. Mr. Mukund Gajanan Sapre.

36. Kanak Resources Management Limited ("Kanak")

Kanak was incorporated on November 26, 2007 under the Companies Act and obtained the certificate for commencement of business on November 29, 2007. The company is incorporated as a joint venture between IL&FS Waste Management & Urban Services Limited and Center for Development Communication (a trust established under the Indian Trusts Act, 1882). Kanak is presently engaged in the business of collection, segregation, transportation, trading, processing, composting, recycling, treatment and disposal of all types of waste.

Shareholding Pattern

The equity shares of Kanak are not listed on any stock exchange. The shareholding pattern of Kanak on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
IWMUSL	2,719,995	80.00
Dr. Vivek Agarwal (as trustee of Centre for Development Communication)	680,000	20.00
IWMUSL jointly with Mr. Mahesh Babu	1	Negligible
IWMUSL jointly with Sureshkumar Jayawantrao Rege	1	Negligible
Dr. Vivek Agarwal	1	Negligible
IWMUSL jointly with Mr Rajiv Kumar	1	Negligible
IWMUSL jointly with Mr. Sandeep Malhotra	1	Negligible
Total	**3,400,000**	**100.00**

There has been no change in the capital structure of Kanak in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of Kanak currently comprises of:

1. Mr. Mahesh Babu;
2. Dr. N.B. Majumdar;
3. Dr. Vivek Agarwal; and
4. Ms. Debashish Tripathy.

Kanak has a negative Net Worth. The audited financial results of Kanak for Fiscal 2009 and the relevant period in the year 2008 are set forth below:

(Rs. million, unless otherwise stated)

	Fiscal 2009	Period between November 29, 2007 to March 31, 2008
Total Income	136.62	33.15
Profit/(Loss) after tax	(22.90)	1.87
Equity share capital (paid up)	1.00	1.00
Reserves and Surplus (excluding revaluation reserves) *	(21.03)	1.87
Earnings/(Loss) per share (diluted) (Rs.)	(229)	19
Earnings/(Loss) per share (basic) (Rs.)	(229)	19
Book Value per share (Rs.) #	(200.29)	28.68

* Net of miscellaneous expenditure not written off
# The face value of the share is Rs. 10

As Kanak was incorporated on November 26, 2007, the audited financial for the Fiscal 2007 are not available.

Significant notes of auditors for Fiscal 2009

The significant notes as appearing in the report of the auditor for the Fiscal 2009, are reproduced hereinebelow:

"(b) According to information and explanations given to us, the transaction made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act and exceeding the value of Rs. 500,00 in respect of a party during the financial year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time."

37. Karnataka Enterprise Solutions Limited ("KESL")

KESL was incorporated on June 22, 2007, under the Companies Act and obtained the certificate for commencement of business on August 7, 2007. The registered office of the company is situated at 1/1, Thimmaiah Road, KSFC Bhavan, Bangalore 560 052, Karnataka. It is presently engaged, in the business of e-governance and information technology.

Shareholding Pattern

The equity shares of KESL are not listed on any stock exchange. The shareholding pattern of KESL as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of Issued Capital
IL&FS	49,998	49.99
IL&FS jointly with Dinesh Kumar Tyagi	1	Negligible
IL&FS jointly with Bhaskar Prasad	1	Negligible
Karnataka State Financial Corporation (KSFC)	49,997	49.99
KSFC jointly with Kaushik Mukherjee	1	Negligible
KSFC jointly with N.R. Sridhar	1	Negligible
KSFC jointly with Dr. S.S. Chandrashekhar	1	Negligible
Total	**100,000**	**100.00**

There has been no change in the capital structure of KESL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of KESL currently comprises of:

1. Mr. Kaushik Mukerjee;

2. Dr. S. S. Chandrashekar;
3. Mr. N. R. Sridhar;
4. Mr. Ramesh Dharmaji;
5. Dr. Dinesh Tyagi;
6. Mr. Sridhar Srinivasan; and
7. Mr. Bhaskar Prasad.

38. Khambhat Port Limited ("KPL")

KPL was incorporated on May 21, 2008, under the Companies Act. Its CIN is U63032MH2008PLC182489. It is presently engaged in the business of development and construction of marine infrastructure.

Shareholding Pattern

The equity shares of KPL are not listed on any stock exchange. The shareholding pattern of KPL as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
IL&FS	404,954	95.00
Mr. Arun K. Saha and Mr. Vibhav Kapoor (Trustees of IL&FS EWT)	21,313	5.00
IL&FS jointly with Mr. Manu Trivedi	10	0.02
IL&FS jointly with Mr. Maharudra M. Wagle	10	0.02
IL&FS jointly with Mr. Sandeep Hasurkar	10	0.02
IL&FS jointly with Mr. Sunil Dhawan	10	0.02
IL&FS jointly with Mr. Ajay Menon	10	0.02
IL&FS jointly with Mr. Ateesh Samant	10	0.02
Total	**426,327**	**100.00**

Except for transfer of 21,313 equity shares from IL&FS to Mr. Arun K. Saha and Mr. Vibhav Kapoor (Trustees of IL&FS EWT) on August 14, 2009, there has been no change in the capital structure of KPL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of KPL currently comprises of:

1. Mr. Saibal De;
2. Mr. Sandeep Hasurkar; and
3. Mr. Avinash Bagul.

39. Mangalore SEZ Limited ("MSL")

MSL was incorporated on February 24, 2006, under the Companies Act and obtained the certificate for commencement of business on June 19, 2006. Its CIN is U45209KA2006PLC038590. It is presently engaged in the business of development of special economic zone.

Shareholding Pattern

The equity shares of MSL are not listed on any stock exchange. The shareholding pattern of MSL as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
Oil and Natural Gas Corporation Limited	13,000,000	26.00
KIADB	11,500,000	23.00
IL&FS	25,000,000	50.00
KCCI	20,000	0.04
OMPL	480,000	0.96

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
Mr. A. Gopalkrishna Pai	500	Negligible
Mr. Rishi Bharadwaj	500	Negligible
Mr. S.T. Karkera	100	Negligible
Mr. S. Ramchandran	100	Negligible
Total	**50,001,200**	**100.00**

There has been no change in the capital structure of MSL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of MSL currently comprises of:

1. Mr. R.S. Sharma;
2. Mr. Rajiv Bunga;
3. Mr. I.S.N. Prasad;
4. Dr. A.K. Balyan;
5. Mr D.K. Sarraff;
6. Mr. L.K. Gupta;
7. Mr Sham Bhatt;
8. Mr Hari Sankaran;
9. Mr Paritosh Gupta;
10. Mr. Saibal Kumar De;
11. Mr. T. K. S. Sridhar Rajagopalchari; and
12. Mr. Srinivas Kamath.

40. MPPL Enterprises Limited ("MEL")

MEL was incorporated on January 14, 1969, under the Companies Act. Its CIN is U24110MH1969PTC014184. It is presently engaged in the business of financial advisory services on commodities operations, accounting manual, US GAAP advisory, and training and real estate broking.

Shareholding Pattern

The equity shares of MEL are not listed on any stock exchange. The shareholding pattern of MEL as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
OVIRA Logistics Limited	122,400	51.00
IL&FS	117,550	48.99
IL&FS jointly with Mr. Avinash Bagul	10	Negligible
IL&FS jointly with Mr. S. Rengarajan	10	Negligible
IL&FS jointly with Ms. Shikha Bagai	10	Negligible
IL&FS jointly with Mr. Neeraj Kumar	10	Negligible
ORIX Employee Welfare Trust	10	Negligible
Total	**240,000**	**100.00**

There has been no change in the capital structure of MEL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of MEL currently comprises of:

1. Mr. Manu Kochhar;
2. Mr. S. Rengarajan;
3. Mr. Neeraj Kumar; and
4. Mr. S. K. Mukhopadhyay.

MEL has a negative Net Worth. The audited financial results of MEL for Fiscals 2009, 2008 and 2007 are set forth below:

(Rs. million, except per share data)

	Fiscal 2009	Fiscal 2008	Fiscal 2007
Total Income	1.00	62.80	130.56
Profit/(Loss) after tax	(22.36)	34.86	56.81
Equity share capital (paid up)	2.40	2.40	2.40
Reserves and Surplus (excluding revaluation reserves) *	(181.64)	(159.28)	(194.14)
Earnings/(Loss) per share (diluted) (Rs.)	(93.18)	145.25	236.72
Earnings/(Loss) per share (basic) (Rs.)	(93.18)	145.25	236.72
Book Value per share (Rs.) #	(746.85)	(653.67)	(798.91)

* Net of miscellaneous expenditure not written off
\# The face value of the share is Rs. 10

Significant notes of auditors for Fiscal 2009

The significant notes as appearing in the report of the auditor for the Fiscal 2009, are reproduced hereinebelow:

"(IX)

(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues as applicable, with the appropriate authorities. Based on our audit procedure and according to the information and explanations given to us, no undisputed dues payable in respect of provident fund, investor education and protection fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess were in arrears, as at 31st March, 2009 for a period of more than six months from the date they became payable.

(b) As explained to us and according to the records of the Company has disputed the following statutory dues,"

Name of the Statue	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Bombay Sales Tax Act & Central Sales Tax Act.	Sales Tax	61,135	F.Y. 1995-96	Commissioner of Sales Tax (Mumbai)
Income Tax Act	Income Tax	7,637,298	F.Y. 2005-2006	CIT (Appeals)

Significant notes of auditors for Fiscal 2008

The significant notes as appearing in the report of the auditor for the Fiscal 2008, are reproduced hereinebelow:

"(b) The Company has borrowed, by issuing Redeemable Optionally Convertible Bonds, from a Company covered in the register maintained under section 301of the Companies Act, 1956. At the end, the outstanding balance of such borrowing aggregated to Rs. 186,915,000/- and maximum amount involved during the year was Rs. 197,000,000/-

(ix)

(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues as applicable, with the appropriate authorities. Based on our audit procedure and according to the information and explanations given to us, no undisputed dues payable in respect of provident fund, investor education and protection fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess were in arrears, as at 31st March, 2008 for a period of more than six months from the date they became payable.

(b) As explained to us and according to the records of the Company has disputed the following statutory dues,

Name of the Statue	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Bombay Sales Tax Act & Central Sales Tax Act.	Sales Tax	61,135	F.Y. 1995-96	Commissioner of Sales Tax (Mumbai)
Income Tax Act	Income Tax	7,637,298	F.Y. 2005-2006	CIT (Appeals)

(xix) According to the information and explanations given to us, and on the basis of the records examined by us, the Company has during the year issued Redeemable Optionally Convertible Bonds aggregating to Rs. 197,000,000/- and the Company has created charge in respect of such Redeemable Optionally Convertible Bonds."

41. MP Toll Roads Limited ("MPTRL")

MPTRL was incorporated on January 22, 1996, under the Companies Act. Its CIN is U45203MP1996PLC010410. It is presently engaged in the business of promoting, developing, financing, operating, maintaining, controlling, upgrading the toll roads and its ancillary facilities including 'approach roads', minor and major bridges, flyovers, inter-changes, culverts, links, buildings, toll booths, electric fittings, drains, waterways etc. within the state of Madhya Pradesh and /or its departments and/or its companies and/or their respective agencies and upgrading all types of systems, methods or facilities for facilitating the travel, transportation or commuting of passengers, cargo or freight.

Shareholding Pattern

The equity shares of MPTRL are not listed on any stock exchange. The shareholding pattern of MPTRL as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
IL&FS	2,799,993	80.00
Madhya Pradesh State Industrial Development Corporation Limited	700,000	20.00
Mr. S.R. Mohanty	1	Negligible
Mr. S.C. Dave	1	Negligible
Mr. Avinash Bagul	1	Negligible
Mr. K. Ramchand	1	Negligible
Mr. Ashok Totlani	1	Negligible
Mr. Manu Trivedi	1	Negligible
Mr. Ajay Menon	1	Negligible
Total	**3,500,000**	**100.00**

There has been no change in the capital structure of MPTRL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of MPTRL currently comprises of:

1. Mr. Ashok Totlani;
2. Mr. Avinash Bagul ;
3. Mr. Cherian George;
4. Mr. Gautam Kothari; and

5. Mr. S.R. Mohanty.

MPTRL has a negative Net Worth. The audited financial results of MPTRL for Fiscals 2009, 2008 and 2007 are set forth below:

(Rs. million, except per share data)

	Fiscal 2009	Fiscal 2008	Fiscal 2007
Total Income	-	-	-
Profit/(Loss) after tax	(4.10)	(6.76)	(7.80)
Equity share capital (paid up)	35.00	35.00	35.00
Reserves and Surplus (excluding revaluation reserves) *	(172.39)	(168.28)	(161.52)
Earnings/(Loss) per share (diluted) (Rs.)	(1.17)	(1.93)	(2.23)
Earnings/(Loss) per share (basic) (Rs.)	(1.17)	(1.93)	(2.23)
Book Value per share (Rs.) #	(39.25)	(38.08)	(36.15)

* Net of miscellaneous expenditure not written off
# The face value of the share is Rs. 10

Significant notes of auditors for Fiscal 2009

The significant notes as appearing in the report of the auditor for the Fiscal 2009, are reproduced hereinebelow:

"4. Attention is invited to Note (2) of Schedule 'F' regarding the following agreements which remains to be executed but the accounting effect has been incorporated in the books of account:]

(i) The Quadripartite Agreement between Infrastructure Leasing & Financial Services Ltd. (IL&FS), Madhya Pradesh Audyogik Kendra Vikas Nigam (Indore) Ltd. (MPAKVN), Madhya Pradesh Industrial Development Corporation Ltd. (MPSIDC) and the Company which provides for the rights and obligations of each party of the agreement in respect of the operation and maintenance of the Rau Pithampur Toll Road and the transfer of the toll collection rights to the Company; and

(ii) The license agreement between IL&FS and the Company.

Further, MPSIDC has taken over the Rau Pithampur Toll Road since 13th March, 2001, and the matter has been referred to arbitration. We are informed that pending the final outcome of the takeover, arbitration proceedings/ appeal and the execution of the aforesaid arrangements, the accounts have been prepared on a going concern basis.

Note 2 of Schedule F

(a) The Quadripartite Agreement between the Company, Infrastructure Leasing & Financial Service Limited (IL&FS), Madhya Pradesh Audyogik Kendra Vikas Nigam (Indore) limited (MPAKVN) and Madhya Pradesh State Industrial Development Corporation Limited (MPSIDC) providing for the rights and obligations of each party to the agreement in respect of operation and maintenance of the Rau – Pithampur Toll Road and the transfer of toll collection rights is pending execution.

(b) License Agreement between IL&FS and the Company providing for the rights and obligations of each party under the Agreement is pending for execution. Pending execution of the agreement the Company has not booked the license fees expenses in the books from April 1, 2006.

(c) The Board of Madhya Pradesh State Industrial Development Corporation Limited (MPSIDC) had taken a decision that Rau-Pithampur Road Project (the Project) which was to be domiciled in the Company should be now taken back and handed over to Madhya Pradesh Audyogic Kendra Vikas Nigam (Indore) Limited (MPAKVN) for maintenance/ upgrading. MPAKVN has vide letter dated 13th March, 2001 has instructed SBI, Pithampur to stop transfer of amounts relating to toll collection to IL&FS. Accordingly, no toll revenues have been recognized for the period under review. The expenses incurred by IL&FS on behalf of the Company has been recognized and accounted by the Company As per the Agreement signed for the Project, MPSIDC is contractually bound to pay returns of 15% per annum on the Project investments to

IL&FS. MPSIDC and IL&FS have appointed Arbitrators to arbitrate the claim of both parties. As the matter is under arbitration between the Company, IL&FS, MPSIDC and MPAKVN, the Financial Statements are prepared on a going concern basis.

2) *Attention is invited to Note No. 2(b) of schedule 'F' regarding non-provision of license fees, pending the execution of license agreement between IL&FS and the Company, amounting to Rs. 6,760,000/- for the year (cumulative Rs. 20,280,000/- Upto 31.03.2009). Had the aforementioned license fee been provided the net loss for the year before tax would have been higher by Rs. 6,760,000/- liabilities and accumulated loss as stated in the balance sheet would have been higher by Rs. 20,280,000/-*

6. *Attention is invited to Note No. 7 of schedule 'F' regarding non-provision of interest on advance towards Deep Discount Bonds (DDBs), pending the allotment of DDBs, amounting to Rs. 11,987,595/- for the year (cumulative Rs. 35,962,785/- from 1.4.2006 to 31.3.2009). Had the aforementioned interest been provided the net loss for the period before tax would have been higher by Rs. 11,987,595/- liabilities and accumulated loss as stated in the balance sheet would have been higher by Rs. 35,962,785/-.*

4) On the basis of written representations received from the directors other than Mr. S.R. Mohanty and Mr. S.C. Dave, taken on record by the Board of Directors, none of the directors who have furnished the declarations is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956. *We are unable to comment on whether Mr. S.R. Mohanty and Mr. S.C. Dave, are disqualified or not from being appointed as directors.*

5) The company has not taken any loan secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. However, the outstanding balance as at the year-end of advance towards subscription of Deep Discount Bonds (DDBs) aggregated Rs. 72,410,141/- from a company covered in the register maintained under section 301 and the maximum amount outstanding during the year was Rs. 72,410,141/-.

6) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employee's state insurance, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues as applicable, with the appropriate authorities except the tax deducted at source. Based on our audit procedure and according to the information and explanations given to us, no undisputed dues payable in respect of provident fund, investor education and protection fund, employee's state insurance, income tax, sales tax, wealth tax, custom duty, excise duty and cess were in arrears, as at 31st March, 2009 for a period of more than six months from the date they became payable except for Rs. 7,535/- in respect of tax deducted at source.

7) The net worth of the Company as on 31st March, 2009 has been completely eroded. The Company has also incurred cash losses during the financial year and in the immediately proceeding financial year. Also refer our observation in paragraphs 5 an 6 above."

Significant notes of auditors for Fiscal 2008

The significant notes as appearing in the report of the auditor for the Fiscal 2008, are reproduced hereinebelow:

"4. *Attention is invited to Note (3) read with Note (2) of Schedule 'F' regarding Rs. 3,979,985 receivable from MPAKVN on account of toll collected by them on behalf of the Company for the period prior to the taking over the toll road by Madhya Pradesh Audyogik Kendra Vikas Nigam (Indore) Ltd. (MPAKVN). The amount is considered good and recoverable by the Management through the arbitration. Pending the final outcome of the take over, arbitration proceedings and the execution of the arrangements as stated in the aforesaid Note 2 of Schedule 'F' we are unable to form an opinion the recoverability of Rs. 3,979,985/- and its consequential aggregate* *effect on the loss for the year, accumulated losses, assets and liabilities as at the balance sheet date.*

Note 2 and 3 Schedule F

(2) (a) The Quadripartite Agreement between the Company, Infrastructure Leasing & Financial Services Limited (IL&FS), Madhya Pradesh Audyogik Kendra Vikas Nigam (Indore) Limited (MPAKVN) and Madhya Pradesh State Industrial Development Corporation Limited (MPSIDC) providing for the rights and obligations of each party to the agreement in respect of operation and maintenance of the Rau-Pithampur Toll Road and the transfer of toll collection rights is pending execution.

(b) License Agreement between IL&FS and the Company providing for the rights and obligations of each party under the Agreement is pending for execution. Pending execution of the agreement the company has not booked the license fees expenses in the books from April, 2006.

(c) The Board of Madhya Pradesh Sate Industrial Development Corporation Limited (MPSIDC) had taken a decision that Rau-Pithampur Road Project (the Project) which was to be domiciled in the Company should be now taken back and handed over to Madhya Pradesh Audyogic Kendra Vikas Nigam (Indore) Limited (MPAKVN) for maintenance/ upgrading. MPAKVN has vide letter dated 13th March, 2001 has instructed RBI, Pithampur to stop transfer of amounts relating to toll collection to IL&FS. Accordingly, no toll revenues has been recognized for the period under review. The expenses incurred by IL&FS on behalf of the Company has been recognized and accounted by the Company As per the Agreement signed for the Project, MPSIDC is contractually bound to pay returns of 15% per annum on the Project investments to IL&FS. MPSIDC and MPAKVN, the Financial Statements are prepared on a going concern basis.

3) *An amount of Rs. 3,979,985/- is due from MPAKVN which is reflected under the head Sundry Debtors outstanding since March, 2001. The same has not been provided for in book as this amount would be settled by the party on completion of the arbitration proceedings against it relating to collection of toll revenue.*

2)

5. Attention is invited to Note No. 2(b) of schedule 'F' regarding non-provision of license fees, pending the execution of license agreement between IL&FS and the Company amounting to Rs. 6,760,000/- for the year (cumulative 13,520,000/- Upto 31.3.2008). Had the aforementioned license fee been provided the net loss for the year before tax would have been higher by Rs. 6,760,000/-, liabilities and accumulated loss and stated in the balance sheet would have been higher by Rs. 13,520,000/-,

3) *Attention is invited to Note No. 7 of schedule 'F' regarding non-provision of interest on advance towards Deep Discount Bonds, pending the allotment of DDBs, amounting to Rs, 11,585,622/- for the year (cumulative Rs. 23,171,244/- Upto 31..3.2008). Had the aforementioned interest been provided the net loss for the year before tax would have been higher by Rs. 11,585,622/-, liabilities and accumulated loss stated in the balance sheet would have been higher by rs. 23,171,244/-*

4)

(v) On the basis of written representations received from the directors other than Mr. S.R. Mohanty and Mr. S.C. Dave, taken on record by the Board of Directors, none of the directors who have furnished the declarations is disqualified as on 31st March 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956. We are unable to comment on whether Mr. S.R. Mohanty and Mr. S.C. Dave, are disqualified or not from being appointed as directors.

5) The company has not taken any loan secured and unsecured from companies, form or other parties covered in the register maintained under section 301 of the Companies Act, 1956. However the outstanding balance as at the year-end of advance toward subscription of Deep

Discount Bonds (DDBs) aggregated Rs. 72,410,141/- from a company covered in the register maintained under section 301 and the maximum amount outstanding during the year was Rs. 72,410,141/-

6) *According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employee's state insurance, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues as applicable, with the appropriate authorities except the tax deducted at source. Based on our audit procedure and according to the information and explanations given to us, no undisputed dues payable in respect of provident fund, investor education an protection fund, employee's state insurance, income tax, sales tax, wealth tax, customs duty, excise duty an cess were in arrears, as at 31st March, 2008 for a period of more than six months from the date they became payable except for Rs. 7,535/- in respect of tax deducted at source."*

42. New Tirupur Area Development Corporation Limited ("NTADCL")

NTADCL was incorporated on February 24, 1995 and obtained the certificate for commencement of business on April 26, 1995. Its CIN is U91990TZ1995PLC005869. It is presently engaged in the business of supply of water to dyeing and bleaching industries in Tirupur and the domestic consumers in Tirupur local planning area comprising the Tirupur municipality, 15 village panchayats and three town panchayats.

Shareholding Pattern

The equity shares of NTADCL are not listed on any stock exchange. The shareholding pattern of NTADCL as of February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
Tamil Nadu Water Investment Company Limited	104,999,993	32.54
AIDQUA Holdings (Mauritius) Inc.	90,000,000	27.89
IL&FS	37,700,000	11.68
LIC	20,000,000	6.20
Mahindra Infrastructure Developers Limited	15,000,000	4.65
WSA Engineers India Private Limited	15,000,000	4.65
Tirupur Infrastructure Development Company Limited	10,000,000	3.10
Mahindra & Mahindra Limited	7,500,000	2.32
Mahindra Construction Company Limited	7,000,000	2.17
General Insurance Corporation of India	3,750,000	1.16
The New India Assurance Company Limited	3,750,000	1.16
United India Insurance Company Limited	3,000,000	0.93
National Insurance Company Limited	2,250,000	0.70
The Oriental Insurance Company Limited	2,250,000	0.70
Mahindra Gesco Developers Limited	500,000	0.15
Mr. A. Sakthivel	1	Negligible
Mr. S. Duraiswamy	1	Negligible
Mr. T.K. Dhanapal	1	Negligible
Mr. Ravi Parthasarathy	1	Negligible
Mr. Hari Sankaran	1	Negligible
Mr. T.R. Srinivasan	1	Negligible
Mrs. K. Chellamal	1	Negligible
Total	**322,700,000**	**100.00**

There has been no change in the capital structure of NTADCL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of NTADCL currently comprises of:

1. Mr. Surjit K. Chaudhry;
2. Mr. Niranjan Mardi;
3. Mr. Praveen Kumar;
4. Mr. Ravi Parthasarathy;
5. Mr. Faizal N. Syed;
6. Mr. R.V. Rao;
7. Ms. Vatsala Krishnakumar;
8. Mr. P Shankar;
9. Mr. A. Sakhtivel; and
10. Mr Hari Sankaran (alternate director to Mr. Ravi Parthasarathy).

43. OVIRA Logistics Limited ("OLL")

OLL was incorporated on March 19, 1997, under the Companies Act. Its CIN is U51100MH1997PTC106691. It is presently engaged in the business of financial advisory services on commodities operations, accounting manual, US GAAP advisory, training and real estate broking.

Shareholding Pattern

The equity shares of OLL are not listed on any stock exchange. The shareholding pattern of OLL as of February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
ORIX Employee Welfare Trust	4,880	48.80
IL&FS	4,900	49.00
Mr. Neeraj Kumar	10	0.10
Mr. Manu Kochhar	100	1.00
Mr. S. Rengarajan	100	1.00
IL&FS jointly with Mr. Avinash Bagul	5	0.05
IL&FS jointly with Ms. Shikha Bagai	5	0.05
Total	**10,000**	**100.00**

There has been no change in the capital structure of OLL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of OLL currently comprises of:

1. Mr. Manu Kochhar;
2. Mr. Sachin Gupta;
3. Mr. S. Rengarajan; and
4. Mr. Neeraj Kumar.

OLL has incurred losses in Fiscal 2009. The audited financial results of OLL for Fiscals 2009, 2008 and 2007 are set forth below:

(Rs. million, except per share data)

	Fiscal 2009	Fiscal 2008	Fiscal 2007
Total Income	179.91	142.73	374.79
Profit/(Loss) after tax	109.79	71.67	72.06
Equity share capital (paid up)	0.10	0.10	0.10
Reserves and Surplus (excluding revaluation reserves) *	(257.50)	(367.30)	(438.97)
Earnings/(Loss) per share (diluted) (Rs.)	10,979	7,167	7,206
Earnings/(Loss) per share (basic) (Rs.)	10,979	7,167	7,206
Book Value per share (Rs.) #	(25,740)	(36,720)	(43,887)

* Net of miscellaneous expenditure not written off
# The face value of the share is Rs. 10

Significant notes of auditors for Fiscal 2009

The significant notes as appearing in the report of the auditor for the Fiscal 2009, are reproduced hereinebelow:

“(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employee’s state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues as applicable, with the appropriate authorities. Based on our audit procedure and according to the information and explanations given to us, no undisputed dues payable in respect of provident fund, investor education and protection fund, employee’s state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess were in arrears, as at 31st March, 2009 for a period of more than six months from the date they became payable.

(b) As explained to us and according to the records of the Company has disputed the following statutory dues,”

Name of the Statue	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act	Income Tax & Fringe Benefit Tax	8,594,373	F.Y 2005-2006	CIT (Appeals)
The Finance Act, 1994	Service Tax	226,398	F.Y. 2005-2006	Assistant Commissioner – Service Tax
The Finance Act, 1994	Service Tax	1,724,449	F.Y. 2005-2006	Additional Commissioner – Service Tax
The Finance Act, 1994	Service Tax	13,411,000	F.Y. 2000-2001	Superintendent – CERA Audit
The Finance Act, 1994	Service Tax	870,642	F.Y. 2002-2003 to 2005 - 2006	Superintendent – CERA Audit
The Finance Act, 1994	Service Tax	305,183	F.Y. 2005-2006 & 2006-2007	Superintendent – CERA Audit
The Finance Act, 1994	Service Tax	79,050	F.Y. 2005-2006 & 2006-2007	Assistant Commissioner – Service Tax
The Finance Act, 1994	Service Tax	31,153,681	F.Y. 2001 – 2002 to 2006-2007	Assistant Commissioner – Service Tax
The Finance Act, 1994	Service Tax	624,897	F.Y. 2005-2006	Joint Commissioner – Service Tax

Significant notes of auditors for Fiscal 2008

The significant notes as appearing in the report of the auditor for the Fiscal 2008, are reproduced hereinebelow:

“(b) The Company has borrowed, by issuing Redeemable Optionally Convertible Bonds, from a Company covered in the register maintained under section 301 of the Companies Act, 1956. At the year-end, the outstanding balance of such borrowing aggregated to Rs. 462,520,000/- and maximum amount involved during the year was Rs. 518,100,000/-

According to the information and explanations given to us, and on the basis of the records examined by us, the Company has issued Redeemable Optionally Convertible Bonds aggregating to Rs. 518,000,000/- and the Company has created charge in respect of such Redeemable Optionally Convertible Bonds.”

44. PDCOR Limited

PDCOR Limited was incorporated on December 23, 1997 and receieved its certificate for commencement of business on May 1, 1998. Its CIN is U74140RJ1997PLC014517. PDCOR is engaged in the business of consultancy towards project development and promotion of infrastructure related projects.

Shareholding Pattern

The equity shares of PDCOR are not listed on any stock exchange. The shareholding pattern of PDCOR as of February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
Government of Rajasthan	989,980	49.99
IL&FS Infrastructure Development Corporation Limited	500,000	25.25
IL&FS	489,997	24.75
Mr. Subhash Chandra Garg	7	Negligible
Mr. C.K. Mathew	7	Negligible
Mr. C. S. Rajan	6	Negligible
IL&FS jointly with Mr. Hari Sankaran	1	Negligible
IL&FS jointly with Mr. Paritosh Gupta	1	Negligible
IL&FS jointly with Mrs. Cherylann Lobo	1	Negligible
Total	**1,980,000**	**100.00**

There has been no change in the capital structure of PDCOR in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of PDCOR currently comprises of:

1. Mr. C. K. Mathew;
2. Mr. D.B. Gupta;
3. Mr. Purshottam Agarwal;
4. Mr. Hari Sankaran;
5. Mr. L. Krishnan;
6. Mr. Pradeep Puri; and
7. Mr. Mahesh Babu.

45. Power Grid IL&FS Transmission Private Limited ("PITPL")

PITPL was incorporated on November 27, 2007, under the Companies Act. Its CIN is U45400DL2007PTC170796. It is presently engaged in the business of project development of intra-state transmission/ sub transmission projects for state power utilities of India.

Shareholding Pattern

The equity shares of PITPL are not listed on any stock exchange. The shareholding pattern of PITPL as of February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
IL&FS	25,000	50.00
Power Grid Corporation of India Limited	25,000	50.00
Total	**50,000**	**100.00**

There has been no change in the capital structure of PITPL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of PITPL currently comprises of:

1. Mr. S. K. Chaturvedi;
2. Mr. S. Majumdar;
3. Mr. J. Sridharan ;
4. Mr. H. L. Tayal;
5. Mr. Haziq Beg;
6. Mr. S. C. Mishra; and
7. Mr. V. L. Dua.

46. SAIL Salem SEZ Private Limited ("SSSPL")

SSSPL was incorporated on October 5, 2007 under the Companies Act. Its CIN is U45400DL2007PTC169004. It is presently engaged in the business of establishing, developing, operating and maintaining special economic zone, economic trading zones, processing zones, warehousing zones any other zones, industrial estates/parks along with infrastructure facilities.

Shareholding Pattern

The equity shares of SSSPL are not listed on any stock exchange. The shareholding pattern of SSSPL as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
IL&FS	5,000	50.00
Mr. Sridhar Rajagopalachari	2,500	25.00
Mr. Umesh Soni	2,500	25.00
Total	**10,000**	**100.00**

There has been no change in the capital structure of SSSPL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of as SSSPL currently comprises of:

1. Mr. Umesh Soni; and
2. Mr. Sridhar Rajgopalachari.

47. Tamil Nadu Water Investment Company Limited ("TWICL")

TWICL was incorporated on January 27, 2000 under the Companies Act and obtained the certificate for commencement of business on January 27, 2000. It is presently engaged in the business of developing water projects in India, with expertise ranging from urban water and sewerage systems, desalination, industrial effluent management and recycling.

Shareholding Pattern

The equity shares of TWICL are not listed on any stock exchange. The shareholding pattern of TWICL as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
IL&FS	34,999,991	53.85
Governor of Tamil Nadu	30,000,000	46.15
Mr. Hari Sankaran	1	Negligible
Mr. P. V. Ravi	1	Negligible
Mr. Rohit Modi	1	Negligible
Mr. Avinash Bagul	1	Negligible
Mr. S. Prakash	1	Negligible

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
Mr. R. G. Prabhuchimulkar	1	Negligible
Ms. Esther Malini	1	Negligible
Mr. Narendra Gangan	1	Negligible
Mr. K. Malmarugan	1	Negligible
Total	**65,000,000**	**100.00**

There has been no change in the capital structure of TWICL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of as TWICL currently comprises of:

1. Mr. S. Venkitaramanan;
2. Mr. K. Phanindra Reddy;
3. Mr. Hari Sankaran;
4. Mr. Niranjan Mardi;
5. Mr. Praveen Kumar;
6. Mr. R.C. Bawa; and
7. Mr. L. Krishnan.

48. Road Infrastructure Development Company of Rajasthan Limited ("RIDCOR")

RIDCOR was incorporated on October 29, 2004, under the Companies Act and obtained the certificate for commencement of business on February 28, 2005. It is presently engaged in the business of improvement of km 1,053 of five north-south road corridors in Rajasthan to two lane paved shoulder configuration.

Shareholding Pattern

The equity shares of RIDCOR are not listed on any stock exchange. The shareholding pattern of RIDCOR as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 100 each	% of issued capital
Government of Rajasthan	49,999,997	49.99
IL&FS	49,999,997	49.99
Mr. Chandra Shekhar Rajan	2	Negligible
Mr. Subhash Chandra Garg	1	Negligible
IL&FS jointly with Mr. Naresh Sasanwar	1	Negligible
IL&FS jointly with Mr. Danny Samuel	1	Negligible
IL&FS jointly with Mr. Akshay Charaya	1	Negligible
Total	**100,000,000**	**100.00**

There has been no change in the capital structure of RIDCOR in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of as RIDCOR currently comprises of:

1. Mr. T. Srinivasan;
2. Mr. C K Mathew;
3. Mr. Dinesh Kumar Goyal;
4. Mr. Hari Sankaran;
5. Mr. K Ramchand;
6. Mr. Deepak Dasgupta;
7. Mrs. Krishna Bhatnagar;

8. Mr. V. Janakiraman;
9. Mr. N. R. Bhasin; and
10. Mr. Madhukar.

The company has a negative networth. The audited financial performance of the company for the last three fiscals are as provided hereinbelow:

(Rs. million, unless otherwise stated)

	Fiscal 2009	Fiscal 2008	Fiscal 2007
Total Income	572.38	92.92	11.40
Profit/(Loss) after tax	(1,449.24)	(278.14)	6.46
Equity share capital (paid up)	1,000.00	500.00	500.00
Reserves and Surplus (excluding revaluation reserves) *	(1,716.76)	(267.52)	10.62
Earnings/(Loss) per share (diluted) (Rs.)	(22.95)	(5.56)	0.14
Earnings/(Loss) per share (basic) (Rs.)	(22.95)	(5.56)	0.14
Book Value per share (Rs.) #	(7.17)	4.65	10.21

* *Net of miscellaneous expenditure not written off*
\# *The face value of the share is Rs. 10*

Significant notes of auditors for Fiscal 2007

The significant notes as appearing in the report of the auditor for the Fiscal 2007, are reproduced hereinebelow:

"3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956, we enclosed as Annexure I, a statement on the matters specified in paragraph 4 & 5 of the said order

4. Further to our comments further to in Para 3 above, we report that:-

   i) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit;
   ii) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books;
   iii) The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of accounts;
   iv) In our opinion the Balance Sheet and the Profit and Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;"

Significant notes of auditors for Fiscal 2008

The significant notes as appearing in the report of the auditor for the Fiscal 2008, are reproduced hereinebelow:

"3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956, we enclosed as Annexure I, a statement on the matters specified in paragraph 4 & 5 of the said order.

4.(iii) The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of accounts;"

Significant notes of auditors for Fiscal 2009

The significant notes as appearing in the report of the auditor for the Fiscal 2009, are reproduced hereinebelow:

"3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956 (the 'Act'), we enclosed as Annexure I, a statement on the matters specified in paragraph 4 & 5 of the said order.

4. Further to our comments referred to in Para 3 above, we report that:-

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

Annexure I

(ii) The company is in the business of improvement and maintenance of road for which contracts have been awarded to the contractors, hence the company is not required to maintain any inventory. Hence, the provisions of clause ii(a), ii(b) and ii(c) of the said order are not applicable to the company.

(iii) (a) The company has not granted any secured or unsecured loan to companies, firms or other parties covered under the register maintained u/s 301 of the Act.

(e) The Company has not taken any secured or unsecured loan from companies, firms or other parties covered under the register maintained u/s 301 of the Act"

49. Orissa e-Governance Services Limited ("OGSL")

OGSL was incorporated on February 13, 2008 under the Companies Act, and obtained the certificate for commencement of business on April 10, 2008. Its CIN is U72200OR2008PLC009813. OGSL is engaged in the business of IT and ITS.

Shareholding Pattern

The equity shares of OGSL are not listed on any stock exchange. The shareholding pattern of OGSL as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 100 each	% of issued capital
Orissa Computer Application Center	49,997	49.99
Mr. Pradeep Kumar Mohapatra	1	Negligible
Mr. G.V.V. Sharma	1	Negligible
Mr. Vishal Kumar Dev	1	Negligible
IL&FS	49,997	49.99
Mr. Dinesh Kumar Tyagi	1	Negligible
Mr. Rahul Mathur	1	Negligible
Dr. Pradeep Kumar Rout	1	Negligible
Total	**100,000**	**100.00**

There has been no change in the capital structure of OGSL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of as OGSL currently comprises of:

1. Mr. P.K. Mohapatra;
2. Mr. G.V.V. Sharma;
3. Mr. A.K. Panda;
4. Mr. Vishal Dev;
5. Mr. Dinesh Kumar Tyagi;
6. Dr. P.K. Rout; and
7. Mr. Rahul Mathur.

50. Sealand Ports Private Limited ("SPPL")

SPPL was incorporated on February 28, 2008 under the Companies Act. SSPL is engaged in the business of setting up multi product SEZs.

Shareholding Pattern

The equity shares of SPPL are not listed on any stock exchange. The shareholding pattern of SPPL as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 100 each	% of issued capital
IL&FS	15,753,300	50.00
India Tourist and Heritage Village Private Limited	15,748,300	49.98
India Tourist and Heritage Village Private Limited jointly with Mr. Shashi Kiran Shetty	5,000	0.02
Total	**31,506,600**	**100.00**

Except for allotment of 753,300 equity shares to IL&FS on December 12, 2009 and allotment of 485,873 equity shares and 267,427 equity shares to India Tourist and Heritage Village Private Limited on December 14, 2009 and transfer of 5,000 equity shares to India Tourist and Heritage Village Private Limited by Mr. Shashi Kiran Shetty on September 29, 2009, there has been no change in the capital structure of SPPL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of as SPPL currently comprises of:

1. Mr. Shashi Kiran Shetty;
2. Mr. Jatin Choksi;
3. Mr. Kaiwan Kalyaniwala;
4. Mr. K. Ramchand;
5. Mr. Sachin Gupta; and
6. Mr. Ateesh Samant.

51. Sealand Warehousing Private Limited ("SWPL")

SWPL was incorporated on February 28, 2008 under the Companies Act. Its CIN is U63023MH2007PTC176412. SWPL is engaged in the business of shipbuilding and repair yards. The registered office of the company is situated at Diamond Square, 5th Floor, CST Road, Kalina, Santacruz (East), Mumbai 400 098, Maharashtra, India.

Shareholding Pattern

The equity shares of SWPL are not listed on any stock exchange. The shareholding pattern of SSPL as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
IL&FS	4,674,807	50.00
Allcargo Global Logistics Limited	4,674,807	50.00
Total	**9,349,614**	**100.00**

There has been no change in the capital structure of SWPL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of as SWPL currently comprises of:

1. Mr. Jatin Choksi;
2. Mr. Umesh Shetty;
3. Mr. Suryanarayanan;
4. Mr. Mukund Sapre;
5. Mr. Sachin Gupta; and
6. Mr. Ateesh Samant.

52. Avash Logistic Park Private Limited ("ALPPL")

ALPPL was incororated on November 27, 2007, under the Companies Act. ALPPL is presently engaged in the business of setting up 'multi product' special economic zone.

Shareholding Pattern

The equity shares of ALPPL are not listed on any stock exchange. The shareholding pattern of ALPPL on February 5, 2010 is as follows:

Name of shareholder	Number of equity shares of Rs. 100 each	% of issued capital
IL&FS	18,000,000	50.00
India Tourist and Heritage Village Private Limited	17,999,999	50.00
India Tourist and Heritage Village Private Limited. Jointly with Mr. Shashi Kiran Shetty	1	Negligible
Total	**36,000,000**	**100.00**

Except for transfer of 17,999,999 equity shares to India Tourist and Heritage Village Private Limited by Mr. Shashi Kiran Shetty and one equity share to India Tourist and Heritage Village Private Limited and Mr. Shashi Kiran Shetty by Mr. Shashi Kiran Shetty jointly with Ms. Arathi Shetty on September 29, 2009 , there has been no change in the capital structure of ALPPL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of as ALPPL currently comprises of:

1. Mr. Shashi Kiran Shetty;
2. Mr. Kaiwan Kalyaniwala;
3. Mr. K. Ramchand;
4. Mr. Sachin Gupta;
5. Mr. Ateesh Samant; and
6. Mr. Jatin Choksi.

53. Integrated Rubplas Waste Solutions Limited ("IRWSL")

IRWSL was incorporated on August 18, 2008 under the Companies Act and is in the process of obtaining the certificate for commencement of business. IRWSL is presently engaged in the business of, whether within or outside India, of managing, processing and disposal of plastic or polymer or rubber waste and all other type of waste including collection, segregation, transportation, dismantling, de-manufacturing, processing, treatment, recycling, re-use, remarketing, trading, extraction of fuel from plastic and all other type of waste.

Shareholding Pattern

The equity shares of IRWSL are not listed on any stock exchange. The shareholding pattern of IRWSL on February 5, 2010 is as follows:

Name of shareholder	Number of equity shares of Rs. 100 each	% of issued capital
IWMUSL	314,995	70.00
Mr. Sampath Subramaniam	135,000	30.00
Mr. Sureshkumar Jayawant Rao Rege	1	Negligible

Name of shareholder	Number of equity shares of Rs. 100 each	% of issued capital
Mr. Mahesh Babu	1	Negligible
Mr. Debashish Tripathy	1	Negligible
Mr. Sanjay Singh	1	Negligible
Mr. Dibendu Das	1	Negligible
Total	**450,000**	**100.00**

There has been no change in the capital structure of IRWSL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of as IRWSL currently comprises of:

1. Mr. Mahesh Babu;
2. Mr. Sampath Subramanium; and
3. Dr. N. B. Mazumdar.

54. Urban Mass Transit Company Limited ("UMTCL")

UMTCL was incorporated on April 13, 1993, under the Companies Act. Its CIN is U34101DL1993PLC053032. It is presently engaged in the business of project development for urban transport with a vision to conceive, design and implement sustainable urban mobility solutions for cities and towns in India and elsewhere.

Shareholding Pattern

The equity shares of UMTCL are not listed on any stock exchange. The shareholding pattern of UMTCL as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 100 each	% of issued capital
IL&FS	60,000	50.00
Ministry of Urban Affairs & Employment, GoI	30,000	25.00
Government of Andhra Pradesh	20,000	17.00
Andhra Pradesh State Road Transport Corporation Limited	10,000	8.00
Mr. K. Dharmarajan	2	Negligible
Mr. C. Arjuna Rao	2	Negligible
Mr. D. Hemchandra Prasad	2	Negligible
Mr. Tarsem Lal	2	Negligible
Mr. O. P. Agarwal	2	Negligible
Mr. Ramesh Bawa	2	Negligible
Mr. Manu Kochhar	2	Negligible
Total	**120,014**	**100.00**

Except for the bonus issuance of 60,007 equity shares of UMTCL in the ratio of 1:1 on September 15, 2009, there has been no change in the capital structure of UMTCL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of as UMTCL currently comprises of:

1. Mr. M. Ramachandran;
2. Mr. Ajai Mathur;
3. Mr. S. K. Lohia;
4. Ms. Pradeep Puri;
5. Prof. Geetam Tiwari;
6. Mr. Shivanand Swamy;
7. Mr. Umesh Soni;

8. Mr. N.V.S Reddy; and
9. Mr. Manu Kochhar.

55. IL&FS Investment Advisors LLC ("IIAL")

IIAL was incorporated on January 31, 2006 in the Republic of Mauritius. The registration number of the IIAL is 60696 C1/GBL. IIAL is engaged in the business of fund management.

Shareholding Pattern

The equity shares of IIAL are not listed on any stock exchange. The shareholding pattern of IIAL as on February 5, 2010 is as follows:

Name of shareholder	Type of shares	Number of equity shares of US$ 1 each*	% of issued capital
IIML	Ordinary shares of US$ 1.00 each	56,997	99.99
International Trustees Limited	Ordinary shares of US$ 1.00 each	3	0.01
Total		**57,000**	**100.00**
IIML	Redeemable participating shares of US$ 0.01 each	100,000	100.00
Total		**100,000**	**100.00**

For details regarding the exchange rates and currency of presentation in this Red Herring Prospectus, see the section titled "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation" on page x.

There has been no change in the capital structure of IIAL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors:

The board of directors of IIAL currently comprises of:

1. Mr. Anauthlall Basanta Lala;
2. Mr. Shahzaad Shiraz Dalal;
3. Mr. Manoj Yeshwant Borkar;
4. Ms. Rubina Toorawa; and
5. Mr. Mohan Roy Lawrence.

56. IL&FS Maritime Offshore Pte Limited ("IMOPL")

IMOPL was incorporated on August 29, 2007, in the Republic of Singapore. The registration number of IMOPL is 200715911W. IMOPL is engaged in the business of acting as an investment company.

Shareholding Pattern

The equity shares of IMOPL are not listed on any stock exchange. The shareholding pattern of IMOPL as on February 5, 2010 is as follows:

Name of shareholder	Number of equity shares of US$ 1*	% of issued capital
IL&FS Maritime Infrastructure Company Limited	37,860,001	100.00
Total	**37,860,001**	**100.00**

For details regarding the exchange rates and currency of presentation in this Red Herring Prospectus, see the section titled "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation" on page x.

Except for, increase in the paid up share capital of the company from US $ 36.95 million to US $ 37.86 million by allotment of 0.91 million equity shares of US $ 1 each to IL&FS Maritime Infrastructure Company Limited, there has been no change in the capital structure of IMPOL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of IMOPL currently comprises of:

1. Mr. Teh Kwang Hwee;
2. Mr. K. Ramchand;
3. Mr. Arun K. Saha;
4. Mr. Sachin Gupta; and
5. Mr. Ateesh Samant.

57. IL&FS Singapore Asset Management Company Pte Limited ("ISAMCP")

ISAMCP was incorporated on November 27, 2006 in Republic of Singapore. ISAMCP is engaged in the business of fund management.

Shareholding Pattern

The equity shares of ISAMCP are not listed on any stock exchange. The shareholding pattern ISAMCP as on February 5, 2010 is as follows:

Name of shareholder	Ordinary shares denominated in US$*		Ordinary shares denominated in Singapore Dollars		Preference shares of US$ 1 each*	
	No. of shares	%	No. of shares	%	No. of shares	%
IIML	25,500	51.00	-	-	1,020	51.00
ORIX Corporation, Japan	24,500	49.00	1	100.00	980	49.00
Total	**50,000**	**100.00**	**1**	**100.00**	**2,000**	**100.00**

**For details regarding the exchange rates and currency of presentation in this Red Herring Prospectus, see the section titled "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation" on page x.*

There has been no change in the capital structure of the company in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of ISAMCP currently comprises of:

1. Mr Hari Sankaran;
2. Mr Shahzaad Shiraz Dalal;
3. Mr Makoto Inoue; and
4. Mr Takuma Yamazaki.

58. IL&FS Nepal Infrastructure Development Company Private Limited ("INIDCPL")

INIDCPL was incorporated on February 8, 2007. The registered office of the company has been shifted from Balkhu Tekuci, Kathmandu 14, Nepal to Shanti Basti-3, Naya Bato, Lalitpur, Nepal on May 6, 2008. The company is engaged in the business of *inter alia*, infrastructure project development including hydro power project, transmission, road and tourism.

Shareholding Pattern

The equity shares of INIDCPL are not listed on any stock exchange. The shareholding pattern of INIDCPL as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares	% of issued capital
IL&FS Infrastructure Development Corporation Limited	55,000	100.00
Total	**55,000**	**100.00**

There has been no change in the capital structure of INIDCPL in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of INIDCPL currently comprises of:

1. Mr. Paritosh Gupta;
2. Mr. Haziq Beg;
3. Mr. Umesh Soni; and
4. Mr. Ananda Kr. Jha.

59. IL&FS Global Financial Services Pte Limited ("IGFSL")

IGFSL was incorporated on August 14, 2008, in the Republic of Singapore. The registration number of IGFSL is 200816203E. IGFSL envisages engaging in the business of syndication of project debt which would include project appraisal and planning, advising on capital restructuring, private equity syndication, corporate financial advisory and develop strategic alliances and joint ventures. However, it has not commenced its business at yet.

Shareholding Pattern

The equity shares of IGFSL are not listed on any stock exchange. The shareholding pattern of IGFSL as on February 5, 2010 is as follows:

Name of shareholder	Number of equity shares of Singapore $ 1*	% of issued capital
IFIN	150,001	100.00
Total	**150,001**	**100.00**

**For details regarding the exchange rates and currency of presentation in this Red Herring Prospectus, see the section titled "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation" on page x.*

There has been no change in the capital structure of the company in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of IGFSL currently comprises of:

1. Mr. Ramesh C. Bawa;
2. Mr. Milind Patel; and
3. Mr. Amit Shah.

60. IL&FS Offshore Natural Resources Pte Limited

IL&FS Offshore Natural Resources Pte Limited was incorporated on September 24, 2008, in the Republic of Singapore. The registration number of IL&FS Offshore Natural Resources Pte Limited is 200818793E. IL&FS Offshore Natural Resources Pte Limited is engaged in the business of acting as an investment company.

Shareholding Pattern

The equity shares of IL&FS Offshore Natural Resources Pte Limited are not listed on any stock exchange. The shareholding pattern of IL&FS Offshore Natural Resources Pte Limited as on February 5, 2010 is as follows:

Name of shareholder	Number of equity shares of US$ 1*	% of issued capital
IL&FS Maritime Offshore Pte Limited	1	100.00
Total	**1**	**100.00**

For details regarding the exchange rates and currency of presentation in this Red Herring Prospectus, see the section titled "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation" on page x.

There has been no change in the capital structure of the company in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of IL&FS Offshore Natural Resources Pte Limited currently comprises of:

1. Mr. Teh Kwang Hwee;
2. Mr. K. Ramchand;
3. Mr. Arun K. Saha;
4. Mr. Sachin Gupta; and
5. Mr. Ateesh Samant.

61. IL&FS Global Financial Services (UK) Limited ("IGFSL-UK")

IGFSL-UK was incorporated on February 25, 2009, in the United Kingdom and is registered with the Registrar of Companies for England and Wales under the UK Companies Act. The registration number of the company is 06830319. IGFSL-UK has not commenced its business operations till date. IGFSL-UK has been incorporated to carry the business activities relating to advising on financial services activities in UK. IGFSL-UK was incorporated as the wholly owned subsidiary of IL&FS Global Financial Services Pte Limited. On May 7, 2009, the shares held by IL&FS Global Financial Services Pte Limited in IGFSL-UK ie., 1 equity share of Sterling Pound 1 was transferred to IFIN. Thus with effect from May 7, 2009, IGFSL-UK is the wholly owned subsidiary of IFIN.

Shareholding Pattern

The equity shares of IGFSL-UK are not listed on any stock exchange. The shareholding pattern of IGFSL-UK as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Sterling Pound 1 each*	% of issued capital
IFIN	300,001	100.00
Total	**300,001**	**100.00**

For details regarding the exchange rates and currency of presentation in this Red Herring Prospectus, see the section titled "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation" on page x..

Except for allottment of 100,000 equity shares and 200,000 equity shares of Sterling Pound 1 each to IFIN on October 5, 2009 and November 19, 2009 respectively, there has been no change in the capital structure of the company in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

The board of directors of IGFSL-UK currently comprises of:

1. Mr. Ramesh C. Bawa;
2. Mr. Milind Patel; and
3. Mr. Anil Kalra.

62. IL&FS Education & Technology Services Limited ("IETSL")

IETSL was incorporated on December 18, 1997 under the Companies Act. It is presently engaged in the business of commercialization of technology enabled learning and teaching solutions, including web-based solutions, multimedia solutions, educational software packages, trade in technology based products and publication of educational material, development and sale of content and software development and maintenance of information technology related systems including training, project management and consultancy in respect thereof.

Shareholding Pattern

The equity shares of IETSL are not listed on any stock exchange. The shareholding pattern of IETSL as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
ITCL (as trustee of IL&FS Infrastructure Equity Fund)	25,872,987	80.05
Lexington Equity Holdings Limited	6,378,344	19.74
Others (individual employee shareholders)	66,904	0.21
Total	**32,318,235**	**100.00**

There has been no change in the capital structure of the company in the last six months from the date of filing of this Red Herring Prospectus.

Board of Directors

The board of directors of IETSL currently comprises of:

1 Mr. Ravi Parthasarathy;
2 Mr. RCM Reddy;
3 Mr. Hari Sankaran;
4 Mr. Arvind Malhotra;
5 Mr. Alok Bhargava;
6 Mr. Arun Nigavekar;
7 Mr. Sudhir Mankad;
8 Mr. Abhishek Sharman;
9 Mr. Kumar Krishnan Iyer; and
10 Ms. Kumud Bansal.

63. IL&FS Infrastructure Equity Fund ("IIEF")

IIEF was set up on March 20, 2003 under the Indian Trust Act, 1882. It is presently engaged in the business of acquiring and investing in equity and/or equity linked instruments of unlisted and listed entities, primarily out of investments made by IL&FS and to achieve market related risk adjusted returns through the generation of a combination of current income and capital appreciation.

Unit holding pattern

The units of IIEF are not listed on any stock exchange. The unit holders of IIEF as on February 5, 2010 are as follows:

Unit holders	No. of units of Rs. 1,000 each	% of units held
IL&FS	1,971,733	100.00
Total	**1,971,733**	**100.00**

Except for redemption of 70,000 units on January 25, 2010, there has been no change in the capital structure of IIEF in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

ITCL is the trustee to IIEF. The board of directors of ITCL currently comprises of:

1. Dr. Arcot Ramchandran;
2. Mr. Moosa Raza,
3. Mr. J. L. Bajaj;
4. Mr. D. K. Contractor;
5. Mr. Arun K Saha;
6. Dr. Archana Hingorani; and

7. Mr. Sujoy Kumar Das.

64. IL&FS Investment Trust I ("IIT I")

IIT I was set up on March 22, 2003 under the Indian Trusts Act, 1882. It has been constituted with the objective of benefiting its beneficiary by leveraging the strong asset base, comprising, *inter-alia*, of 'The IL&FS Financial Centre' and obtaining the intrinsic value of such assets by mobilizing and pooling funds of investors identified by its trustee for collective investment by way acquisition, holding, management, disposal, dealing or trading in the trust through securitization of its future rentals or receivables and /or by issue of PTCs secured by such future rentals or receivables and /or such other methods as the trustee may deem fit.

Securities holding pattern

The PTCs of IIT I are not listed on any stock exchange. The PTC holders of IIT I as on February 5, 2010 are as follows:

PTC Holders	Number of PTCs of Rs. 1,000,000 each	% of PTCs held
PTC I		
IL&FS	35	100.00
Total	**35**	**100.00**
PTC II		
Punjab National Bank	300	60.00
Jammu and Kashmir Bank	200	40.00
Total	**500**	**100.00**

The number of PTCs held by each PTC holder may be subject to change as on the date of filing of this Red Herring Prospectus.

There has been no change in the capital structure of IIT I in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors of the trustee of IIT I

ITCL is the trustee of IIT I. As on the date of filing this Red Herring Prospectus, the board of directors of ITCL comprises of:

1. Dr. Arcot Ramchandran;
2. Mr. Moosa Raza;
3. Mr. J. L. Bajaj;
4. Mr. D. K. Contractor;
5. Mr. Arun K. Saha;
6. Dr. Archana Hingorani; and
7. Mr. Sujoy Kumar Das.

65. IL&FS Investment Trust II ("IIT II")

IIT II was set up on February 4, 2004 under the Indian Trusts Act, 1882. It has been formed with the objective of acquiring the premises for the benefit of its beneficiary and to obtain the intrinsic value of such premises by mobilizing and pooling funds of investors identified by the trustee for collective investment by way of acquisition, holding, management, disposal, dealing or trading in the IIT II through securitization of its future rentals or receivables arising out of or from such premises and or by issue of PTCs which are secured or backed by such future rentals or receivables and /or such other methods as the trustee may deem fit.

Unit holding pattern

IL&FS is the sole contributory and beneficiary of IIT II. As on date, there is no contribution outstanding. There has been no change in the capital structure of IIT II in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors of the trustee of IIT II

ITCL is the trustee of IIT II. The board of directors of ITCL currently comprises of the following persons:

1. Dr. Arcot Ramchandran;
2. Mr. Moosa Raza;
3. Mr. J. L. Bajaj;
4. Mr. D. K. Contractor
5. Mr. Arun K. Saha;
6. Dr. Archana Hingorani; and
7. Mr. Sujoy Kumar Das.

66. IL&FS Investment Trust IV ("IIT IV")

IIT IV was set up on September 26, 2003 under the Indian Trusts Act, 1882. IIT IV has been set up with the objective of acting as special purpose vehicle for the securitisation of the receivables by the seller.

Securities holding pattern

The PTCs of IIT IV are not listed on any stock exchange. The PTC holders of IIT IV as on February 5, 2010 are as follows:

PTC Holders	Number of PTCs of Rs. 1 each	% of PTCs held
PTC I- Series I – held by IFIN	93,433,844	26.00
PTC I-Series II – held by OVIRA Logistics Limited	71,329,547	20.00
PTC I- Series III – held by IFIN	102,830,307	28.00
PTC I-Series IV – held by IETSL	93,946,903	26.00
Total	**385,764,675**	**100.00**
PTC II- Series held by IFIN	100,780	100.00
Total	**100,780**	**100.00**

The number of PTCs held by each PTC holder may be subject to change as on the date of filing of this Red Herring Prospectus.

Except for redemption of PTC I Series II by Rs. 24,224,074, there has been no change in the capital structure of IIT IV in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors of the trustee of IIT IV

ITCL is the trustee of IIT IV. The board of directors of ITCL currently comprises of the following persons:

1. Dr. Arcot Ramchandran;
2. Mr. Moosa Raza;
3. Mr. J. L. Bajaj;
4. Mr. D. K. Contractor
5. Mr. Arun K. Saha;
6. Dr. Archana Hingorani; and
7. Mr. Sujoy Kumar Das.

67. IL&FS Investment Trust V ("IIT V")

IIT V was set up on March 28, 2007 under the Indian Trusts Act, 1882. It has been formed with the objective of acquiring and holding the assets in the trust for and on behalf of the contributors as part of the trust property being held by the trust and for the exclusive benefit of the contributors in accordance with the trust deed.

Securities holding pattern

The PTCs of IIT V are not listed on any stock exchange. The PTC holders of IIT V as on February 5, 2010 are as follows:

PTC Holders	Number of PTCs of Rs. 1,000,000 each	% of PTCs held
PTC held by IL&FS	380.50	100.00
Total	**380.50**	**100.00**

The number of PTCs held by each PTC holder may be subject to change as on the date of filing of this Red Herring Prospectus.

Except for redemption of 264.50 PTCs of Rs. 1,000,000 each by Rs 264,500,000, there has been no change in the capital structure of IIT V in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors of the trustee of IIT V

ITCL is the trustee of IIT V. The board of directors of ITCL currently comprises of the following persons:

1. Dr. Arcot Ramchandran;
2. Mr. Moosa Raza;
3. Mr. J. L. Bajaj;
4. Mr. D. K. Contractor;
5. Mr. Arun K. Saha;
6. Dr. Archana Hingorani; and
7. Mr. Sujoy Kumar Das.

68. IFIN Realty Trust ("IRT")

IRT was set up on March 26, 2008 under Indian Trusts Act, 1882. IRT is presently engaged in the business of mobilizing and pooling funds of investors for investment in unlisted Indian companies created for holding real estate in India.

Unit holding Pattern

The units of IRT are not listed on any stock exchange. The unit holders of IRT as on February 5, 2010 are as follows:

Unit holders	Number of units held of Rs. 1,000,000 each	% of units held
IFIN	423.20	92.00
IVC Employees Welfare Trust	36.80	8.00
Total	**460**	**100.00**

There has been no change in the capital structure of IRT in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

ITCL is the trustee to IRT. The board of directors of ITCL currently comprises of:

1. Dr. Arcot Ramchandran;
2. Mr. Moosa Raza,
3. Mr. J. L Bajaj;
4. Mr. D. K. Contractor;
5. Mr. Arun K. Saha;
6. Dr. Archana Hingorani; and

7. Mr. Sujoy Kumar Das.

69. IL&FS IIDC Fund ("IIIDC")

IIIDC was set up on March 28, 2008 under the Indian Trusts Act, 1882. IIIDC is engaged in the business of project development for infrastructure projects and making investments in portfolio companies.

Unit holding Pattern

The units of IIIDC are not listed on any stock exchange. The unit holders of IIDC as on February 5, 2010 are as follows:

Unit holders	Number of units of Rs. 100,000 each	% of units held
IL&FS	665.32	100.00
Total	**665.32**	**100.00**

Except for contribution of 10.00 units on May 18, 2009, 34.07 units on May 20, 2009, 0.25 units on July 6, 2009 and 225.66 units on August 24, 2009 0.40 units on December 17, 2009, 0.25 units on December 18, 2009, 12.715 units on January 8, 2010 and the redemeption of 0.25 units on July 6, 2009, 13.00 units on August 4, 2009, 70.00 units on September 12, 2009 and 2.75 units on October 21, 2009, there has been no change in the capital structure of IIIDC in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

ITCL is the trustee to IIIDC. The board of directors of ITCL currently comprises of:

1. Dr. Arcot Ramchandran;
2. Mr. Moosa Raza,
3. Mr. J. L. Bajaj;
4. Mr. D. K. Contractor;
5. Mr. Arun K. Saha;
6. Dr. Archana Hingorani; and
7. Mr. Sujoy Kumar Das.

70. Tara India Fund III Trust ("TIF")

TIF was set up on September 3, 2007 under the Indian Trusts Act, 1882. TIF is engaged in the business of mobilizing and pooling funds of investors for investing in Indian companies.

Unit holding pattern

The units of TIF are not listed on any stock exchange. The unit holders of TIF as of February 5, 2010 are as follows:

Unit holders	Amount in Rupees
IFIN	611,250,000
IVC Employees Welfare Trust	60,000,000
Tara India Holdings B Limited	292,927,498
LIC	187,500,000
Naval Group Insurance Fund	37,500,000
IL&FS Investment Managers Limited	500,000
Total	**1,189,677,498**

There has been no change in the capital structure of TIF in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

ITCL is the trustee to TIF. The board of directors of ITCL currently comprises of:

1. Dr. Arcot Ramchandran;
2. Mr. Moosa Raza,
3. Mr. J. L. Bajaj;
4. Mr. D. K. Contractor;
5. Mr. Arun K Saha;
6. Dr. Archana Hingorani; and
7. Mr. Sujoy Kumar Das.

71. Urjankur Nidhi Trust ("UNT")

UNT was set up on March 9, 2006 under the Indian Trusts Act, 1882. UNT is presently engaged in the business of mobilizing and pooling funds of investors for collective investment in equity and equity linked securities of unlisted Indian companies.

Unit holding Pattern

The units of UNT are not listed on any stock exchange. The unit holders of UNT as of February 5, 2010 are as follows:

Unit holders	Number of units of Rs. 10,000 each	% of units held
IFIN	39,394	50.00
Maharashtra Energy Development Agency	39,394	50.00
Total	**78,788**	**100.00**

There has been no change in the capital structure of UNT in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

ITCL is the trustee to UNT. The board of directors of ITCL currently comprises of:

1. Dr. Arcot Ramchandran;
2. Mr. Moosa Raza,
3. Mr. J. L. Bajaj;
4. Mr. D. K. Contractor;
5. Mr. Arun K Saha;
6. Dr. Archana Hingorani; and
7. Mr. Sujoy Kumar Das.

72. Pan Asia Project Development Fund ("PAPDF")

PAPDF was set up on May 25, 2006 under the Indian Trusts Act, 1882. It is presently engaged in the business of mobilizing and pooling funds of investors to invest in project development companies in the infrastructure sector.

Unit holding Pattern

The units of PAPDF are not listed on any stock exchange. The unit holders of PAPDF as on February 5, 2010 are as follows:

Unit holders	Number of units of Rs. 100 each	% of units held
IFIN	4,500,000	40.00
Punjab National Bank	4,500,000	40.00
Indian Overseas Bank	2,250,000	20.00
Total	**11,250,000**	**100.00**

There has been no change in the capital structure of PAPDF in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

ITCL is the trustee to PAPDF. The board of directors of ITCL currently comprises of:

1. Dr. Arcot Ramchandran;
2. Mr. Moosa Raza,
3. Mr. J. L. Bajaj;
4. Mr. D. K. Contractor;
5. Mr. Arun K. Saha;
6. Dr. Archana Hingorani; and
7. Mr. Sujoy Kumar Das.

73. Tamil Nadu Infotech Fund ("TNIF")

TNIF was set up on October 28, 1998 under the Indian Trusts Act, 1882. TNIF is presently engaged in the business of mobilizing and pooling funds of investors to invest in unlisted Indian companies.

Unit holding pattern

The units of TNIF are not listed on any stock exchange. The unit holders of TNIF as on February 5, 2010 are as follows:

Unit holders	Number of units of Rs. 1,000,000 each	% of units held
IFIN	20.38	40.00
Tamil Nadu Industrial Development Corporation	10.19	20.00
Small Industries Development Bank of India	20.38	40.00
Total	**50.95**	**100.00**

There has been no change in the capital structure of TNIF in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

ITCL is the trustee to TNIF. The board of directors of ITCL currently comprises of:

1. Dr. Arcot Ramchandran;
2. Mr. Moosa Raza,
3. Mr. J. L. Bajaj;
4. Mr. D. K. Contractor;
5. Mr. Arun K Saha;
6. Dr. Archana Hingorani; and
7. Mr. Sujoy Kumar Das.

74. Infrastructure Leasing & Financial Services Realty Fund ("IRF")

IRF was set up on April 7, 2005 under the Indian Trusts Act, 1882. It is presently engaged in the business of mobilizing and pooling funds of investors for collective investment in equity and equity linked securities of unlisted Indian companies in the real estate sector in India.

Unit holding Pattern

The units of IRF are not listed on any stock exchange. The unit holders of IRF as on February 5, 2010 are as follows:

Unit holders	Number of units of Rs. 100,000 each	% share

Unit holders	Number of units of Rs. 100,000 each	% share
IFIN	10,500	33.87
LIC	10,000	32.26
IDBI Limited	2,000	6.45
Corporation Bank	2,000	6.45
United India Insurance Company	2,000	6.45
General Insurance Corporation of India	2,000	6.45
The Oriental Insurance Company Limited	1,500	4.84
IVC Employees Welfare Trust	1,000	3.23
Total	**31,000**	**100.00**

There has been no change in the capital structure of IRF in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

ITCL is the trustee to IRF. The board of directors of ITCL currently comprises of:

1. Dr. Arcot Ramchandran;
2. Mr. Moosa Raza,
3. Mr. J. L. Bajaj;
4. Mr. D. K. Contractor;
5. Mr. Arun K. Saha;
6. Dr. Archana Hingorani; and
7. Mr. Sujoy Kumar Das.

75. Leverage India Fund ("LIF")

LIF was set up on July 15, 2004 under the Indian Trusts Act, 1882. LIF is engaged in the business of mobilizing and pooling funds of investors for investment in Indian companies.

Unit holding Pattern

The units of LIF are not listed on any stock exchange. The unit holders of LIF as on February 5, 2010 are as follows:

Contributor	'E' units held
IFIN	360,620.89
LIC	364,263.53
Union Bank of India	80,947.45
Leverage India Fund LLC	2,543,874.01
Total	**3,349,705.88**

There has been no change in the capital structure of LIF in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

ITCL is the trustee to LIF. The board of directors of ITCL currently comprises of:

1. Dr. Arcot Ramchandran;
2. Mr. Moosa Raza,
3. Mr. J. L. Bajaj;
4. Mr. D. K. Contractor;
5. Mr. Arun K. Saha;
6. Dr. Archana Hingorani; and
7. Mr. Sujoy Kumar Das.

76. IL&FS ORIX Trust ("IOT")

IOT was set up on February 1, 2008 under the Indian Trusts Act, 1882. It is presently engaged in the business of mobilizing and pooling funds of investors for investment in unlisted Indian companies.

Unit holding Pattern

The units of IOT are not listed on any stock exchange. The unit holders of IOT as on February 5, 2010 are as follows:

Unit holders	Number of units held of Rs. 1,000,000 each	% of units held
IFIN	73.3	100.00
Total	**73.3**	**100.00**

There has been no change in the capital structure of IOT in the last six months prior to the filing of this Red Herring Prospectus.

Board of Directors

ITCL is the trustee to IOT. The board of directors of ITCL currently comprises of:

1. Dr. Arcot Ramchandran;
2. Mr. Moosa Raza,
3. Mr. J. L Bajaj;
4. Mr. D. K. Contractor;
5. Mr. Arun K. Saha;
6. Dr. Archana Hingorani; and
7. Mr. Sujoy Kumar Das.

77. IL&FS Employees' Welfare Trust ("IL&FS EWT")

Pursuant to an indenture of trust dated August 23, 1990 (the "**IL&FS Trust Deed**", including supplemental indentures dated August 18, 1992, March 23, 1993, October 19, 1995, July 14, 1999 and April 17, 2006) entered into by Mr. D.K. Contractor, Mr. Ravi Parthasarathy, Mr. Arun K. Saha and IL&FS, IL&FS has established the IL&FS EWT for the welfare of its full time employees of the nature envisaged by Section 77(2) (b) of the Companies Act. Currently, the board of trustees of the IL&FS EWT are Mr. Ravi Parthasarathy, Mr. Hari Sankaran, Mr. Arun K. Saha, Mr. Vibhav Kapoor, Mr. Ramesh C. Bawa, Mr. K. Ramchand, Mr. Shahzaad Dalad and Mr. Sachin Gupta (the "**Trustees**").

The IL&FS EWT has been established for the welfare of its employees which includes, *inter alia*, housing facilties, medical, health and educational relief, scholarship to employees and relief in any distress caused to the employees by elements of nature or otherwise.

IL&FS has handed over an amount of Rs. 1,000, being the initial sum paid as a contribution, to be held by the Trustees of the IL&FS EWT in accordance with the IL&FS Trust Deed (the "**Trust Fund**"). The Trustees shall apply the Trust Fund in the purchase or subscription of investments, which include, *inter alia*, units of any recognised mutual funds, bonds, preference shares, equity shares and debentures. The Trustees may keep such Trust Fund with a scheduled bank. The Trustees shall apply net dividends, interest or any other income received thereon for the welfare of the employees and not for any purpose not authorised by the IL&FS Trust Deed.

The Trustees shall exercise voting and other rights in relation to the IL&FS EWT in accordance with the unanimous decision of board of directors of IL&FS. The power to appoint new trustees shall be executed by the chairman of IL&FS. Each Trustee will be paid sitting fee at the rate of Rs. 250 for each meeting of the board of the Trustees. They have the power, at meetings, to make, vary and revoke regulations for purposes including, *inter alia*, the manner of convening meetings, appointment of a chairman, custody of money, deeds and securities and audit of accounts. Such power or discretion shall be exercised by a resolution passed at a meeting of the Trustees.

The Trustees shall also have the power, instead of acting personally, to employ and pay any agent (including banks) to transact any business or do any act in relation to the IL&FS Trust Deed, including receipt and payment of any money or charges, without being liable for loss.

The Trustees shall vacate their office on attaining the age of 75 years. In the event (a) all the Trustees, with the exception of one Trustee, have vacated or ceased to hold office; or (b) all the Trustees, with the exception of one Trustee, are for the time being out of India; or (c) all the Trustees, with the exception of one Trustee, are for the time being out of Bombay for a period of at least two months; then all powers of the Trustees and the execution of the IL&FS EWT may be carried out singly by one such Trustee. The IL&FS EWT shall determine at the expiration of 21 years from the day of the death of the last employee on the payroll of IL&FS.

78. Jharkhand Road Projects Implementation Company Limited ("JRPICL")

JRPICL was incorporated on August 4, 2009 under the Companies Act and obtained the certificate of commencement of business on October 15, 2009. Its CIN is U45200JH2009PLC013693. The registered office of the company is situated at 443/A, Road No.5, Ashok Nagar, Ranchi 834 002. JRPICL is engaged in the business of execution of Jharkhand Accelerated Road Development Programme in the state of Jharkhand on BOT (annuity) basis.

Shareholding Pattern

The equity shares of JRPICL are not listed on any stock exchange. The shareholding pattern of JRPICL as on February 5, 2010 is as follows:

Name of Shareholder	Number of equity shares of Rs. 10 each	% of issued capital
IL&FS	49,940	99.88
Mr. Harish Mathur	10	Negligible
Mr. Mukund Sapre	10	Negligible
Mr. Danny Samuel	10	Negligible
Mr. Sanjay Kumar Minglani	10	Negligible
Mr. Vinod Tripathi	10	Negligible
Mr. Manoj Agarwal	10	Negligible
Total	**50,000**	**100.00**

Except for increase in the authorised share capital of the company from Rs. 500,000 to Rs. 2,000,000,000 pursuant to an extraordinary general meeting of the company on October 13, 2009, there has been no change in the capital structure of the company in the last six months from the date of filing of this Red Herring Prospectus.

Board of Directors

The board of directors of JRPICL currently comprises of:

1. Mr. Harish Mathur;
2. Mr. K. Ramchand; and
3. Mr. Mukund Gajanan Sapre.

Other Confirmations

Interest of Group Companies in promotion of our Company

None of our Group Companies were interested in the promotion of our Company.

Interest of our Group Companies in the property of our Company

None of our Group Companies have any interest in any property acquired by our Company within two years preceding the date of this Red Herring Prospectus or proposed to be acquired by our Company.

Payment of amount or benefits to our Group Companies during the last two years

Except as stated in the sections titled "Objects of the Issue", "Financial Indebtedness" and "Related Party Transactions" on pages 40, 324 and 298, respectively, no amount or benefits were paid or were intended to be paid to our Group Companies during the last two years from the date of filing of this Red Herring Prospectus.

Interest of Group Companies in any transaction by our Company

None of our Group Companies were interested in any transaction by our Company involving acquisition of land, construction of building or supply of any machinery.

Winding up or Sick Company and Adverse Factors

Except for IRIL, IRDCL and IEL whose names have been struck off by the concerned registrar of companies pursuant to applications filed by such companies under Section 560 of the Companies Act, none of our Group Companies have either become a sick company within the meaning of the SICA nor are they under any winding up proceedings. Except as stated in the section titled "Risk Factors" on page xiv, there are no adverse factors related to our Group Companies in relation to losses incurred by them in the immediately preceding three years prior to the filing of this Red Herring Prospectus.

Defunct Company

None of our Group Companies are defunct companies.

Common pursuits of our Group Companies and Conflict of Interest

Other than as mentioned below, our Group Companies do not have any common pursuits or are engaged in businesses similar to those carried out by our Company.

Certain of our Group Companies, such as, CHDCL, GEL, JARDCL, MPTRL, RIDCOR, INIDCPL and TNRDCL are permitted *inter alia* under their respective objects' clause to undertake activities which are similar to those being undertaken or intended to be undertaken by us and may be considered to be in the same line of business as we are, which may result in a conflict of interest with respect to our business strategies, i.e., promoting, developing, financing, establishing, building, construction, equiping, operating, maintaining, controlling, upgrading, regulating, modifying physical, social and other infrastructural facilities including approach roads, minor and major bridges etc. While such entities carry on certain activities, which under certain circumstances be in conflict with the activities carried on by our Company in the respective States in which they operate, however, presently they do not carry on and nor do they intend to undertake activities which may be directly in conflict with our business. We shall adopt the necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise.

Business interests of our Group Companies/Subsidiaries/associate companies in our Company

Our Subsidiaries, associates and Group Companies have business interests in the projects being undertaken by our Company and are party to certain agreements entered into with our Company and certain other third parties in relation to our projects. For details of such agreements and our projects, see the sections titled "Our Business" and "History and Certain Corporate Matters" on pages 76 and 175, respectively.

Further, except as disclosed in the sections titled "Financial Statements – Related Party Transactions", there are no business interests of our Group Companies/Subsidiaries/associate companies in our Company.

Shareholding of our Group Companies in our Company

Except as stated in the section titled "Capital Structure – Notes to the Capital Structure" on page 30, none of our Group Companies hold any Equity Shares.

Previous Public Issues by Group Companies and Promise v/s Performance

Except of Maytas Infra Limited, none of our Group Companies have made any public issue (including any rights issue to the public) during the last three years.

Litigation

For information on details relating to the litigation in relation to our Group Companies, see the section titled "Outstanding Litigation and Material Developments" on page 349.

Sales or purchases exceeding 10% in aggregate, in value of the total sales or purchases of our Company

There are no sales or purchase between Group Companies/Subsidiaries/associate companies where such sales or purchases exceeding 10% in aggregate, in value of the total sales or purchases of our Company.

Related Party Transactions

For details of the related party transactions, see the section titled "Related Party Disclosures" on page 298.

RELATED PARTY TRANSACTIONS

For details on related party transactions of our Company on a stand alone and consolidated basis, see Annexures XVII and XXXI - Notes to Accounts to the restated stand alone and consolidated financial statements, respectively in the section titled "Financial Statements" on pages F-43 and F-120, respectively.

DIVIDEND POLICY

Interim dividends are declared by the Board after considering the interim financial statement for the period for which interim dividends are declared. Interim financial statements are prepared considering the profit before depreciation and taxes, depreciation for the full year, taxation including the deferred tax and any anticipated losses for the year. Final dividends are declared at the Annual General Meeting of the shareholders based on the recommendations by the Board. Generally, the factors that may be considered by the Board before making any recommendations for the dividend are future expansion plans and capital requirements of the Company, profit earned during the financial year, liquidity of the Company and applicable taxes on dividend in hands of recipients including dividend distribution tax payable by the Company. The policy as described above may be amended as decided by the Board from time to time. For details of dividends declared by our Company, see the section titled "Financial Statements" on page F-39.

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

AUDITORS' REPORT

The Board of Directors
IL&FS Transportation Networks Limited,
Plot C-22, G Block,
Bandra Kurla Complex,
Mumbai – 400 051
India.

Dear Sirs,

1. In connection with the proposed Initial Public Offering (the "IPO") of Equity Shares of IL&FS Transportation Networks Limited (the "Company") and in terms of our engagement letter dated 21st January, 2010, we have examined the Financial Information (as defined in paragraph 4 below) of the Company as at and for the half year ended 30th September, 2009 and as at and for the years ended 31st March, 2009, 2008, 2007, 2006, and 2005 annexed to this report and initialled by us for purpose of identification.

2. This Financial Information is the responsibility of the Company and has been prepared in accordance with the requirements of:

   a. paragraph B of Part II of Schedule II of the Companies Act, 1956, (the "Act"); and
   b. the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009, notified by Securities and Exchange Board of India ("SEBI") on 26th August, 2009 and amendments thereto (the "SEBI Regulations"), in pursuance of Section 11A (1) (a) of the Securities and Exchange Board of India Act, 1992.

3. Our examination was conducted in accordance with the applicable generally accepted auditing standards ("GAAS") framework in India prescribed by the Institute of Chartered Accountants of India ("ICAI").

Financial Information as per Audited Financial Statements of the Company

4. We have examined the following attached statements of the Company:

   i. the "Restated Statement of Profits and Losses" for the half year ended 30th September, 2009 and for each of the years ended 31st March, 2009, 2008, 2007, 2006, and 2005 (Annexure I);
   ii. the "Restated Statement of Assets and Liabilities" as at 30th September 2009, 31st March, 2009, 2008, 2007, 2006, and 2005 (Annexure II); and
   iii. the "Restated Statement of Cash Flows" for the half year ended 30th September 2009 and for each of the years ended 31st March, 2009, 2008, 2007, 2006, and 2005 (Annexure III).

   together referred to as the "Restated Summary Statements"

   These Restated Summary Statements have been extracted by the Management of the Company from the audited unconsolidated financial statements for the years ended:

   a) 31st March, 2006 and 2005, which have been audited by M/s. S.B. Billimoria & Co., Chartered Accountants, being the auditors of the Company for those years, in terms of their reports dated 8th June, 2006 and 29th September, 2005 respectively; and

b) Half year ended 30th September 2009, 31st March, 2009, 2008 and 2007, audited by us in terms of our reports dated 30th November, 2009, 19th May, 2009, 2nd May, 2008 and 11th May, 2007.

All the unconsolidated financial statements as at and for the years ended 31st March, 2009, 2008, 2007, 2006 and 2005 have been approved by the Board and adopted by the shareholders at their Annual General Meetings, and the unconsolidated financial statements as at and for the half year ended 30th September, 2009 have been approved by the Board.

5. Based on our examination of these Restated Summary Statements, we state that:

i. The 'Restated Summary Statements' have to be read in conjunction with the "Significant Accounting Policies and Notes to the Restated Summary Statements of the Company" (Annexure IV);
ii. The 'Restated Summary Statements' reflect the retrospective effect of significant accounting policies adopted by the Company as at / for the half year ended 30th September, 2009;
iii. The restated profits have been arrived at after charging all expenses including depreciation and after making such adjustments and regroupings, as in our opinion are appropriate, in the year to which they relate and are described in Annexure XV;
iv. There are no extraordinary items that need to be disclosed separately in the Restated Summary Statements; and
v. There are no qualifications in the Auditors' Report which would require an adjustment to the Restated Summary Statements.

Other Financial Information of the Company

6. We have also examined the following information (restated) of the Company for the half year ended 30th September, 2009 and for the years ended 31st March, 2009, 2008, 2007, 2006 and 2005, which is proposed to be included in the Red Herring Prospectus (RHP), as approved by the Board of Directors of the Company and annexed to this report:

i. Significant Accounting Policies adopted by the Company and Notes to the Restated Summary Statements as at / for the half year ended 30th September, 2009 and for the years ended 31st March, 2009, 2008, 2007, 2006 and 2005 (Annexure IV);
ii. Details of Secured and Unsecured Loans as at 30th September, 2009, 31st March, 2009, 2008, 2007, 2006 and 2005 (Annexure V);
iii. Details of Sundry Debtors as at 30th September, 2009, 31st March, 2009, 2008, 2007, 2006 and 2005 (Annexure VI);
iv. Details of Loans and Advances as at 30th September, 2009, 31st March, 2009, 2008, 2007, 2006 and 2005 (Annexure VII);
v. Details of Investments as at 30th September, 2009, 31st March, 2009, 2008, 2007, 2006 and 2005 (Annexure VIII);
vi. Details of Current Liabilities and Provisions as at 30th September, 2009, 31st March, 2009, 2008, 2007, 2006 and 2005 (Annexure IX);
vii. Details of Dividend and Other Income for the half year ended 30th September, 2009 and for the years ended, 31st March, 2009, 2008, 2007, 2006 and 2005 (Annexure X);
viii. Details of Dividend paid by the Company for the half year ended 30th September, 2009 and for the years ended 31st March, 2009, 2008, 2007, 2006 and 2005 (Annexure XI);
ix. Statement of Tax Shelter for the half year ended 30th September, 2009 and for the years ended 31st March, 2009, 2008, 2007, 2006 and 2005 (Annexure XII);
x. Statement of Accounting Ratios for the half year ended 30th September, 2009 and for the years ended 31st March, 2009, 2008, 2007, 2006 and 2005 (Annexure XIII);
xi. Capitalisation Statement as at 30th September, 2009, (Annexure XIV);
xii. Statement of Reconciliation of Profits for the half year ended 30th September, 2009 and for the years ended 31st March, 2009, 2008, 2007, 2006 and 2005 (Annexure XV);
xiii. Contingent Liabilities as at 30th September, 2009, 31st March, 2009, 2008, 2007, 2006 and 2005 (Annexure XVI);
xiv. Details of related party disclosures for the half year ended 30th September, 2009 and for the years ended 31st March, 2009, 2008, 2007, 2006 and 2005 (Annexure XVII);

xv. Consolidated Restated Statement of Profits and Losses for the half year ended 30th September, 2009 and for each of the years ended 31st March, 2009, 2008, and 2007 (Annexure XVIII);

xvi. Consolidated Restated Statement of Assets and Liabilities as at 30th September, 2009, 31st March, 2009, 2008 and 2007 (Annexure XIX);

xvii. Consolidated Restated Statement of Cash Flows for the half year ended 30th September, 2009 and for each of the years ended 31st March, 2009, 2008, and 2007 (Annexure XX);

xviii. Significant Accounting Policies and Notes to the Consolidated Restated Financial Information (Annexure XXI);

xix. Details of Consolidated Secured and Unsecured Loans as at 30th September, 2009, 31st March, 2009, 2008, and 2007 (Annexure XXII);

xx. Details of Consolidated Sundry Debtors as at 30th September, 2009, 31st March, 2009, 2008, and 2007 (Annexure XXIII);

xxi. Details of Consolidated Loans and Advances as at 30th September, 2009, 31st March, 2009, 2008, and 2007 (Annexure XXIV);

xxii. Details of Consolidated Investments as at 30th September, 2009, 31st March, 2009, 2008, and 2007 (Annexure XXV);

xxiii. Details of Consolidated Current Liabilities and Provisions as at 30th September, 2009, 31st March, 2009, 2008, and 2007 (Annexure XXVI);

xxiv. Details of Consolidated Dividend and Other Income for the half year ended 30th September, 2009 and for each of the years ended 31st March, 2009, 2008, and 2007 (Annexure XXVII);

xxv. Details of Consolidated Dividend paid for the half year ended 30th September, 2009 and for each of the years ended 31st March, 2009, 2008, and 2007 (Annexure XXVIII);

xxvi. Statement of Consolidated Accounting Ratios for the half year ended 30th September, 2009, and for the years ended 31st March, 2009, 2008, and 2007 (Annexure XXIX);

xxvii. Consolidated Contingent Liabilities as at 30th September, 2009, 31st March, 2009, 2008, and 2007 (Annexure XXX);

xxviii. Details of Consolidated related party disclosure for the half year ended 30th September, 2009, and for the years ended 31st March, 2009, 2008, and 2007 (Annexure XXXI)

xxix. Statement of Reconciliation of Consolidated Profits for the half year ended 30th September, 2009 and for each of the years ended 31st March 2009, 2008 and 2007 (Annexure XXXII)

xxx. Consolidated Capitalisation Statement as at 30th September, 2009 (Annexure XXXIII);

together referred to as "Other Financial Information"

Consolidated Financial Information

7. We have also examined the Restated Consolidated Financial Information (described in items xv to xxx in paragraph 6 above) of the Company and its subsidiaries (the "Group") as at and for the half year ended 30th September, 2009 and for each of the years ended 31st March, 2009, 2008 and 2007 prepared by the Management for the purpose of the IPO mentioned in paragraph 1 above.

8. We further state that in the Restated Consolidated Financial Information:

a. We did not audit the restated financial statements of certain subsidiaries, associates and jointly controlled entities whose financial statements reflect the following information as considered in the consolidated financial statements:

(Rs. in million)

Particulars	As at and for the half year ended 30th September	As at and for the financial years ended 31st March		
	2009	2009	2008	2007
Number of subsidiaries	8	5	4	1
Total assets (net of current liabilities and provisions)	14,672.13	8,699.71	5,463.23	803.47
Revenues	8,042.24	9,709.57	570.39	0.31
Net cash inflow / (outflow)	(52.24)	(297.59)	631.07	0.01

Particulars	As at and for the half year ended 30th September	As at and for the financial years ended 31st March		
	2009	2009	2008	2007
Number of jointly controlled entities	1	2	2	2
Total assets (net of current liabilities and provisions)	1,570.30	1,546.65	2,513.92	2,091.26
Revenues	104.46	239.34	347.84	235.23
Net cash inflow / (outflow)	22.88	31.90	63.36	(348.45)
Number of associates	3	4	5	4
Group's share in profit/(loss) of associates (net)	(44.13)	(26.77)	73.28	55.01

These restated financial statements have been audited by other auditors, whose reports have been furnished to us and, our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, associates and jointly controlled entities, is based solely on the reports of the other auditors. We give in Annexure the names of such subsidiaries, associates and jointly controlled entities which have been audited by other auditors along with the names of their respective auditors.

b. As explained in note no. 2(f) of Annexure XXI-A, the Restated Consolidated Summary Statements of the Group have been prepared using the financial statements of Tamil Nadu Road Development Company Limited ("TNRDCL"), an erstwhile jointly controlled entity, which have not been adjusted for differences in accounting policies that exist between TNRDCL and the Group. It has been clarified in note no. 1 in Annexure XXI-B that the Company has ceased to have joint control over TNRDCL with effect from 29th October, 2008. In the absence of the relevant information, the effect of the difference on the restated consolidated profits, reserves and net assets of the Group as at / for the years ended 31st March, 2009, 2008 and 2007 could not be ascertained.

c. Further, we draw attention to note no. 6 in Annexure XXI-B (Notes to the Restated Consolidated Summary Statements), wherein the reasons for not providing interest on borrowings aggregating Rs. 56.35 million being the Group's share in the amounts borrowed by TNRDCL in the year ended 31st March, 2007, have been explained. No adjustment has been made in the Restated Consolidated Summary Statements in this respect. In the absence of relevant information, the impact thereof on the restated consolidated profits, reserves and net assets as at / for the year ended 31st March, 2007 and 31st March, 2008 could not be ascertained.

d. The restated audited consolidated financial statements of Elsamex S.A. Group (which have been audited by another auditor), a wholly owned subsidiary of the Company incorporated in Spain and having its own subsidiaries, associates and jointly controlled operations, as at / for the period ended 30th June, 2009, 31st December, 2008 and as at 31st March, 2008, include assets, liabilities, income, expenses and cash flows of a subsidiary and two associates whose financial statements have not been audited. The amounts included in the Restated Consolidated Summary Statements of the Group as at / for the half year ended 30th September, 2009 and as at / for the years ended 31st March, 2009 and 2008 in respect of the above are tabulated as under:

(Rs. in million)

Particulars	As at for the half year ended 30th September	As at and for the financial years ended 31st March	
	2009	2009	2008
Number of Subsidiaries	1	-	1
Total Assets (net of current liabilities and provisions)	(6.38)	-	(5.01)
Revenues	-	-	-
Net Cash Inflow / (Outflow)	0.19	-	-
Number of Associates	2	2	-
Group's share in profit/(loss) of Associates (net)	1.01	(10.71)	-

9. Without qualifying our opinion, we draw attention to note no. 21 and note no. 22 in Annexure XXI-B to the Restated Consolidated Summary Statements, wherein the elements of the Restated Consolidated Summary 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, the useful lives and the annual amortisation thereof;

b. Provision for Overlay in respect of intangible assets covered under service concession arrangements and;

c. Financial Assets covered under service concession arrangements which are included as a part of Receivables against Service Concession Arrangements 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.

(Rs. in million)

Particulars	**As at and for the half year ended 30th September**	**As at and for the financial years ended 31st March**		
	2009	**2009**	**2008**	**2007**
Carrying value of Intangible Asset covered under Service Concession Arrangements	11,280.46	6,899.58	6,595.53	6,211.38
Percentage of Total assets (net of current liabilities and provisions)	30.53%	23.29%	24.05%	31.72%
Provision for overlay in respect of Intangible Assets covered under Service Concession Arrangement	393.97	280.81	242.14	149.54
Carrying value of Financial Assets Receivables under Service Concession Arrangements	8,515.80	7,317.62	6,469.26	6,238.33
Percentage of Total assets (net of current liabilities and provisions)	23.05%	24.70%	23.59%	31.86%

10. The Restated Consolidated Financial Information of the Group (described in items xv to xxx in paragraph 6 above) have been extracted from the Audited Consolidated Financial Statement of the Company as at and for the half year ended 30th September, 2009 and for each of the years ended 31st March, 2009, 2008 and 2007, audited by us. The Consolidated Restated Statement of Profits and Losses for the half year ended 30th September, 2009 and for each of the years ended 31st March, 2009, 2008, and 2007 (Annexure XVIII); the Consolidated Restated Statement of Assets and Liabilities as at 30th September, 2009, 31st March, 2009, 2008 and 2007 (Annexure XIX) and the Consolidated Restated Statement of Cash Flows for the half year ended 30th September, 2009 and for each of the years ended 31st March, 2009, 2008, and 2007 (Annexure XX) are collectively referred to as the "Restated Consolidated Summary Statements". Based on our examination of these Restated Consolidated Summary Statements, we state that, except to the extent stated in paragraph 8 above and read with our comments in paragraph 9 above:

a. reflect the retrospective effect of significant accounting policies adopted by the Company, as at / for the half year ended 30th September, 2009;
b. the restated profits have been arrived at after charging all expenses including depreciation and after making such adjustments and regroupings, as in their opinion is appropriate in the year to which they relate and described in Annexure XXXII;
c. there are no extraordinary items that need to be disclosed separately in the restated consolidated summary statements; and
d. there are no qualifications in the Auditors' Reports which would require adjustments in the Restated Consolidated Summary Statements.

11. Based on our examination of the Restated Summary Statements of the Company and the Restated Consolidated Financial Information of the Group attached to this report, read with our

comments in paragraph 9 above and subject to our comments in paragraphs 8 (b) to (d) above, we state that in our opinion:

a. the 'Restated Summary Statements' and 'Other Financial Information' (item i to xiv described in paragraph 6 above) as at and for the half year ended September 30, 2009 and for each of the years ended March 31, 2009, 2008, 2007, 2006, and 2005; and
b. the 'Restated Consolidated Financial Information' (item xv to xxx described in paragraph 6 above), as at and for the half year ended September 30, 2009 and for each of the years ended March 31, 2009, 2008 and 2007.

have been prepared in accordance with Paragraph B of Part II of Schedule II of the Act and the SEBI Regulations.

12. We draw attention to:

a. note no. 8 in Annexure IV-B to the Restated Summary Statements, wherein the Company has explained its reasons for withdrawing the Restated Summary Statements as at and for the years ended March 31, 2005, 2006, 2007, 2008 and 2009 and as at and for the half year ended September 30, 2009, which were approved by the Board of Directors in their meeting held on November 30, 2009.
b. note no. 25 in Annexure XXI-B to the Restated Consolidated Summary Statements, wherein the Company has explained its reasons for withdrawing the Restated Consolidated Financial Statements as at and for the years ended March 31, 2007, 2008 and 2009 and as at and for the half year ended September 30, 2009, which were approved by the Board of Directors in their meeting held on November 30, 2009.

   Accordingly, our report dated November 30, 2009 on the said Restated Summary Statements and Other Financial Information of the Company and the Restated Consolidated Financial Information of the Group stands withdrawn.

13. This report should not, in any way, be construed as a reissuance or re-dating of any of the previous audit reports nor should this be construed as a new opinion on any of the financial statements referred to herein.

14. This report is intended solely for your information and for inclusion in the RHP in connection with the proposed IPO of Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

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

SANJIV V. PILGAONKAR
Partner
(Membership No. 39826)

Mumbai, February 18, 2010

Annexure to the Auditors' Report

(Referred to in paragraph (8)(a) to our report of even date)

Re: IL&FS Transportation Networks Limited

Particulars	Name of the Auditor			
	As at and for the half year ended 30th September	As at and for the financial years ended 31st March		
	2009	2009	2008	2007
Name of Subsidiaries				
East Hyderabad Expressway Limited	Luthra & Luthra	Luthra & Luthra	Luthra & Luthra	NA
ITNL Road Infrastructure Development Company Limited	Lakhani & Co.	Lakhani & Co.	Lakhani & Co.	NA
Elsamex S.A Group.	Bernardo Tahoces Acebo	Bernardo Tahoces Acebo	Bernardo Tahoces Acebo	NA
ITNL Road Investment Trust Scheme I	Lakhani & Co.	Lakhani & Co.	Lakhani & Co.	Lakhani & Co.
Pune Solapur Road Development Company Limited	Lakhani & Co.	NA	NA	NA
Hazaribagh Ranchi Expressway Limited	Luthra & Luthra	NA	NA	NA
Vansh Nimay Infraprojects Private Limited	Lakhani & Co.	Lakhani & Co.	NA	NA
West Gujarat Expressway Limited	A.F. Ferguson & Co.	NA	NA	NA
Name of Jointly Controlled Entities				
Noida Toll Bridge Company Limited	Luthra & Luthra	Luthra & Luthra	Luthra & Luthra	Luthra & Luthra
Tamil Nadu Road Development Company Limited	NA	NA	R. Subramanian and Company	R. Subramanian and Company
Name of Associates				
Andhra Pradesh Expressway Limited	Gianender & Associates	Gianender & Associates	Gianender & Associates	Gianender & Associates
Thiruvananthapuram Road Development Company Limited	Lakhani & Co.	Lakhani & Co.	Lakhani & Co.	Lakhani & Co.
West Gujarat Expressway Limited	NA	A.F. Ferguson & Co.	A.F. Ferguson & Co.	A.F. Ferguson & Co.
ITNL Toll Management Services Limited	Luthra & Luthra	Luthra & Luthra	Luthra & Luthra	NA
Kohinoor CTNL Infrastructure Company Limited	NA	NA	Lakhani & Co.	Lakhani & Co.

NA - Not Applicable

IL&FS TRANSPORTATION NETWORKS LIMITED

ANNEXURE – I: RESTATED STATEMENT OF PROFITS & LOSSES:

(Rs. in Million)

Particulars	For the year /period ended					
	March 31, 2005	March 31, 2006	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
A. Income						
Income from Operations (net of service tax)	141.10	419.57	1,545.19	1,709.73	1,320.80	2,873.22
Other Income	25.49	12.25	103.95	788.98	570.10	379.10
Foreign Exchange Fluctuations (net)	-	-	-	-	385.86	9.30
Total Income	**166.59**	**431.82**	**1,649.14**	**2,498.71**	**2,276.76**	**3,261.62**
B. Expenditure						
Cost of traded products	-	63.65	273.81	335.77	7.02	-
Sub-contracting charges	-	-	-	-	-	162.50
Staff Costs (Refer Note no.4 of Annexure - IV C)	21.80	49.25	107.55	164.60	173.05	86.34
Operation and Maintenance Expenses	22.68	18.58	61.94	76.70	178.44	61.78
Administrative and General Expenses	45.72	161.54	310.22	464.07	494.78	549.77
Interest and Finance Charges	41.13	48.82	70.50	180.56	596.45	496.85
Depreciation / Amortisation	3.08	4.74	9.01	20.20	26.81	16.02
Preliminary Expenses Written off	0.37	0.25	-	-	-	-
Total Expenditure	**134.78**	**346.83**	**833.03**	**1,241.90**	**1,476.55**	**1,373.26**
Net Profit / (Loss) before diminution and tax (A-B)	**31.81**	**84.99**	**816.11**	**1,256.81**	**800.21**	**1,888.36**
Less: Provision for diminution	-	-	(100.00)	(100.00)	(100.00)	-
Profit / (Loss) before tax	**31.81**	**84.99**	**716.11**	**1,156.81**	**700.21**	**1,888.36**
Less: Provision for Current Tax	(8.57)	(32.19)	(244.87)	(385.24)	(343.01)	(699.21)
Less: Deferred Tax credit /(charge) (net)	0.31	0.64	(3.88)	1.24	71.02	(45.66)
Less: Fringe Benefit Tax	-	(3.18)	(5.69)	(7.45)	(7.53)	-
Net Profit / (Loss) after tax, as Restated	**23.55**	**50.26**	**461.67**	**765.36**	**420.69**	**1,143.49**
Profit and Loss account at the beginning of the year	5.59	29.14	79.40	285.15	611.40	771.30
Balance available for appropriation	**29.14**	**79.40**	**541.07**	**1,050.51**	**1,032.09**	**1,914.79**
General reserve	-	-	(34.13)	(58.50)	(10.11)	-
Proposed dividend	-	-	(189.57)	(325.32)	(214.27)	-
Tax on dividend	-	-	(32.22)	(55.29)	(36.41)	-
BALANCE CARRIED FORWARD AS RESTATED	**29.14**	**79.40**	**285.15**	**611.40**	**771.30**	**1,914.79**

The above statement should be read together with Significant Accounting Policies and Notes to Restated Financial information.

ANNEXURE – II: RESTATED STATEMENT OF ASSETS AND LIABILITIES

(Rs. in Million)

Particulars	As at					
	March 31, 2005	**March 31, 2006**	**March 31, 2007**	**March 31, 2008**	**March 31, 2009**	**September 30, 2009**
A. FIXED ASSETS						
Gross Fixed Assets (Refer Note no.1 of Annexure - IV B)	13.86	21.77	102.20	168.40	201.30	208.15
Less: Depreciation	5.79	9.99	18.87	34.74	59.04	74.36
Net Block	**8.07**	**11.78**	**83.33**	**133.66**	**142.26**	**133.79**
Capital / Project work in progress	1.72	2.09	2.88	11.42	248.53	251.03
Total	**9.79**	**13.87**	**86.21**	**145.08**	**390.79**	**384.82**
B. Investments	**391.72**	**452.55**	**4,803.03**	**6,005.47**	**8,611.33**	**9,183.82**
C. Deferred Tax Asset (net) (Refer Note no.2 of Annexure - IV C)	**0.46**	**1.10**	**-**	**-**	**-**	**-**
D. Current Assets, Loans and Advances						
Inventories	-	-	438.00	-	-	-
Sundry Debtors	74.59	160.94	713.91	509.79	375.23	3,133.92
Cash and Bank Balances	112.27	45.25	576.15	193.84	25.56	31.30
Other Current Assets	-	3.01	222.92	839.61	827.89	674.35
Loans and Advances	633.15	1,361.12	1,465.90	4,839.39	6,026.86	6,731.68
Total	**820.01**	**1,570.32**	**3,416.88**	**6,382.63**	**7,255.54**	**10,571.25**
E. Liabilities and Provisions						
Secured Loans	2.11	0.95	340.66	-	-	-
Unsecured Loans	694.73	696.55	1,040.00	3,881.64	7,190.00	9,990.00
Current Liabilities and Provisions	64.52	229.21	682.72	838.29	950.71	1,416.80
Deferred Tax Liability (net) (Refer Note no.2 of Annexure - IV C)	-	-	2.78	1.54	1.52	5.36
Total	**761.36**	**926.71**	**2,066.16**	**4,721.47**	**8,142.23**	**11,412.16**
F. Net Worth (A+B+C+D-E)	**460.62**	**1,111.13**	**6,239.96**	**7,811.71**	**8,115.43**	**8,727.73**
Represented by						
Equity Share Capital	331.28	331.28	1,624.90	1,714.15	1,714.15	1,714.15
Share Application Money	100.45	250.45	-	-	-	-
Advance towards capital (Refer Note no.6 of Annexure - IV B)	-	450.00	450.00	450.00	450.00	-
Reserves and Surplus						
Securities Premium	-	-	3,845.77	4,943.52	4,943.52	4,943.52
General Reserve	-	-	34.14	92.64	102.74	102.74
Foreign Exchange Fluctuation Reserve	-	-	-	-	133.72	52.53
Profit & Loss A/c	29.14	79.40	285.15	611.40	771.30	1,914.79
Less:						
Miscellaneous Expenses to the extent not written off or adjusted	(0.25)	-	-	-	-	-
Net Reserves and Surplus	**28.89**	**79.40**	**4,165.06**	**5,647.56**	**5,951.28**	**7,013.58**
G. Net Worth	**460.62**	**1,111.13**	**6,239.96**	**7,811.71**	**8,115.43**	**8,727.73**

The above statement should be read together with Significant Accounting Policies and Notes to Restated Financial information.

ANNEXURE III: RESTATED STATEMENT OF CASH FLOWS

(Rs. in Million)

Particulars	For the year / period ended					
	March 31, 2005	**March 31, 2006**	**March 31, 2007**	**March 31, 2008**	**March 31, 2009**	**September 30, 2009**
Cash Flow from Operating Activities						
Adjusted net profit before tax and extraordinary items	31.81	84.99	716.11	1,156.81	700.21	1,888.36
Adjustments for:						
Provision for compensated absences	0.11	0.55	1.29	9.42	3.96	(1.13)
Provision for gratuity	(0.70)	(1.56)	(1.29)	2.53	(2.57)	(2.01)
Excess provisions written back	-	-	-	(9.03)	(2.75)	(0.24)
Provision for income tax - written back	-	-	(7.73)	-	-	-
Interest on loans granted	(12.77)	(5.41)	(27.21)	(152.19)	(313.09)	(196.25)
Profit on sale of investment	(11.88)	(4.08)	(12.85)	(522.00)	(154.63)	-
Interest on bank deposits	(0.10)	(2.57)	(17.48)	(18.22)	(3.14)	(0.04)
Interest on debentures	-	-	(15.68)	(29.20)	(39.32)	(19.71)
Interest on call money	-	-	(29.31)	(29.44)	(20.91)	(9.05)
Interest on Non Convertible Debentures	-	-	-	(14.71)	(10.58)	-
Interest on Deep Discount Bonds	-	-	-	(10.92)	(8.47)	-
Interest & Finance charges	41.13	48.82	70.50	180.56	596.45	496.85
(Profit) / Loss on sale of fixed assets (net)	(0.14)	0.02	(0.04)	0.25	0.01	-
Depreciation/ Amortisation	3.08	4.74	9.01	20.20	26.81	16.02
Bad debts written off	4.31	0.55	0.29	-	-	0.04
Miscellaneous expenses written off	0.37	0.25	0.30	-	-	-
Dividend received	(0.35)	(0.12)	-	-	-	-
Foreign exchange difference	-	-	2.99	17.12	(385.85)	(6.96)
Provision for diminution	-	-	100.00	100.00	100.00	-
Operating Profit before working capital changes	**54.87**	**126.18**	**788.90**	**701.18**	**486.13**	**2,165.88**
Adjustments for changes in:						
(Increase) / decrease in debtors	(23.26)	(86.90)	(553.26)	204.12	134.55	(2,753.59)
(Increase) / decrease in inventories	-	-	(438.00)	438.00	-	-
(Increase) / decrease in loans and advances	(0.20)	(125.18)	(8.83)	(69.01)	(203.13)	(1,324.37)
Increase / (decrease) in current liabilities & provisions	15.23	130.17	68.90	(20.55)	1.66	541.66
Cash Generated from Operating Activities	**46.64**	**44.27**	**(142.29)**	**1,253.74**	**419.21**	**(1,370.42)**
Taxes paid						
Direct taxes refund / (paid) (net)	(5.38)	(32.22)	(284.41)	(486.69)	(445.05)	(317.40)
Net Cash (used in) / generated from Operations (A)	**41.26**	**12.05**	**(426.70)**	**767.05**	**(25.84)**	**(1,687.82)**
Cash flow from Investing Activities						
Purchase of Fixed Assets (Net)	(8.95)	(9.27)	(81.45)	(81.53)	(37.87)	(246.92)
Sale of fixed assets	0.19	0.18	0.14	2.84	1.53	0.68
Purchase of / advance towards investments	(427.55)	(955.27)	(4,637.52)	(2,990.36)	(1,405.01)	(355.19)
Proceeds from sale of investments	322.91	49.00	215.22	10.00	1,069.73	-
Short term loan (net of received)	(239.24)	248.28	(39.00)	(970.11)	680.17	(348.45)
Other loans given	-	-	-	(567.63)	(3,121.05)	(395.40)
Other loans received	-	-	-	-	258.83	1,193.08
Investment in call money	-	-	-	(22.58)	(187.42)	(7.50)
Dividend received	0.35	0.12	-	-	-	-
Interest income	12.87	4.97	59.72	163.17	261.80	190.02
Fixed deposits placed for periods exceeding 3 months	-	(0.10)	(501.61)	389.89	110.69	1.00
Net Cash (used in) / generated from	**(339.42)**	**(662.09)**	**(4,984.50)**	**(4,066.31)**	**(2,368.60)**	**31.32**

Particulars	For the year / period ended					
	March 31, 2005	**March 31, 2006**	**March 31, 2007**	**March 31, 2008**	**March 31, 2009**	**September 30, 2009**
Investing Activities (B)						
Cash Flow from Financing Activities						
Proceeds from Equity Share	-	-	1,293.62	89.25	-	-
Share Premium money received (Net of foreign currency gain of Rs. Nil, Rs. Nil, Rs.2.99, Rs. Nil, Rs. Nil & Rs. Nil)	-	-	3,842.79	1,097.75	-	-
Proceeds / (Refund) of Share Application Money	13.50	150.00	(250.45)	-	-	-
Proceeds from Borrowings	420.84	355.52	1,418.64	2,840.00	9,740.00	5,850.00
Repayment of Borrowings	(0.83)	(354.51)	(735.47)	(340.66)	(6,430.00)	(3,500.00)
Interest & Finance Charges	(25.31)	(18.09)	(128.64)	(157.71)	(592.56)	(436.07)
Dividend paid	-	-	-	(189.57)	(325.30)	(214.27)
Tax on Dividend	-	-	-	(32.22)	(55.29)	(36.41)
Advance towards capital	-	450.00	-	-	-	-
Net Cash (used in) / generated from Financing Activities (C)	**408.20**	**582.92**	**5,440.49**	**3,306.84**	**2,336.85**	**1,663.25**
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	110.04	(67.12)	29.29	7.58	(57.59)	6.75
Cash & cash equivalent at the beginning of the year / period	2.23	112.27	45.15	74.44	82.02	24.43
Cash & cash equivalent at the end of the year / period	**112.27**	**45.15**	**74.44**	**82.02**	**24.43**	**31.18**
Components of Cash & cash equivalent at the end of the year / period						
Cash balance on hand	-	0.02	0.21	0.14	0.18	10.53
Bank balances with Scheduled Bank						
- In Current Account	112.27	45.13	74.23	81.88	24.25	20.65
- In Fixed Deposit Account (maturity less than 3 months)	-	-	-	-	-	-
	112.27	**45.15**	**74.44**	**82.02**	**24.43**	**31.18**
Fixed deposits placed for periods exceeding 3 months	-	0.10	501.71	111.82	1.13	0.12
Cash and bank balances at the end of the year / period	**112.27**	**45.25**	**576.15**	**193.84**	**25.56**	**31.30**

The above statement should be read together with Significant Accounting Policies and Notes to Restated Financial Information.

ANNEXURE – IV A: SIGNIFICANT ACCOUNTING POLICIES

1. Basis for preparation of Interim Financial Report

The Interim Financial Report has been prepared under the historical cost convention in accordance with the generally accepted accounting principles in India, and applicable accounting standards referred to in Section 211(3C) of the Companies Act, 1956 for the information of the Board of Directors and are not intended to be treated as general purpose financial statements. All income and expenditure having a material bearing on the financial statements are recognised on an accrual basis.

2. Use of estimates

The preparation of financial statements in conformity with the generally accepted accounting principles 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 statements, the reported income and expenses during the reporting period and disclosure of contingent liabilities. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

3. Fixed Assets and Depreciation/Amortisation

(a) Tangible fixed assets and depreciation

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

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

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

Depreciation on tangible fixed assets is computed as under:

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

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

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

(iii) Depreciation on fixed assets, other than on assets specified in Notes 3(a) (i) & (ii) above, is provided for on the Written Down Value Method at the rates provided under Schedule XIV of the Companies Act, 1956.

(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 comprise of software and amounts paid for acquisition of commercial rights under an "Operation and Maintenance" agreement of a toll road project.

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

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

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

Intangible assets are amortised on a "Straight line" basis over their estimated useful lives. The estimated useful life of software is four years. The amount paid for acquisition of the rights under the "Operations and Maintenance" agreement, in respect of which rights were acquired by the Company, is amortised over the minimum balance period of the concession agreement relating to the corresponding toll road project.

4. **Impairment of Assets**

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

5. **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, other than temporary.
(d) Current investments are valued at the lower of cost and market value.

6. **Inventories**

(a) Inventories are valued at the lower of cost and net realisable value. Costs are determined using the annual weighted average principle and includes purchase price and non-refundable taxes. Net realisable value is estimated at the expected selling price less estimated selling costs.
(b) Stock in trade of units in Mutual Funds are valued at the lower of cost or net realisable 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.

7. **Revenue Recognition**

The Company's service offerings include advisory and management services, supervisory services (including as lenders' engineers), operation and maintenance services, toll collection services for toll road projects and rendering assistance to applicant for toll road concessions with the bidding process. The Company also trades in certain materials used in the maintenance of roads.

The Company recognises revenue when it is realised or realisable and earned. The Company considers revenue 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.

The Company recognises revenue in respect of arrangements made for rendering services over a specific contractual term, 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 based actually occur. In respect of the Company's trading activities, revenue is recognised on dispatch of goods, which coincides with the significant transfer of risks and rewards.

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.

Contract revenue associated with the construction of road are recognised as revenue and expenses respectively by reference to the stage of completion of the projects at the Balance Sheet date. The stage of completion of project is determined by the proportion that contract cost incurred for work performed upto the Balance Sheet date bears to the estimated total contract costs.

8. <u>Work in Progress (Unbilled Revenue)</u>

Work in progress for projects under execution as at balance sheet date are valued at cost. The costs of projects in respect of which revenue is recognised under the Company's revenue recognition policies but have not been billed are adjusted for the proportionate profit recognised. The cost comprises of expenditure incurred in relation to execution of the project. Provision for estimated losses, in any, on uncompleted contracts are recorded in the period in which such losses become probable based on current estimates.

9. <u>Foreign Currency Transactions</u>

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 expense in the Profit and Loss Account.

Cash and bank balances, receivables, other than those that are in substance the Company's net investment in a non integral foreign operation, and liabilities (monetary items) denominated in foreign currency outstanding as at the year end are valued at closing-date rates, and unrealised translation differences are included in the Profit and Loss Account.

Non monetary items (such as equity investments) denominated in foreign currencies which are carried at historical cost 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.

Inter company receivables or payables for which settlement is neither planned nor likely to occur in the foreseeable future and are in substance an extension to or a deduction from, the Company's net investments in a foreign entity are also 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.

The Company'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.

10. Employee Benefits

(a) Short term benefits

Short term employee benefits are recognised as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Company.

(b) Long term benefits

The Company has both defined-contribution and defined-benefit plans, of which some have assets in special funds or securities. The plans are financed by the Company and in the case of some defined contribution plans by the Company along with its employees.

(i) Defined-contribution plans

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the employees' provident fund, family pension fund and superannuation fund. The Company's payments to the defined-contribution plans are reported as expenses during in period in which the employees perform the services that the payment covers.

(ii) Defined-benefit plans

Expenses for defined-benefit gratuity plans are calculated as at the balance sheet date by independent actuaries in a manner that distributes expenses over the employee's working life. These commitments are valued at the present value of expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a remaining term that is almost equivalent to the average balance working period of employees.

(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 in the year in which the employees perform the services that the benefit covers at the undiscounted amount of the benefits after deducting amounts already paid. Where there are restrictions on availment or encashment of such accrued benefit or where the availment or encashment is otherwise not expected to wholly occur in the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.

11. Taxes on Income

Taxes include taxes on the Company's taxable profits, fringe benefits tax, adjustment attributable to earlier periods and changes in deferred taxes. Taxes are determined in accordance with enacted tax regulations and tax rates in force and in the case of deferred taxes at rates that have been substantively enacted.

Deferred tax is calculated to correspond to the tax effect arising when final tax is determined. Deferred tax corresponds to the net effect of tax on all timing differences which occur as a result of items being allowed for income tax purposes during a period different from when they were recognised in the financial statements.

Deferred tax assets are recognised with regard to all deductible timing differences to the extent that it is probable that taxable profit will be available in future against which deductible timing differences can be utilised. When the Company carries forward unused tax losses and unabsorbed depreciation, deferred tax assets are recognised only to the extent there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced by the extent that it is no longer probable that sufficient taxable profit will be available to allow all or a part of the aggregate deferred tax asset to be utilised.

12. Lease Accounting

Operating Leases

Lease of assets whereby the lessor essentially remains the owner of the asset is classified as operating leases. The payments made by the Company as lessee in accordance with operational leasing contracts or rental agreements are expensed proportionally during the lease or rental period respectively. 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.

13. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding 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. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the notes to the financial statement. A contingent asset is neither recognised nor disclosed.

14. Segment Reporting

The accounting policies adopted for segment reporting are in accordance with the accounting policy of the Company. Segment revenue, expenses, assets and liabilities have been identified to segments on the basis of their relationship to the operating activities of the Segment. Revenue, expenses, assets & liabilities, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, are included under "Unallocated Revenue / Expenses / Assets / Liabilities".

15. Financial Income and Borrowing Cost

Financial income and borrowing cost include interest income on bank deposits and interest expense on loans.

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

Borrowing cost are recognised in the period to which they relate, regardless of how the funds have been utilised, except where it relates to 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.

16. 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 Company's cash and cash equivalents in the Cash Flow Statement.

17. **Cash Flow Statements**

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

18. **Earnings per Share**

Basic Earnings Per Share (before dilution) is calculated by dividing the net profit after tax for the year attributable to equity shareholders of the Company by the weighted average number of equity shares in issue during the year.

Diluted Earnings Per Share is calculated by dividing the net profit after tax for the year attributable to equity shareholders of the company by the weighted average number of equity shares determined by assuming conversion on exercise of conversion rights for all potential dilutive securities.

19. **Derivative Transactions**

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 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.

Conversely, premium received on option contracts written is treated as a current liability until maturity. If 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.

ANNEXURE – IV B: NOTES FORMING PART OF THE FINANCIAL STATEMENT

1. **Intangible assets and amortisation:**

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

2. **Future investments:**

The Company had entered into arrangements to make the following investments, which are subject to fulfilment of certain precedent conditions as mentioned below:

a. Sociedad Operadora del Tren Rapido Interrubano de Guanajuato ("SOTRIG" or the "Concessionaire") – Nil million (2008-09: USD 60.00 million; 2006-07 and 2007-08: Nil).

   The investment was to be made subject to fulfilment of all the following conditions by SOTRIG:

   i. No adverse outcome arising from legal and financial due diligence that would materially affect the Internal Rate of Return of the project; the completion of such due diligence not to go over a period of 30 days from the date of signing of the Memorandum of Understanding (the MOU) of March 14, 2008 entered into between the Government of the State of Guanajuato, GMAT Ltee., SOTRIG and the Company.

ii. Amending the concession title, adopting the Mexican Investment Corporation regime and therefore, amending the bylaws of the Concessionaire

iii. Obtaining all necessary authorisations and approvals as may be required to carry out the transactions contemplated by the MOU

iv. Adopting an adequate corporate structure

v. Notifying the Company of the occurrence of any matter or event that materially affects the Concessionaire by the Government of the State of Guanajuato and GMAT Ltee.. GMAT and the State Government to reserve a minimum amount of equity of at least US$140 million and the right to have management control over the Concessionaire for negotiation solely and exclusively with the Company

vi. No initiation or engagement by the Concessionaire and its current shareholders in any consultations or negotiations with Mexican Authorities, contractors, consultants or any third parties without the prior written approval of the Company. All existing and future contracts that are entered or sought to be entered into by the Concessionaire or the current shareholders with respect to the administration, operation and exploitation of a High Speed Interurban Train of Guanajuato (the "Project") to be solely negotiated/re-negotiated and concluded by the Company to its satisfaction.

vii. Providing the Company with copies of the executed financing agreements, EPC contract, O&M contract, and any other agreements or contracts that may be entered into by the Concessionaire so that, in the Company's judgment, their terms and conditions allow the Concessionaire to meet the objectives of the financial model attached to the concession title

viii. Delivering to the Company copy of legal opinions regarding compliance of the investment's structure with local laws

ix. Provision of access to 70% of the right of way from the State Government to the Concessionaire free and clear of any liens, encumbrances, or restrictions which shall be acquired by due process of law and the State Government will be the sole and exclusive legal and equitable owner of all rights, title and interests therein

Since all the above conditions were not fulfiled, no commitment for the proposed investment exists as on September 30, 2009.

b. Manila North Tollways Corporation Ltd.("MNTC") – Nil (2008-09 - 67.10% of the equity stake, amount not quantified; 2006-07 and 2007-08 : Nil). The Company shall participate subject to a satisfactory legal, financial and technical due diligence and other related issues being completed.. However, since MNTC was acquired by another bidder, the commitment expired.

For the reasons stated above, the proposed investments have not been included as a part of capital commitments

3. The Company's investment in "Covered Warrants" aggregating to Rs. 500.00 million (Rs. 250.00 million as at March 31, 2007 and March 31, 2008 and Rs. 500 million as at March 31, 2009) 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 Limited ("RIDCOR") on 50.00 million equity shares of Rs. 10 each held by IL&FS and any further rights entitlements and bonus declarations in respect thereof. However, the Company 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).

4. The Company's investment in redeemable optionally convertible cumulative preference shares of West Gujarat Expressway Limited ("WGEL") are convertible, at the option of the investor, into 1 equity share and carry a coupon of 2% per annum, accrued annually in arrears ("Coupon"). An additional coupon consisting of 95% of the balance distributable profits that may be available with WGEL after it has met all other obligations would accrue on the said preference shares ("Additional Coupon").

   The Coupon and the Additional Coupon are payable annually only if WGEL has surplus cash after servicing its lenders and meeting plough back requirements towards capital expenditure as may be decided by its board of directors. The unpaid Coupon would annually be cumulated. The unpaid additional coupon would be cumulated in a year in which there are distributable profits, which are not distributed. The unpaid coupon and unpaid additional coupon carry a special coupon at 10% per annum compounded with annual rests and shall accrue as special coupon to the Investor in addition to the Coupon and Additional Coupon ("Special Coupon").

5. As required under the restructuring package approved by the Corporate Debt Restructuring Cell on 17th June 2004, the Company, as one of the promoters of Gujarat Road and Infrastructure Company Limited ("GRICL") had advanced Rs. 600.00 million towards Preference Share Capital to be issued by GRICL. Out of this advance, Rs. 150.00 million was to be applied against issue of 1% Non Cumulative Convertible Preference Shares and Rs. 450.00 million against issue of 8% Redeemable Convertible Preference Shares. GRICL now proposes to convert the advance into subordinated debt. Pending completion of the process for the conversion, the Company has classified the amount as "Advance towards Capital / Debt".

6. During the financial year 2005-06, North Karnataka Expressway Limited ("NKEL") had placed a sum of Rs. 450.00 million as "Advance towards Capital" with the Company. The Company had also placed a sum of Rs. 412.00 million with NKEL over the financial years 2005-06 and 2006-07 towards "Share Application Money". During the year 2006-07, both entities had off set the dues to / from each other to the extent of Rs. 412.00 million and the balance sum of Rs. 38.00 million was treated as a "Short Term Loan" from NKEL by the Company with a corresponding treatment in the books of NKEL. During the financial year 2007-08, concerns were raised by the consortium of lenders of NKEL with regard to the offset on account of which the offset was reversed, and the original position restored in the books of both entities. In view of this, the restated financial statements of 2006-07, have been drawn up on the basis that no offsetting ever took place.

7. During the period ended 30th September, 2009, NKEL has converted the advance towards capital of Rs 450.00 million into a short term loan. Further, the loan from NKEL aggregating Rs. 290.00 million which was due for repayment on 31st May, 2009 has been rescheduled for repayment on 30th May, 2010, other terms and conditions remaining the same. As no cash flows were involved in the current period in respect of these transactions, these amounts have not been reflected in the Cash Flow Statements of half year ended September 30, 2009.

8. A set of Restated Unconsolidated Financial Statements for the years ended March 31, 2005, 2006, 2007, 2008 and 2009 and for the half year ended September 30, 2009, were approved by the Board of Directors in their meeting held on November 30, 2009 and on which the statutory auditors of the Company had issued their report dated November 30, 2009. The Securities and Exchange Board of India ("SEBI"), vide letter dated January 20, 2010, provided the Company with its observations on the Draft Red Herring Prospectus filed on September 29, 2009. Based on SEBI's observations, modifications to the Restated Unconsolidated Financial Statements approved by the Board of Directors on November 30, 2009, have been incorporated in these Restated Unconsolidated Financial Statements. For the reasons stated above, the Restated Unconsolidated Financial Statements approved by the Board of Directors on November 30, 2009 stand withdrawn

ANNEXURE IV - C "NOTES TO ACCOUNTS"

1. JOINT VENTURE

(Rs. in Million)

Particulars	As at 31st March 2007		As at 31st March 2008		As at 31st March 2009		As at 30th September 2009	
	TNRDCL	NTBCL	TNRDCL	NTBCL	TNRDCL (Note 2)	NTBCL	TNRDCL	NTBCL
% of holding	49.00%	24.28%	49.00%	25.35%	49.00%	25.35%	-	25.35%
Assets (Note 1)	696.95	1,464.81	1,011.81	1,574.12	1,247.22	1,610.37	-	1,519.85
Liabilities	585.13	544.34	857.00	618.94	1,118.18	565.76	-	490.60
Contingent liabilities	-	4.98	54.53	5.20	4.59	5.20	-	5.20
Capital Commitments	462.00	102.06	780.57	-	454.28	1.27	-	-
Advance against Capital Commitments	-	-	481.80	-	303.90	-	-	-
Income	72.40	162.29	81.47	271.57	34.21	204.67	-	104.46
Expenditure	79.20	142.40	87.46	187.52	54.90	115.77	-	66.83

Foot notes:-

1. Current liabilities have been netted off against assets while reporting the figures of assets above. Consequently, amounts shown against liabilities are restricted to loan funds.

2. The figures for Tamil Nadu Road Development Company Limited ("TNRDCL") for the year ended 31st March, 2009 are based on the unaudited financial statements available with the Company as at / for the period ended 30th September 2008. The Company ceased to be in joint control of the operations of TNRDCL from 29th October, 2008 and is in the process of transferring its holding. Accordingly current period's figures have not been disclosed. The Company has disposed off its investment in TNRDCL subsequent to 30th September 2009.

3. Expenditure includes amount appropriated towards Debenture Redemption Reserve in case of Noida Toll Bridge Company Limited of Rs.0.43 million and of Rs. 0.75 million for the year ended 31st March 2007 and 31st March 2008 respectively

4. In the year ended 31st March 2008, the Company had entered into a joint venture agreement with ITNL Enso Rail Systems Limited (Enso). The Company now holds 70% of the paid up share capital of Enso and is now classified as a subsidiary and accordingly disclosures have not been made as a Joint Venture.

2. DEFERRED TAX

The Company has a net deferred tax liability/asset as under

(Rs. in Million)

Particulars	As at 31st March 2005	As at 31st March 2006	As at 31st March 2007	As at 31st March 2008	As at 31st March 2009	As at 30th September 2009 (Refer Note 2)
Deferred Tax Liability on account of:						
Depreciation	0.16	0.61	(3.57)	(5.53)	(6.86)	(10.34)
Deferred Tax Asset on account of:						
Employee benefits	0.30	0.49	0.79	3.99	5.34	4.97
Provision for doubtful debts	-	-	-	-	-	0.01
Net deferred tax (liability) / asset	0.46	1.10	(2.78)	(1.54)	(1.52)	(5.36)

Notes:

i. The Company has not recognised any deferred tax asset against provision created for diminution in value of investments in absence of virtual certainty of future taxable capital gains against which the diminution could be offset.

ii. Deferred tax assets aggregating Rs. 29.20 million (as at 31st March, 2009 Rs. 71.00 million) which have been directly adjusted against the Foreign Currency Translation Reserves recognised in respect of the Company's receivables which are regarded as an extension to the Company's net investments in foreign entities have not been included above. Reversals of such deferred tax assets on account of foreign exchange differences arising during the period ended 30th September, 2009 aggregate Rs. 41.80 million.

3. **BALANCES WITH THE PARTIES UNDER SAME MANAGEMENT**

Included in Sundry Debtors

(Rs. in Million)

Name of the Company	31st March 2005	31st March 2006	31st March 2007	31st March 2008	31st March 2009	30th September 2009
Andhra Pradesh Expressway Limited	-	23.53	555.53	283.74	60.64	60.64
West Gujarat Expressway Limited	-	38.71	8.02	49.81	125.76	-
Thiruvananthapuram Road Development Company Limited	-	0.90	-	-	-	-
Gujarat Road & Infrastructure Company Limited	-	0.87	3.71	7.95	-	-
IL & FS Waste Management and Urban Service Limited	-	-	-	12.58	11.15	11.15
Road Infrastructure Development Company of Rajasthan Limited	-	-	-	-	-	0.20

Included in Advances recoverable in cash or kind

(Rs. in Million)

Name of the Company	31st March 2005		31st March 2006		31st March 2007		31st March 2008		31st March 2009		30th September 2009	
	Amount (Rs.)	Maximum Amount outstanding during the year	Amount (Rs.)	Maximum Amount outstanding during the year	Amount (Rs.)	Maximum Amount outstanding during the year	Amount (Rs.)	Maximum Amount outstanding during the year	Amount (Rs.)	Maximum Amount outstanding during the year	Amount (Rs.)	Maximum Amount outstanding during the year
Tamil Nadu Road Development Company Limited	0.14	0.18	0.09	0.17	0.21	0.21	-	0.25	-	-	-	-
Gujarat Road & Infrastructure Company Limited	0.01	0.02	1.28	2.70	2.89	3.83	10.71	11.20	-	-	-	-
Road Infrastructure Development Company Limited	0.22	0.22	0.08	0.26	-	-	-	-	0.01	0.83	-	-
Andhra Pradesh Expressway Limited	-	-	0.57	0.57	-	-	7.32	8.52	6.90	8.44	15.89	16.50
Kohinoor CTNL Infrastructure Company Limited	-	-	40.09	40.09	41.78	41.78	62.05	133.84	-	-	-	-
West Gujarat Expressway Limited	-	-	4.03	4.03	20.07	20.41	49.37	51.05	60.57	61.07	-	-
MP Toll Road Company Limited	0.02	0.02	-	0.02	-	-	-	-	-	-	-	-
Trans Harbour Link Private Limited	-	-	-	0.13	-	-	-	-	-	-	-	-
ITNL Chattisgarh Road Infrastructure Company Limited	-	-	-	-	-	-	0.02	0.02	-	-	-	-
Gorakhpur Expressway Limited	-	-	-	-	-	-	0.01	0.01	-	0.01	-	-
Chattisgarh Highway Development Company Limited	-	-	-	-	-	-	13.01	22.09	0.32	13.89	1.81	1.90
IL&FS Maritime Infrastructure Company Limited	-	-	-	-	-	-	1.08	7.21	1.83	6.63	7.46	8.62
IL&FS Investment Managers Limited	-	-	-	-	-	-	-	-	0.01	0.01	0.01	0.01
IL&FS Ecosmart Limited	-	-	-	-	-	-	-	-	0.03	0.03	-	0.03
IL&FS Water Limited	-	-	-	-	-	-	-	-	0.03	0.03	-	0.03

Name of the Company	31st March 2005		31st March 2006		31st March 2007		31st March 2008		31st March 2009		30th September 2009	
	Amount (Rs.)	Maximum Amount outstanding during the year	Amount (Rs.)	Maximum Amount outstanding during the year	Amount (Rs.)	Maximum Amount outstanding during the year	Amount (Rs.)	Maximum Amount outstanding during the year	Amount (Rs.)	Maximum Amount outstanding during the year	Amount (Rs.)	Maximum Amount outstanding during the year
IL&FS Cluster Development Initiative Limited	-	-	-	-	-	-	-	-	-	0.02	0.01	0.01
IL&FS Infrastructure Development Corporation Limited	-	0.02	-	-	-	-	-	-	0.04	0.05	0.02	0.04
Urban Mass Transit Company Limited	-	-	-	-	-	-	-	-	0.01	0.01	-	0.01
Tamil Nadu Water Investment Company Limited	-	-	-	-	-	-	-	-	0.01	0.01	-	0.01
IL&FS Energy Development Company Limited	-	-	-	-	-	-	-	-	-	0.30	-	-
Jharkhand Accelerated Road Development Company Limited	-	-	-	-	-	-	-	-	0.81	0.91	1.04	1.19
Gujarat International Finance Tec-City Co. Ltd.	-	-	-	-	-	-	-	-	-	-	0.07	0.07
IL&FS Technologies Ltd.	-	-	-	-	-	-	-	-	-	-	-	0.01
IL&FS Waste Management & Urban Service Ltd	-	-	-	-	-	-	-	-	-	-	-	0.01

4. EMPLOYEE COST

Employee cost is made up of:

(Rs. in Million)

Particulars	For the year ended 31st March 2005	For the year ended 31st March 2006	For the year ended 31st March 2007	For the year ended 31st March 2008	For the year ended 31st March 2009	For the period ended 30th September 2009
Salaries	18.52	44.48	90.55	127.23	141.15	74.72
Contribution to provident and other funds	1.35	1.72	4.85	28.17	18.55	4.60
Staff welfare expenses	1.93	3.05	12.15	9.20	13.35	7.02
Total	**21.80**	**49.25**	**107.55**	**164.60**	**173.05**	**86.34**

Employee cost is net of salaries and contribution to provident funds and other funds towards amount recovered/recoverable in respect of staff on deputation with other entities. The year wise details are as under:-

(Rs. in Million)

Particulars	For the year ended 31st March 2005	For the year ended 31st March 2006	For the year ended 31st March 2007	For the year ended 31st March 2008	For the year ended 31st March 2009	For the period ended 30th September 2009
Salaries	5.58	8.95	9.96	38.56	66.24	29.16
Contribution to provident and other funds	0.18	0.24	0.29	2.06	4.12	2.91

5. EMPLOYEE BENEFITS OBLIGATIONS

Defined-Contribution Plans

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

Following sums have been charged to profit and loss account in this respect:

(Rs. in Million)

	As at 31st March 2005	As at 31st March 2006	As at 31st March 2007	As at 31st March 2008	As at 31st March 2009	As at 30th September 2009
	1.12	1.72	3.55	10.39	9.86	6.36

Defined–Benefits Plans

The Company offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount). Benefits under the defined benefit plans are typically based either on years of service and the employee's compensation (immediately before retirement). The gratuity scheme covers substantially all regular employees. In the case of the gratuity scheme, the Company contributes funds to a Life Insurance Corporation of India. Commitments are actuarially determined at year-end. On adoption of the revised Accounting Standard (AS-15) on "Employee Benefits" notified under the Companies (Accounting Standards) Rules, 2006, actuarial valuation is done based on "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions are charged to the profit and loss account.

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

(Rs. in Million)

	As at 31st March 2005	As at 31st March 2006	As at 31st March 2007	As at 31st March 2008	As at 31st March 2009	As at 30^{th} September 2009
Present value of commitment	1.59	1.83	3.45	19.48	18.19	19.27
Fair value of plans	(2.77)	(4.24)	(7.64)	(21.14)	(22.34)	25.19
Unfunded liability transferred from Group Company	-	-	-	0.08	-	-
Amount taken to the balance sheet	**(1.18)**	**(2.41)**	**(4.19)**	**(1.58)**	**(4.15)**	**(5.92)**

(Rs. in Million)

Defined benefit Commitments: Gratuity	As at 31st March 2005	As at 31st March 2006	As at 31st March 2007	As at 31st March 2008	As at 31st March 2009	As at 30t September 2009
Opening balance	1.26	1.59	1.83	3.45	19.48	18.19
Interest cost	0.10	0.13	0.21	0.25	1.02	0.73
Current service cost	0.23	0.53	0.81	8.82	5.46	3.78
Benefits paid	(0.07)	-	-	(0.54)	(11.79)	-
Transferred to other company	-	-	-	(1.42)	-	-
Actuarial (gain) / loss	0.07	(0.42)	0.60	8.92	4.02	(3.42)
Closing balance	**1.59**	**1.83**	**3.45**	**19.48**	**18.19**	**19.28**

(Rs. in Million)

Plan assets : Gratuity	As at 31st March 2005	As at 31st March 2006	As at 31st March 2007	As at 31st March 2008	As at 31st March 2009	As at 30th September 2009
Opening balance	2.14	2.77	4.24	7.64	21.14	22.34
Expected return on plan assets	0.17	0.23	0.34	1.15	1.74	0.95
Contributions by the Company	0.53	1.24	2.98	15.26	12.48	-
Benefits paid	(0.07)	-	-	(0.54)	(11.79)	-
Actuarial gain /(loss)	-	-	0.08	(0.95)	(1.23)	1.90

Plan assets : Gratuity	As at 31st March 2005	As at 31st March 2006	As at 31st March 2007	As at 31st March 2008	As at 31st March 2009	As at 30th September 2009
transferred to other Company	-	-	-	(1.42)	-	-
Fair value of plan Assets	**2.77**	**4.24**	**7.64**	**21.14**	**22.34**	**25.19**

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

(Rs. in Million)

Return on plan assets : Gratuity	For the year ended 31st March 2005	For the year ended 31st March 2006	For the year ended 31st March 2007	For the year ended 31st March 2008	For the year ended 31st March 2009	For the period ended 30th September 2009
Expected return on plan assets	0.17	0.23	0.34	1.15	1.74	0.95
Actuarial gain /(loss)	-	-	0.08	(0.95)	(1.23)	1.90
Actual Return on Plan Assets	**0.17**	**0.23**	**0.42**	**0.20**	**0.51**	**2.85**

Expenses on defined benefit plan recognised in the profit and loss account:

(Rs. in Million)

	For the year ended 31st March 2005	For the year ended 31st March 2006	For the year ended 31st March 2007	For the year ended 31st March 2008	For the year ended 31st March 2009	For the period ended 30th September 2009
Current service cost	0.23	0.53	0.81	8.82	5.46	3.78
Interest expenses	0.10	0.13	0.21	0.25	1.02	0.73
Expected return on investments	(0.17)	(0.23)	(0.34)	(1.15)	(1.74)	(0.95)
Net actuarial gain / (loss)	0.07	(0.42)	0.52	9.86	5.24	(5.32)
Expenditure before reimbursements	**0.23**	**0.01**	**1.20**	**17.78**	**9.98**	**(1.76)**
Less: Reimbursement received	-	-	0.09	-	(1.29)	-
Charge / (credit) to the profit and loss account	**0.23**	**0.01**	**1.29**	**17.78**	**8.69**	**(1.76)**

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

(Rs. in Million)

	For the year ended 31st March 2005	For the year ended 31st March 2006	For the year ended 31st March 2007	For the year ended 31st March 2008	For the year ended 31st March 2009	For the period ended 30th September 2009
Rate for discounting liabilities	8.00%	8.00%	8.00%	8.00%	7.50%	8.00%
Expected salary increase rate	6.00%	6.00%	6.00%	6.00%	4.00%	4.00%
Expected return on scheme assets	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Attrition rate	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Mortality table used	LIC (1994-96) Ultimate Table					

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

The amounts of the present value of the obligation, fair value of the plan assets, surplus or deficit in the plan, experience adjustments arising on plan liabilities and plan assets for the previous annual periods are given below:

(Rs. in Million)

Gratuity (Funded Plan)	As at 31st March 2005	As at 31st March 2006	As at 31st March 2007	As at 31st March 2008	As at 31st March 2009	As at 30th September 2009
Defined benefit commitments	1.59	1.83	3.45	19.48	18.19	19.27
Plan Assets	2.77	4.24	7.64	21.14	22.34	25.19
Unfunded liability transferred from Group Company	-	-	-	0.08	-	-
(Surplus) / Deficit	(1.17)	(2.41)	(4.19)	(1.58)	(4.15)	(5.92)

(Rs. in Million)

Gratuity (Funded Plan)	As at 31st March 2005	As at 31st March 2006	As at 31st March 2007	As at 31st March 2008	As at 31st March 2009	As at 30th September 2009
Experience adjustments on plan commitments	-	-	0.60	8.91	6.54	2.67
Experience adjustments on Plan Assets	-	-	0.08	(0.95)	(1.23)	1.90

No contributions are expected to be made by the Company during the financial year 2009-10 (Previous year Rs. 1.13 million)

6. MANAGERIAL REMUNERATION

Details of managerial remuneration is as follows:

(Rs. in Million)

Particulars	For the year ended 31st March 2005	For the year ended 31st March 2006	For the year ended 31st March 2007	For the year ended 31st March 2008	For the year ended 31st March 2009	For the period ended 30th September 2009
Salary & Allowances	0.92	1.43	1.89	2.25	4.51	4.74
Deputation Cost	-	-	-	-	10.09	8.88
Contribution to Provident and other funds	0.04	0.05	0.07	0.14	0.92	0.68
Perquisites	0.03	0.01	0.01	0.02	4.61	1.31
Total	**0.99**	**1.49**	**1.97**	**2.41**	**20.13**	**15.61**

Of the above, the following amounts have been recovered from other entities:

(Rs. in Million)

	For the year ended 31st March 2005	For the year ended 31st March 2006	For the year ended 31st March 2007	For the year ended 31st March 2008	For the year ended 31st March 2009	For the period ended 30th September 2009
	0.15	0.24	0.23	0.29	2.57	1.68

The managerial remuneration for the year does not include contribution to gratuity fund (also leave encashment for the year ended 31st March 2008, 31st March 2007, 31st March 2006 & 31st March 2005) as these amounts are actuarially determined for the Company as a whole and separate figures relating to the Manager are not available.

Computation of net profit in accordance with Section 349 of the Companies Act, 1956 in respect of remuneration payable to the Manager:

(Rs. in Million)

Particulars	For the year ended 31st March 2005	For the year ended 31st March 2006	For the year ended 31st March 2007	For the year ended 31st March 2008	For the year ended 31st March 2009	For the period ended 30th September 2009*
Profit before tax	31.81	84.99	716.11	1,156.81	700.21	-
Add: Loss on sale of fixed Assets	(0.14)	0.02	(0.04)	0.31	0.09	-
Add: Managerial remuneration	0.84	1.25	1.74	2.12	17.56	-
Less: Profit on sale of fixed /capital assets	11.88	4.08	12.85	522.00	154.72	-
Net profit as per section 198	20.62	82.17	704.95	637.23	563.15	-
Managerial remuneration @ 10% of net profit	2.06	8.22	70.49	63.72	56.32	-
Restricted to	0.84	1.25	1.74	2.12	17.56	-

*Computation of net profit in accordance with section 349 of the Companies Act, 1956 in respect of remuneration payable to Manager would be provided as at the year end.

7. AUDITORS REMUNERATION

(Rs. in Million)

Particulars	For the year ended 31st March 2005	For the year ended 31st March 2006	For the year ended 31st March 2007	For the year ended 31st March 2008	For the year ended 31st March 2009	For the period ended 30th September 2009
Payment to Auditors (Refer note below)						
For Audit Fees	0.28	0.45	1.95	1.95	2.55	1.13
For Tax Audit Fees	0.02	0.05	0.10	0.10	0.10	0.05
For Other Services (assurance)	0.04	0.18	0.54	2.68	5.05	1.98
For Out of Pocket Expenses	-	0.01	0.03	0.03	0.05	0.01
Total	**0.34**	**0.69**	**2.62**	**4.76**	**7.75**	**3.17**

Notes:

1. Service tax which is being claimed for set-off as input credit has not been included above.
2. In addition an amount of Rs. 6.00 million in respect of assurance services availed for the proposed Initial Public Offering (”IPO”) has been debited to “Prepaid Share Issue Expenses” and shown under “Loans and Advances” to be offset against Securities Premium Account on completion of IPO in accordance with Section 78(2) of Companies Act, 1956.

8. A) EXPENDITURE IN FOREIGN CURRENCY:

(Rs. in Million)

Particulars	For the year ended 31st March 2005	For the year ended 31st March 2006	For the year ended 31st March 2007	For the year ended 31st March 2008	For the year ended 31st March 2009	For the period ended 30th September 2009
Foreign Travel	1.21	9.31	6.36	11.82	20.85	2.27
Legal & professional Fees	-	-	10.92	28.36	138.18	292.35
Seminar & Conference expenses	-	-	2.29	1.23	0.08	0.35
Others	0.39	0.10	0.65	0.27	0.98	27.66
Purchase of software	-	-	-	-	236.18	-
Purchase of Lab	-	-	-	-	-	1.87

Particulars	For the year ended 31st March 2005	For the year ended 31st March 2006	For the year ended 31st March 2007	For the year ended 31st March 2008	For the year ended 31st March 2009	For the period ended 30th September 2009
Instruments						

8. B) REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDENDS:

(Rs. in Million)

Particulars	For the year ended 31st March 2005	For the year ended 31st March 2006	For the year ended 31st March 2007	For the year ended 31st March 2008	For the year ended 31st March 2009	For the period ended 30th September 2009
Year to which it relates	-	-	-	**2006-07**	**2007-08**	**2008-09**
Number of non resident shareholders	-	-	-	2	2	2
Number of shares of Rs.10/- each.	-	-	-	12.49	12.85	12.85
Amount remitted	-	-	-	2.46	24.99	16.06

9. OPERATING LEASE

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

(Rs. in Million)

Future Lease rentals	For the year ended 31st March 2005	For the year ended 31st March 2006	For the year ended 31st March 2007	For the year ended 31st March 2008	For the year ended 31st March 2009	For the period ended 30th September 2009
Within one year	0.94	-	11.14	34.63	8.66	8.66
Over one year but less than 5 years	0.79	-	14.37	8.66	-	-
More than 5 years	-	-	-	-	-	-
Amount charged to the Profit and Loss Account for rent	-	-	5.48	29.42	34.63	17.31

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 agreement provided for change in the rentals if the taxes leviable on such rentals changes.

10. EARNING PER SHARE

Particulars	Unit	For the year ended 31st March 2005	For the year ended 31st March 2006	For the year ended 31st March 2007	For the year ended 31st March 2008	For the year ended 31st March 2009	For the half year ended 30th September 2009
Net profit after tax, as restated	Rs in Million	23.55	50.26	461.67	765.36	420.69	1,143.49
Weighted average number of equity shares outstanding	No in Million	33.13	33.13	94.78	162.66	171.41	171.41
Nominal value of equity shares	Rs	10	10	10	10	10	10
Basic earnings per share	Rs	0.71	1.52	4.87	4.71	2.45	6.67
Adjusted net profits	Rs in Million	23.45	50.01	461.66	765.36	420.69	1,143.49
Equity shares used to compute diluted Earnings per Share	No in Million	43.17	58.17	94.78	162.66	171.41	171.41
Diluted Earnings per	Rs	0.54	0.86	4.87	4.71	2.45	6.67

Particulars	Unit	For the year ended 31st March 2005	For the year ended 31st March 2006	For the year ended 31st March 2007	For the year ended 31st March 2008	For the year ended 31st March 2009	For the half year ended 30th September 2009
Share							

11. SEGMENT REPORTING

(I) Primary - Business Segments:

(Rs. in Million)

Particulars	Surface Transportation Business	Trading	Non reportable	Total
Revenue				
External				
2004-05 (See footnote no. 3)	-	-	-	-
2005-06	353.62	65.98	-	419.60
2006-07	1,256.29	284.95	4.01	1,545.25
2007-08	1,354.90	348.92	8.53	1,712.35
2008-09	1,315.67	7.14	-	1,322.81
30-Sep-2009	2,873.22	-	-	2,873.22
Inter-Segment				
2004-05 (See footnote no. 3)	-	-	-	-
2005-06	-	-	-	-
2006-07	-	-	-	-
2007-08	-	-	-	-
2008-09	-	-	-	-
30-Sep-2009	-	-	-	-
Segment Revenue				
2004-05 (See footnote no. 3)	-	-	-	-
2005-06	-	-	-	419.60
2006-07	-	-	-	1,545.25
2007-08	-	-	-	1,712.35
2008-09	-	-	-	1,322.81
30-Sep-2009	-	-	-	2,873.22
Unallocated income				
2004-05 (See footnote no. 3)	-	-	-	-
2005-06	-	-	-	12.22
2006-07	-	-	-	103.89
2007-08	-	-	-	786.36
2008-09	-	-	-	953.95
30-Sep-2009	-	-	-	388.40
Total Revenue				
2004-05 (See footnote no. 3)	-	-	-	-
2005-06	-	-	-	431.82
2006-07	-	-	-	1,649.14
2007-08	-	-	-	2,498.71
2008-09	-	-	-	2,276.76
30-Sep-2009	-	-	-	3,261.62
Segment results				
2004-05 (See footnote no. 3)	-	-	-	-
2005-06	131.56	2.33	-	133.89
2006-07	775.22	11.14	4.01	790.37
2007-08	667.29	13.15	8.53	688.97
2008-09	467.08	0.12	-	467.20
30-Sep-2009	2,006.70	-	-	2,006.70
Unallocated income				

Particulars	Surface Transportation Business	Trading	Non reportable	Total
2004-05 (See footnote no. 3)	-	-	-	-
2005-06	-	-	-	4.21
2006-07	-	-	-	14.18
2007-08	-	-	-	531.68
2008-09	-	-	-	558.44
30-Sep-2009	-	-	-	163.35
Unallocated expenditure				
2004-05 (See footnote no. 3)	-	-	-	-
2005-06	-	-	-	12.27
2006-07	-	-	-	107.63
2007-08	-	-	-	137.97
2008-09	-	-	-	124.49
30-Sep-2009	-	-	-	9.89
Interest Expenses				
2004-05 (See footnote no. 3)	-	-	-	-
2005-06	-	-	-	48.82
2006-07	-	-	-	70.50
2007-08	-	-	-	180.56
2008-09	-	-	-	596.45
30-Sep-2009	-	-	-	496.85
Interest Income				
2004-05 (See footnote no. 3)	-	-	-	-
2005-06	-	-	-	7.98
2006-07	-	-	-	89.68
2007-08	-	-	-	254.67
2008-09	-	-	-	395.52
30-Sep-2009	-	-	-	225.05
Prior period income				
2004-05 (See footnote no. 3)	-	-	-	-
2005-06	-	-	-	-
2006-07	-	-	-	-
2007-08	-	-	-	-
2008-09	-	-	-	-
30-Sep-2009	-	-	-	-
Provision for taxation (Including Wealth Tax & Fringe Benefit Tax)				
2004-05 (See footnote no. 3)	-	-	-	-
2005-06	-	-	-	34.73
2006-07	-	-	-	254.44
2007-08	-	-	-	391.45
2008-09	-	-	-	279.52
30-Sep-2009	-	-	-	744.87
Net Profit / (Loss)				
2004-05 (See footnote no. 3)	-	-	-	-
2005-06	-	-	-	50.26
2006-07	-	-	-	461.67
2007-08	-	-	-	765.36
2008-09	-	-	-	420.69
30-Sep-2009	-	-	-	1,143.49
Segment assets				
2004-05 (See footnote no. 3)	-	-	-	-
2005-06	285.31	26.46	-	311.77
2006-07	896.71	50.96	438.00	1,385.67
2007-08	862.04	6.81	-	868.85
2008-09	1,171.46	14.29	-	1,185.75

Particulars	Surface Transportation Business	Trading	Non reportable	Total
30-Sep-2009	5,110.40	13.97	-	5,124.37
Unallocated Assets				
2004-05 (See footnote no. 3)	-	-	-	-
2005-06	-	-	-	1,726.09
2006-07	-	-	-	6,920.46
2007-08	-	-	-	11,664.33
2008-09	-	-	-	15,071.91
30-Sep-2009	-	-	-	15,015.52
Total assets				
2004-05 (See footnote no. 3)	-	-	-	-
2005-06	-	-	-	2,037.84
2006-07	-	-	-	8,306.12
2007-08	-	-	-	12,533.18
2008-09	-	-	-	16,257.66
30-Sep-2009	-	-	-	20,139.89
Segment liabilities				
2004-05 (See footnote no. 3)	-	-	-	-
2005-06	138.56	23.98	-	162.54
2006-07	180.54	44.50	-	225.04
2007-08	199.01	0.21	-	199.22
2008-09	408.42	-	-	408.42
30-Sep-2009	431.03	-	-	431.03
Unallocated Liabilities				
2004-05 (See footnote no. 3)	-	-	-	-
2005-06	-	-	-	764.18
2006-07	-	-	-	1,841.13
2007-08	-	-	-	4,522.26
2008-09	-	-	-	7,733.82
30-Sep-2009	-	-	-	10,981.13
Total liabilities				
2004-05 (See footnote no. 3)	-	-	-	-
2005-06	-	-	-	926.71
2006-07	-	-	-	2,066.16
2007-08	-	-	-	4721.47
2008-09	-	-	-	8,142.23
30-Sep-2009	-	-	-	11,412.16
Capital Expenditure				
2004-05 (See footnote no. 3)	-	-	-	-
2005-06	9.27	-	-	9.27
2006-07	81.45	-	-	81.45
2007-08	81.53	-	-	81.53
2008-09	37.87	-	-	37.87
30-Sep-2009	246.92	-	-	246.92
Depreciation				
2004-05 (See footnote no. 3)	-	-	-	-
2005-06	4.74	-	-	4.74
2006-07	9.01	-	-	9.01
2007-08	20.20	-	-	20.20
2008-09	26.81	-	-	26.81
30-Sep-2009	16.02	-	-	16.02
Significant Non cash expenditure other than depreciation (Unallocated)				
2004-05 (See footnote no. 3)	-	-	-	-
2005-06	-	-	-	0.80

Particulars	Surface Transportation Business	Trading	Non reportable	Total
2006-07	-	-	-	100.29
2007-08	-	-	-	118.93
2008-09	-	-	-	116.72
30-Sep-2009	-	-	-	0.04

(Rs. in Million)

(II) Secondary - Geographic Segments:	India	Outside India	Total
Revenue			
External			
2004-05 (See footnote no. 3)	-	-	-
2005-06 (See footnote no. 3 and 4)	-	-	-
2006-07 (See footnote no. 3 and 4)	-	-	-
2007-08	1,712.36	-	1,712.36
2008-09	1,322.81	-	1,322.81
30-Sep-2009	2,873.22	-	2,873.22
Assets			
Segment assets			
2004-05 (See footnote no. 3)	-	-	-
2005-06 (See footnote no. 3 and 4)	-	-	-
2006-07 (See footnote no. 3 and 4)	-	-	-
2007-08	868.86	-	868.86
2008-09	1,125.62	60.14	1,185.76
30-Sep-2009	4,887.94	236.43	5,124.37

Footnotes:-

(1) Unallocated assets include investments, advance towards investments, loans, interest accrued but not due, option premium assets account, advance tax and fixed deposits

(2) Unallocated liabilities include secured loans, unsecured loans, interest accrued but not due, deferred tax liability, advance towards capital, provision for tax and option premium liabilities account

(3) For the year ended 31st March 2005, the Company was in the business of providing services for surface transport business and has provided these services within India during the year. As such, there were no reportable business segments or geographic segments under Accounting Standard on "Segment Reporting" (AS) – 17

(4) For the year ended 31st March 2006 & 31st March 2007, the Company has carried out its operations within India. Therefore, there are no reportable geographical segments under Accounting Standard on "Segment Reporting" (AS) - 17.

12. DETAILS OF MUTUAL FUND

(in Million)

Scheme	Option	Mutual Fund	For the year ending	Opening Stock		Purchase during the year		Redemption during the year		Closing Stock	
				Qty (Units)	Value (Rs.)	Qty (Units)	Value (Rs.)	Qty (Units)	Value (Rs.)	Qty (Units)	Value (Rs.)
HDFC Liquid Fund - Premium Plan	Growth	HDFC Mutual Fund	30-Sep-09	-	-	-	-	-	-	-	-
			31-Mar-09	-	-	-	-	-	-	-	-
			31-Mar-08	-	-	4.38	67.25	4.38	67.72	-	-
			31-Mar-07	-	-	7.46	110.00	7.46	110.45	-	-
			31-Mar-06	-	-	-	-	-	-	-	-
			31-Mar-05	-	-	-	-	-	-	-	-
Principal Cash Management-Liquid Option Instl. Prem. Plan	Growth	Principal Mutual Fund	30-Sep-09	-	-	-	-	-	-	-	-
			31-Mar-09	-	-	-	-	-	-	-	-
			31-Mar-08	37.50	438.00	-	-	37.50	443.16	-	-
			31-Mar-07	-	-	37.50	438.00	-	-	37.50	438.00
			31-Mar-06	-	-	-	-	-	-	-	-
			31-Mar-05	-	-	-	-	-	-	-	-

Scheme	Option	Mutual Fund	For the year ending	Opening Stock		Purchase during the year		Redemption during the year		Closing Stock	
				Qty (Units)	Value (Rs.)	Qty (Units)	Value (Rs.)	Qty (Units)	Value (Rs.)	Qty (Units)	Value (Rs.)
Prudential ICICI Institutional Liquid Plan	Super Institutional Growth	Prudential ICICI Mutual Fund	30-Sep-09	-	-	-	-	-	-	-	-
			31-Mar-09	-	-	-	-	-	-	-	-
			31-Mar-08	-	-	30.46	342.25	30.46	344.44	-	-
			31-Mar-07	-	-	52.19	568.50	52.19	569.44	-	-
			31-Mar-06	-	-	-	-	-	-	-	-
			31-Mar-05	-	-	-	-	-	-	-	-
Tata Liquid Super High Inv. Fund	Appreciation	Tata Mutual Fund	30-Sep-09	-	-	-	-	-	-	-	-
			31-Mar-09	-	-	-	-	-	-	-	-
			31-Mar-08	-	-	0.06	90.00	0.06	90.71	-	-
			31-Mar-07	-	-	0.09	125.00	0.09	125.41	-	-
			31-Mar-06	-	-	-	-	-	-	-	-
			31-Mar-05	-	-	-	-	-	-	-	-
Birla Cash Plus-Institutional Premium	Growth	Birla Mutual Fund	30-Sep-09	-	-	-	-	-	-	-	-
			31-Mar-09	-	-	-	-	-	-	-	-
			31-Mar-08	-	-	-	-	-	-	-	-
			31-Mar-07	-	-	57.48	675.00	57.48	676.65	-	-
			31-Mar-06	-	-	-	-	-	-	-	-
			31-Mar-05	-	-	-	-	-	-	-	-
Birla Cash Plus-Institutional Premium	Dividend payout option	Birla Mutual Fund (Index Fund)	30-Sep-09	-	-	-	-	-	-	-	-
			31-Mar-09	-	-	-	-	-	-	-	-
			31-Mar-08	-	-	-	-	-	-	-	-
			31-Mar-07	-	-	11.57	252.37	11.57	174.81	-	-
			31-Mar-06	-	-	-	-	-	-	-	-
			31-Mar-05	-	-	-	-	-	-	-	-
Reliance Liquidity Fund	Growth	Reliance Mutual Fund	30-Sep-09	-	-	-	-	-	-	-	-
			31-Mar-09	-	-	-	-	-	-	-	-
			31-Mar-08	-	-	-	-	-	-	-	-
			31-Mar-07	-	-	39.98	456.51	39.98	457.49	-	-
			31-Mar-06	-	-	-	-	-	-	-	-
			31-Mar-05	-	-	-	-	-	-	-	-
UTI Liquid Cash plan Institutional	Growth	UTI Mutual Fund	30-Sep-09	-	-	-	-	-	-	-	-
			31-Mar-09	-	-	-	-	-	-	-	-
			31-Mar-08	-	-	-	-	-	-	-	-
			31-Mar-07	-	-	0.58	698.50	0.58	700.46	-	-
			31-Mar-06	-	-	-	-	-	-	-	-
			31-Mar-05	-	-	-	-	-	-	-	-

13. QUANTITATIVE INFORMATION TRADED PRODUCTS

(in Million)

Items	Unit of measure	For the year ending	Opening Stock		Purchases		Sales		Closing Stock	
			Quantity	Rs.	Quantity	Rs.	Quantity	Rs.	Quantity	Rs.
Cement	Metric Tons	30-Sep-09	-	-	-	-	-	-	-	-
		31-Mar-09	-	-	-	-	-	-	-	-
		31-Mar-08	-	-	0.01	52.23	0.01	53.70	-	-
		31-Mar-07	-	-	0.01	40.64	0.01	41.90	-	-
		31-Mar-06	-	-	-	3.10	-	3.20	-	-
		31-Mar-05	-	-	-	-	-	-	-	-
Steel	Metric Tons	30-Sep-09	-	-	-	-	-	-	-	-
		31-Mar-09	-	-	-	(0.69)	-	(0.72)	-	-
		31-Mar-08	-	-	-	45.69	-	47.27	-	-

Items	Unit of measure	For the year ending	Opening Stock		Purchases		Sales		Closing Stock	
			Quantity	Rs.	Quantity	Rs.	Quantity	Rs.	Quantity	Rs.
		31-Mar-07	-	-	-	32.72	-	33.99	-	-
		31-Mar-06	-	-	-	33.14	-	34.44	-	-
		31-Mar-05	-	-	-	-	-	-	-	-
Diesel	Litre	30-Sep-09	-	-	-	-	-	-	-	-
		31-Mar-09	-	-	-	0.29	-	0.24	-	-
		31-Mar-08	-	-	-	40.15	-	41.63	-	-
		31-Mar-07	-	-	-	74.87	-	77.41	-	-
		31-Mar-06	-	-	-	25.48	-	26.30	-	-
		31-Mar-05	-	-	-	-	-	-	-	-
Bitumen / CRMB	Metric Tons	30-Sep-09	-	-	-	-	-	-	-	-
		31-Mar-09	-	-	-	7.42	-	7.61	-	-
		31-Mar-08	-	-	0.01	197.70	0.01	206.32	-	-
		31-Mar-07	-	-	0.01	125.58	0.01	131.66	-	-
		31-Mar-06	-	-	-	1.93	-	2.03	-	-
		31-Mar-05	-	-	-	-	-	-	-	-

14. DERIVATIVES

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

Amounts receivable/Investments in foreign currency on account of the following: -

(in Million)

Particulars	2004-05		2005-06		2006-07		2007-08		2008-09		September 09	
	Rs.	Foreign currency	Rs.	Foreign currency	Rs.	Foreign currency	Rs.	Foreign currency	Rs.	Foreign currency	Rs.	Foreign currency
Loan to subsidiary company	-	-	-	-	-	-	258.83	USD 6.50	2,369.18	USD 46.50	1,088.11	USD 22.65
Advance towards equity in subsidiary company.	-	-	-	-	-	-	1,744.12	USD 43.80	-	-	0.02	EUR 0.0003
Investment in subsidiary company	-	-	-	-	-	-	198.79	USD 5.00	232.29	USD 5.00	252.05	USD 5.40
	-	-	-	-	-	-	-	-	2,445.85	EUR 37.59	2,722.34	EUR 41.59
Interest Accrued & Due	-	-	-	-	-	-	-	-	83.45	USD 1.64	16.59	USD 0.29
	-	-	-	-	-	-	-	-	5.97	EUR 0.09	-	-
Receivable	-	-	-	-	-	-	-	-	-		140.48	EUR 2.00

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

(in Million)

Particulars	2004-05		2005-06		2006-07		2007-08		2008-09		September 09	
	Rs.	Foreign currency	Rs.	Foreign currency	Rs.	Foreign currency	Rs.	Foreign currency	Rs.	Foreign currency	Rs.	Foreign currency
Legal & professional fees	-	-	-	-	2.70	GBP 0.03	15.25	EUR 0.24	0.30	LKR 0.67	-	-
	-	-	-	-	1.94	USD 0.04	-	-	26.90	USD 0.53	10.01	USD 0.21
Payable to subsidiary for purchase of capital item	-	-	-	-	-	-	-	-	236.18	EUR 3.50	-	-

Capital Commitment:

(in Million)

Particulars	2004-05	2005-06	2006-07	2007-08	2008-09	September 09

	Rs.	Foreign currency	Rs.	Foreign currency	Rs.	Foreign currency	Rs.	Foreign currency	Rs.	Foreign currency	Rs.	Foreign currency
IL&FS Maritime Offshore Pte. Ltd.(Coal transportation)	-	-	-	-	-	-	-	USD 5.00	-	-	-	-

Note: USD = US Dollar; EUR = Euro; LKR = Lankan rupee

Derivatives

During the year 2006-07, the Company had, as a part of its strategic initiatives to consolidate/restructure its investments in surface transport sector, made direct investments in certain special purpose entities (SPEs) engaged in that sector and invested in units in a scheme of ITNL Road Investment Trust (the "Scheme") which in turn has made investments in such SPEs. Amounts invested during the year include derivative instruments in the form of call options.

The amounts outstanding in respect of derivative transactions are summarised below:

Category	2006-07			2007-08			2008-09			September 09		
	No. of Instruments	Call option premium	Exercise price payable	No. of Instruments	Call option premium	Exercise price payable	No. of Instruments	Call option premium	Exercise price payable	No. of Instruments	Call option premium	Exercise price payable
		(Rs. in Million)	(Rs. in Million)		(Rs. in Million)	(Rs. in Million)		(Rs. in Million)			(Rs. in Million)	(Rs. in Million)
Call options written for sale of equity shares to the Scheme as aforesaid	3	227.44	9.08	3	227	9.08	3	227	9.08	3	227	9.08
Call option of equity shares in an SPE bought	1	1.25	1.25	1	1.25	1.25	1	1.25	1.25	1	1.25	1.25
Call option of redeemable optionally convertible cumulative preference shares to be issued by an SPE bought	1	188.70	10.20	1	188.70	10.20	1	188.70	10.20	-	-	-

Premium received by the Company towards call option sold by it have been aggregated under the head “Option Premium Liabilities” classified as a part of “Current Liabilities”. Conversely, premiums paid by the Company towards call options purchased by it have been aggregated under the head “Option Premium Assets” and classified as a part of “Other Current Assets”.

The underlying instruments in respect of the options are unquoted and the Company intends to exercise the option, as these transactions have been entered into for strategic reasons. No losses have been identified in respect of the above derivatives necessitating a charge to the Profit and Loss Account. The aggregate exercise price payable is included as part of the Company’s capital commitments.

ANNEXURE VA: DETAILS OF SECURED AND UNSECURED LOANS

(Rs. in Million)

Particulars	As at					
	March 31, 2005	March 31, 2006	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
Secured						
From Bank (secured by hypothecation of vehicles)	0.50	0.20	-	-	-	-
(Amount repayable within a year for 2006 Rs.0.20 millions and for 2005 Rs. 0.30 millions)						
From Others (Secured by hypothecation of vehicles)	1.61	0.75	0.09	-	-	-
(Amount repayable within a year for 2007 Rs. 0.09 millions; for 2006 Rs. 0.65 millions and for 2005 Rs.0.84 millions)						
Overdraft from a bank (secured by fixed deposits placed with the bank)	-	-	340.57	-	-	-
Total Secured Loans	**2.11**	**0.95**	**340.66**	**-**	**-**	**-**
Unsecured						
From Subsidiaries						
Short term loan	-	-	-	-	-	740.00
Other than short term loan	-	-	290.00	290.00	290.00	-
Others Interest free deposit	-	-	750.00	750.00	750.00	750.00
Interest accrued and due on loans	-	-	-	0.82	-	-
From entities other than banks and subsidiaries						
Short Term Loan	328.00	80.00	-	640.00	1,150.00	2,500.00
Interest accrued and due on loans	0.11	-	-	0.66	-	-
Other Loans from entities other than Banks	366.62	616.55	-	-	-	-
From Banks						
Short Term Loan	-	-	-	200.00	1,000.00	2,500.00
Other than Short term	-	-	-	2,000.00	4,000.00	3,500.00
(Amount repayable within a year for 2008 Rs.100.00 million, for 2009 Rs.300.00 million and for period ended 30th September, 2009 Rs.200.00 million)						
Interest accrued and due on loans	-	-	-	0.16	-	-
Total Unsecured Loans	**694.73**	**696.55**	**1,040.00**	**3,881.64**	**7,190.00**	**9,990.00**

ANNEXURE VB: DETAILS OF UNSECURED LOANS AS AT 30th September, 2009

(Rs. in Million)

Sr. No.	Agreement with Lender	Nature of Borrowing & lender status	Amount Sanctioned	Rate of Interest	Repayment	As At September 30, 2009
1	North Karnataka Expressway Limited	Short Term loan	290.00	6.00%	Repayable on 20.03.2010	290.00
2	North Karnataka Expressway Limited	Short Term loan	450.00	6.00%	Repayable within one year from 31st May,	450.00

Sr. No.	Agreement with Lender	Nature of Borrowing & lender status	Amount Sanctioned	Rate of Interest	Repayment	As At September 30, 2009
					2009	
3	North Karnataka Expressway Limited	Interest Free	750.00	-	Upon extinguishment of guarantee given to IL&FS by the company against a guarantee of Rs.1000.00 million given by IL&FS to the lenders of NKEL.	750.00
4	Canara Bank	Short Term loan	1,000.00	13.50%	Repayable on 28.03.2010	1,000.00
5	Allahabad Bank	Term loan	1,000.00	15.00%	Two equal tranches of Rs.500.00 million on 04.01.2010 and 04.01.2011	1,000.00
6	United Bank Of India	Term loan	1,000.00	12.40%	Repayable on 19-11-09	500.00
7	United Bank Of India	Short Term loan	1,000.00	14.00%	Bullet repayment on 19.11.2009	1,000.00
8	United Bank Of India	Term loan	1,000.00	12.00%	Repayable in two equal installments of Rs.500.00 million each on 31.03.2010 and 31.03.2011	1,000.00
9	Infrastructure Leasing & Financial Services Limited	Short Term loan	1,750.00	16.00%	Repayable on 24.03.2010	650.00
10	Infrastructure Leasing & Financial Services Limited	Short Term loan	500.00	16.00%	Repayable on 03.08.2010	500.00
11	Lakshmi Vilas Bank	Short Term loan	500.00	11.50%	Repayable on 22.06.2010	500.00
12	South Indian Bank	Term loan	1,000.00	10.50%	Repayable in two equal installments of Rs.500.00 million each on 24.09.2010 and 24.09.2011	1,000.00
13	IL&FS Securities Services Ltd	Short Term loan	1,000.00	16.00%	Rs 1000.00 million repayable on 31.08.2010	1,000.00
14	IL&FS Securities Services Ltd	Short Term loan	350.00	16.00%	Rs 350.00 million repayable on 25.03.2010	350.00
	Grand Total		**11,590.00**			**9,990.00**

ANNEXURE VI: DETAILS OF SUNDRY DEBTORS

(Rs. in Million)

Particulars	As at					
	March 31, 2005	March 31, 2006	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
Sundry debtors						
(Unsecured, considered good)						
--Outstanding for a period exceeding six months						
Subsidiary companies	-	-	5.33	4.45	4.00	141.22
Others	5.36	3.82	284.70	68.38	188.11	94.35
-- Others						
Subsidiary companies	-	-	12.02	40.89	73.66	2,333.08
Others	69.23	157.12	411.86	396.07	109.46	565.27
Less: Provision for doubtful debts	-	-	-	-	-	-
Net Debtors	**74.59**	**160.94**	**713.91**	**509.79**	**375.23**	**3,133.92**

ANNEXURE VII: DETAILS OF LOANS AND ADVANCES

(Rs. Million)

Particulars	As at					
	March 31, 2005	March 31, 2006	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
Advances recoverable in cash or in kind or for value to be received (Refer Note no.3 of Annexure - IV C)	12.61	139.36	145.94	206.91	210.56	486.34
Deposits	-	-	1.61	7.12	209.16	1,259.74
Advance payment of taxes (net of provision)	-	-	35.43	129.29	222.49	193.00
Fringe benefit tax (net of provision)	-	-	-	0.04	1.36	2.76
Loans and Call Money Lending	328.28	80.00	119.00	1,679.31	4,302.23	3,737.51
Advance towards investments	292.26	1,141.76	1,163.92	2,816.72	1,081.06	1,052.33
Grand Total	**633.15**	**1,361.12**	**1,465.90**	**4,839.39**	**6,026.86**	**6,731.68**

ANNEXURE VIII: DETAILS OF INVESTMENTS

(Rs in Million)

Particulars	As At					
	March 31, 2005	March 31, 2006	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
Long Term Investment						
(at cost less provision for diminution in value)						
Investments in subsidiary companies						
- In Unquoted Equity Shares	-	-	1,624.56	2,040.97	5,028.82	5,500.41
Trade investments						
- In Quoted Equity Shares	-	-	1,810.70	1,871.58	1,871.58	1,871.58
- In Unquoted Equity Shares	346.81	452.55	862.66	858.52	626.53	528.53
Investment in covered warrants (Refer Note no.3 of Annexure - IV B)	-	-	250.00	250.00	500.00	500.00
Investment in optionally convertible debentures	13.50	-	355.11	786.40	786.40	786.40
Deep Discount Bonds	-	-	-	100.00	-	-
Non Convertible Debentures	-	-	-	200.00	-	-
Redeemable optionally convertible cumulative preference shares	-	-	-	98.00	98.00	296.90
Units of Mutual Fund	31.41	-	-	-	-	-

Particulars	As At					
	March 31, 2005	March 31, 2006	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
Total Value	**391.72**	**452.55**	**4,903.03**	**6,205.47**	**8,911.33**	**9,483.82**
Less: Provision for diminution	-	-	(100.00)	(200.00)	(300.00)	(300.00)
Net Carrying Value	**391.72**	**452.55**	**4,803.03**	**6,005.47**	**8,611.33**	**9,183.82**

ANNEXURE IX: DETAILS OF CURRENT LIABILITIES AND PROVISIONS

(Rs in Million)

Particulars	As at					
	March 31, 2005	March 31, 2006	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
CURRENT LIABILITIES						
Sundry creditors	26.38	111.72	95.08	107.80	392.00	377.98
Dues against contract work	-	-	-	-	-	37.71
Interest accrued but not due	27.92	58.76	0.62	21.82	27.36	88.14
Other liabilities	6.51	27.91	95.41	88.87	37.29	317.08
Income received in advance	-	23.42	39.94	-	-	-
Option Premium Liabilities	-	-	227.44	227.44	227.44	227.44
Total current liabilities	**60.81**	**221.81**	**458.49**	**445.93**	**684.09**	**1,048.35**
PROVISIONS						
Provision for fringe benefit tax (net of advance)	-	0.24	0.11	-	-	-
Provision for Tax (net of advance tax)	2.81	5.71	-	-	0.23	353.87
Provision for compensated absences	0.90	1.45	2.33	11.75	15.71	14.58
Provision for gratuity	-	-	-	-	-	-
Proposed dividend on equity shares	-	-	189.57	325.32	214.27	-
Provision for tax on proposed dividend on equity shares	-	-	32.22	55.29	36.41	-
Total provisions	**3.71**	**7.40**	**224.23**	**392.36**	**266.62**	**368.45**
Total current liabilities and provisions	**64.52**	**229.21**	**682.72**	**838.29**	**950.71**	**1,416.80**

ANNEXURE X: DETAILS OF DIVIDEND AND OTHER INCOME

(Rs. in Million)

Particulars	For the year / period ended						
	March 31, 2005	**March 31, 2006**	**March 31, 2007**	**March 31, 2008**	**March 31, 2009**	**September 30, 2009**	**Nature of Income**
Interest Income							
on Bank Deposits	0.10	2.57	17.48	18.22	3.14	0.04	Recurring
on Debentures (Long Term trade investments)	-	-	15.68	29.20	39.32	19.71	Recurring
on Call Money	-	-	29.31	29.44	20.91	9.05	Recurring
on Interest on loans granted	12.77	5.42	27.21	152.19	313.09	196.25	Recurring
on Non Convertible Debentures	-	-	-	14.71	10.58	-	Recurring
on Deep Discount Bonds	-	-	-	10.92	8.47	-	Recurring
Profit on sale of unquoted Long Term trade investments	-	-	-	-	-	-	Non Recurring
Income from Material Testing	-	-	-	2.55	2.01	-	Recurring
Profit on sale of other investment (net)	11.88	4.08	12.85	522.00	154.63	-	Non Recurring
Profit on sale of fixed assets	0.14	-	0.04	-	-	-	Recurring
Dividend Income	0.35	0.12	-	-	-	-	Non Recurring
Miscellaneous income	0.25	0.06	1.38	9.75	17.95	6.60	Recurring
Management Consultancy Income	-	-	-	-	-	147.45	Non Recurring
Total	**25.49**	**12.25**	**103.95**	**788.98**	**570.10**	**379.10**	

Note:

1. The classification of "Other Income" as "Recurring or Non-recurring" is based on the current operations and business activity of the Company as determined by the management.
2. For the years ending 2005, 2008 and 2009, the income from sale of investments forming part of other income have exceeded 20% of profits before taxes after restatement

ANNEXURE XI: DETAILS OF DIVIDEND PAID

(Rs in Million)

Particulars	For the year / period ended					
	March 31, 2005	**March 31, 2006**	**March 31, 2007**	**March 31, 2008**	**March 31, 2009**	**September 30, 2009**
Class of Shares	Equity	Equity	Equity	Equity	Equity	Equity
Equity Share Capital	331.28	331.28	1,624.90	1,714.15	1,714.15	1,714.15
Face Value – (Rs.)	10.00	10.00	10.00	10.00	10.00	10.00
Rate of dividend (%)	-	-	20.00	20.00	12.50	-
Total Dividend paid	-	-	189.57	325.32	214.27	-
Tax on Dividend	-	-	32.22	55.29	36.41	-

ANNEXURE XII: STATEMENT OF TAX SHELTERS

(Rs in Million)

Particulars	For the year / period ended					
	March 31, 2005	**March 31, 2006**	**March 31, 2007**	**March 31, 2008**	**March 31, 2009**	**September 30, 2009**
Tax Rate (including surcharge)	36.59%	33.66%	33.66%	33.99%	33.99%	33.99%
Net Profit / (Loss) before dimunition and tax as restated	31.81	84.99	816.11	1,256.81	800.22	1,888.36
Tax at notional rate (A)	11.64	28.61	274.70	427.19	271.99	641.85
Adjustments :						
Permanent Difference						
Profit on Sale of Investments	(11.88)	(4.08)	(12.85)	(522.00)	(190.57)	-
Dividend Income	(0.35)	(0.12)	(75.18)	-	-	-
Expenses Disallowed	3.75	12.85	4.27	40.51	76.97	82.68
	(8.48)	8.65	(83.76)	(481.49)	(113.60)	82.68
Timing Differences						

Particulars	For the year / period ended					
	March 31, 2005	**March 31, 2006**	**March 31, 2007**	**March 31, 2008**	**March 31, 2009**	**September 30, 2009**
Difference between tax and book depreciation	0.43	1.80	(12.82)	(5.45)	(2.48)	(7.93)
Foreign Exchange Fluctuation Reserve	-	-	-	-	208.89	(122.98)
43B Expenses not allowable as deduction added back	(0.35)	(0.81)	1.02	14.40	(4.56)	14.58
	0.08	0.99	(11.80)	8.95	201.85	(116.33)
Net Adjustments	**(8.40)**	**9.64**	**(95.56)**	**(472.54)**	**88.25**	**(33.65)**
Tax Savings / (Liability) thereon (B)	3.08	(3.24)	32.16	160.61	(29.99)	11.44
Tax Liability (A-B) (Only if positive tax liability)	8.56	31.85	242.54	266.58	301.98	630.41
Add: Tax on Capital Gains	-	0.31	2.33	117.73	41.03	-
Add: Adjustment on account of measurement of income tax expense for interim financial reporting	-	-	-	-	-	68.80
Add: Other Adjustments	0.01	0.03	-	0.93	-	-
Total Taxation	8.57	32.19	244.87	385.24	343.01	699.21
Taxation on extra-ordinary items (if any)	-	-	-	-	-	-
Tax on profits before extra-ordinary items	**8.57**	**32.19**	**244.87**	**385.24**	**343.01**	**699.21**

ANNEXURE XIII: STATEMENT OF ACCOUNTING RATIOS

Particulars	March 31, 2005	March 31, 2006	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
Face Value per Equity share as restated (Rs.)	10.00	10.00	10.00	10.00	10.00	10.00
Basic Earnings per share (Rs.)	0.71	1.52	4.87	4.71	2.45	6.67
Diluted Earnings per share (Rs.)	0.55	0.86	4.87	4.71	2.45	6.67
Return on Net worth (%)	5.11	4.52	7.40	9.80	5.18	13.10
Net Asset Value per Equity share (Rs.)	10.67	19.10	38.40	45.57	47.34	50.92
Net Worth (Rs in Million)	460.62	1,111.13	6239.96	7,811.71	8,115.43	8,727.73
Net Restated Profit After Tax for Basic & Diluted Earnings per share (Rs in Million)	23.55	50.26	461.67	765.36	420.69	1,143.49
No. of weighted average Equity Shares for calculating basic EPS (Nos. in Million)	33.13	33.13	94.78	162.66	171.41	171.41
No of weighted average potential equity shares inherent under share application money (Nos. in Million)	10.05	25.05	-	-	-	-
Total weighted average No. of Equity Shares including Potential no. of Equity Shares for calculating diluted EPS (Nos. in Million)	43.18	58.18	94.78	162.66	171.41	171.41
Total No. of Equity Shares including Potential no. of Equity Shares for calculating Net Asset Value per Equity Shares (Nos. in Million)	43.18	58.18	162.49	171.41	171.41	171.41

Notes:-

1. The ratios have been computed as per the following formulae:

Basic Earnings per share (Rs.) $= \dfrac{\text{Net Profit attributable to Equity Shareholders}}{\text{Total No. of weighted average Equity shares outstanding at the end of the year}}$

Diluted Earnings per share (Rs.)	$\dfrac{\text{Net Profit attributable to Equity Shareholders after adjustments related to dilutive potential Equity shares}}{\text{Total no. of weighted average Equity shares plus no. of weighted average potential Equity shares}}$
Return on Net Worth (%)	$\dfrac{\text{Net Profit after Tax}}{\text{Net worth}}$
Net Asset Value per Equity share (Rs.)	$\dfrac{\text{Net worth including share application money and advance towards capital at the end of the year}}{\text{Total No. of Equity shares outstanding at the end of the year plus potential no. of Equity shares}}$

2. Net Profit, as restated and appearing in the statement of Profit and losses has been considered for the purpose of computing the above ratios. These ratios are computed on the basis of the restated financial statements of the company
3. Earnings per share have been calculated in accordance with Accounting Standard 20 - "Earning per share" notified under section 211(3C) of the Companies Act, 1956.
4. In the absence of clarity as to the terms of issue against advance towards capital, no adjustment has been made for potential dilution in computing diluted earnings per share.

ANNEXURE XIV: CAPITALISATION STATEMENT

(Rs in Million)

Particulars	As at September 30, 2009	Post Issue (Refer Note 2 below)
Short Term Debt	5,740.00	
Long Term Debt	4,250.00	
Total Debt	9,990.00	
Shareholders' Funds		
Share Capital	1,714.15	
Reserves/(Profit & Loss Account)	7,013.58	
Miscellaneous Expenses	-	
Total Shareholder's Fund	8,727.73	
Long Term Debt/ Shareholders' Funds	**0.49**	

Notes :

1. Short term debts are debts due within next one year as on 30th September, 2009.
2. Share Capital and Reserves, Post Issue can be ascertained only after the conclusion of the book building process.
3. Long Term debt / Equity = $\dfrac{\text{Long term Debt}}{\text{Shareholders funds}}$

ANNEXURE XV: STATEMENT OF RECONCILIATION OF PROFITS

(Rs in Million)

Particulars	For the year / period ended					
	31-Mar-05	**31-Mar-06**	**31-Mar-07**	**31-Mar-08**	**31-Mar-09**	**30-Sep-09**
Profit after tax as per audited statements - (A)	**23.79**	**54.81**	**455.15**	**780.01**	**404.22**	**1143.49**
Adjustments on account of:						
I) Change in accounting policies						
a) Depreciation	(0.42)	(1.05)	(0.21)	1.96	-	-
b) Employee Benefits	1.07	4.29	2.24	(4.60)	-	-
c) Change in Profit/Loss on Sale of Assets	0.10	-	0.03	(0.14)	-	-
d) Tax relating to previous years	(1.11)	(2.38)	0.47	(12.84)	16.47	-
Tax impact on adjustments - Deferred Tax	0.12	(0.69)	(0.73)	0.97	-	-
Total Adjustments net of tax impact – (B)	**(0.24)**	**0.17**	**1.80**	**(14.65)**	**16.47**	**-**
II) Prior period items						
a) Prior period expenses	-	(4.72)	4.72	-	-	-
Sub Total						
Total Adjustments net of tax impact – (C)	**-**	**(4.72)**	**4.72**	**-**	**-**	**-**
Total of Adjustments - Net of tax impact – D = (B+C)	**(0.24)**	**(4.55)**	**6.52**	**(14.65)**	**16.47**	**-**
Adjusted Profit After Tax (A+D)	**23.55**	**50.26**	**461.67**	**765.36**	**420.69**	**1143.49**

ANNEXURE XVI: CONTINGENT LIABILITIES

(Rs in Million)

Particulars	**As at**					
	March 31, 2005	**March 31, 2006**	**March 31, 2007**	**March 31, 2008**	**March 31, 2009**	**September 30, 2009**
A. Capital Commitments						
Estimated amount of contracts remaining to be executed on capital account and not provided for	3.98	3.95	9.93	17.35	3.95	8.16
(Against above commitments advances paid aggregate)	(1.72)	(2.09)	(2.88)	(11.42)	(3.59)	(6.14)
Estimated investments in companies :						
Pune Sholapur Road Development Company Limited	-	-	-	-	-	1,277.10
ITNL Enso Rail Syatems Limited	-	-	-	-	-	30.50
Hazaribagh Ranchi Expressway Limited (74% of the equity stake)*	-	-	-	-	-	
Estimated investments in covered warrants :						
Jharkhand Accelerated Road Development Company Limited (equivalent to its investment at 74 million equity shares)*	-	-	-	-	-	
Chhattisgarh Highways Development Company Limited (equivalent to its investment at 74 million equity shares)*	-	-	-	-	-	
Exercise price payable in respect of call option contracts	-	-	11.45	11.45	11.45	1.25
* For the period ended September 30, 2009						
B. Contingent Liabilities						
Performance guarantees issued on behalf of the Company by banks	-	0.10	50.00	660.88	623.79	1,131.41
Income tax demands contested	-	-	-	3.21	7.84	7.84
Counter guarantee issued to holding company for guarantees furnished by it to the lenders of subsidiaries (Deposit received Rs. 750.00 million)	-	-	1,000.00	1,000.00	2,102.62	2,147.72
Guarantees / counter guarantees issued in respect of borrowing facilities of a foreign subsidiary company	-	-	-	-	603.02	4,035.59

The Company does not expect any outflow of economic resources in respect of the above and therefore no provision has been made in respect thereof.

Annexure - XVII: RELATED PARTY DISCLOSURES

Name of the Related Parties and Description of Relationship

Nature of Relationship	Name of Entity	Acronym used	September 2009	March 2009	March 2008	March 2007	March 2006	March 2005
Holding Company :	Infrastructure Leasing & Financial Services Limited	IL & FS	✓	✓	✓	✓	✓	✓
	IL&FS Trust Company Limited (up to December 22, 2005)		✗	✗	✗	✗	✓	✓
	Orix Auto & Business Solutions Limited (up to December 22, 2005)		✗	✗	✗	✗	✓	✓
Subsidiaries:	Gujarat Road & Infrastructure Company Limited	GRICL	✓	✓	✓	✓	✗	✗
	East Hyderabad Expressway Limited	EHEL	✓	✓	✓	✗	✗	✗
	ITNL Road Infrastructure Development Company Limited (erstwhile ITNL Chhattisgarh Road Infrastructure Company Limited)	IRIDCL	✓	✓	✓	✗	✗	✗
	Elsamex SA	ELSA	✓	✓	✓	✗	✗	✗
	Vansh Nimay Infraprojects Private Limited (from March 25, 2009)	VNIPL	✓	✓	✗	✗	✗	✗
	ITNL International Pte Limited, Singapore	IIPL	✓	✓	✗	✗	✗	✗
	ITNL Enso Rail Systems Limited	IERSL	✓	✓	✗	✗	✗	✗
	IL&FS Maritime Offshore Pte Limited (upto September 28, 2008)	IMOPL	✗	✓	✓	✗	✗	✗
	North Karnataka Expressway Limited	NKEL	✓	✓	✓	✓	✗	✗
	Elsamex International, SRL		✗	✓	✓	✗	✗	✗
	Grusamar Ingenieria Y Consulting, SL (Grusamar)		✗	✓	✓	✗	✗	✗
	Sánchez Marcos Señalización e Imagen, S.A		✗	✓	✓	✗	✗	✗
	Proyectos De Gestion Calculo Analysis Y Sistemas S.A		✗	✓	✓	✗	✗	✗
	Elsamex India Private Limited	ELSAIN D	✓	✓	✓	✗	✗	✗
	Inversiones Tyndrum S.A		✗	✓	✓	✗	✗	✗
	Centro De Investigacion Elipido Sanchez Marcos S.A.		✗	✓	✓	✗	✗	✗

Nature of Relationship	Name of Entity	Acronym used	September 2009	March 2009	March 2008	March 2007	March 2006	March 2005
	Control 7, S. A		✗	✓	✓	✗	✗	✗
	Geotecnia 7, S.A		✗	✓	✓	✗	✗	✗
	Mantenimiento Y Conservacion De Vialidades, S.A. DE C.V		✗	✓	✓	✗	✗	✗
	ESM Mantenimiento Integral, S.A. DE C.V		✗	✓	✓	✗	✗	✗
	Elsamex Portugal S.A		✗	✓	✓	✗	✗	✗
	Intevial-Gestao Integral Rodoviaria S.A		✗	✓	✓	✗	✗	✗
	Grusamar Albania SHPK		✗	✓	✓	✗	✗	✗
	Antenea Seguridad Y Medico Ambieenete SA		✗	✓	✓	✗	✗	✗
	Hazaribagh Ranchi Expressway Limited	HREL	✓	✗	✗	✗	✗	✗
	Pune Sholapur Road Development Company Limited	PSRDCL	✓	✗	✗	✗	✗	✗
	West Gujarat Expressway Limited (from June 10, 2009)	WGEL	✓	✗	✗	✗	✗	✗
Subsidiaries	Ecoasphalt Construction Company Private Limited	ECCPL	✓	✓	✓	✗	✗	✗
	Proyectos Y Promociones Inmobillarias Sanchez Marcos SL		✗	✓	✓	✗	✗	✗
	Instituto Tecnico De La Vialidad Y Del Transporte, S.A		✗	✓	✗	✗	✗	✗
	Senalizacion Viales E Imagen, SA		✗	✓	✓	✗	✗	✗
	Yala Construction Co. Pvt. Ltd.	YCCPL	✓	✓	✗	✗	✗	✗
	Bastean S L		✗	✗	✓	✗	✗	✗
	Especialidades En Construccion Y Mantinimiento Integral, S.A. DE C.V		✗	✗	✓	✗	✗	✗
	Servicios de Ingenieria y manyenimiento canarios, S.A		✗	✗	✓	✗	✗	✗
Fellow Subsidiaries:	IL&FS Energy Development Co Limited	IEDCL	✗	✓	✓	✓	✓	✗
	IL&FS Financial Services Limited (Erstwhile IL&FS Finvest Ltd.)	IFIN	✓	✓	✓	✓	✓	✗
	IL&FS Infrastructure Development Corpn Limited	IIDCL	✓	✓	✓	✓	✓	✗
	IL&FS Wind Farm Ltd.		✗	✗	✓	✗	✗	✗
	IL&FS Maritime Infrastructure Co Limited	IMICL	✓	✓	✓	✗	✗	✗

Nature of Relationship	Name of Entity	Acronym used	September 2009	March 2009	March 2008	March 2007	March 2006	March 2005
	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	IWMUS L	✓	✓	✓	✗	✗	✗
	IL&FS Trust Company Limited	ITCL	✗	✓	✓	✓	✓	✗
	MP Toll Roads Limited	MPTRL	✗	✓	✓	✓	✓	✗
	Chattisgarh Highways Development Co Limited	CHDCL	✓	✓	✓	✗	✗	✗
	Tamil Nadu Water Investment Co Limited	TWICL	✗	✓	✓	✓	✓	✗
	IL&FS Investment Managers Limited	IIML	✓	✓	✓	✗	✗	✗
	IL&FS Ecosmart Limited	IEIL	✗	✓	✓	✓	✓	✗
	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 Offshore Natural Resources Pte Limited	IONRL	✗	✓	✗	✗	✗	✗
	IL&FS Maritime Offshore Pte Limited (subsidiary upto September 28, 2008, thereafter a fellow subsidiary)	IMOPL	✗	✓	✗	✗	✗	✗
Fellow Subsidiaries:	IL&FS Cluster Development Initiatives Co Limited	ICDICL	✓	✓	✓	✓	✗	✗
	IL&FS Portfolio Management Services Ltd.		✗	✗	✓	✓	✗	✗
	IL&FS Finvest Ltd.		✗	✗	✗	✗	✗	✗
	Trans Harbour Link Pvt. Ltd.		✗	✗	✓	✓	✗	✗
	MPPL Enterprise Pvt. Ltd.		✗	✗	✗	✓	✗	✗
	Ovira Logistics Pvt. Ltd.		✗	✗	✗	✓	✗	✗
	Orix Auto & Business Solutions Ltd.		✗	✗	✗	✗	✗	✗
	IL&FS Technologies Ltd.		✗	✗	✗	✓	✗	✗

Nature of Relationship	Name of Entity	Acronym used	September 2009	March 2009	March 2008	March 2007	March 2006	March 2005
	India Auto Ancillary Fund Co.		✗	✗	✓	✗	✗	✗
	Cross Border Power Transmission Co. Pvt. Ltd.		✗	✗	✓	✓	✗	✗
	Integrated Energy & Coal Development Co. Pvt. Ltd.		✗	✗	✓	✓	✗	✗
	Integrated Trans Log Development Co. Ltd.		✗	✗	✓	✗	✗	✗
	Kolhapur Integrated Cane Processing Co. Ltd.		✗	✗	✓	✗	✗	✗
	IL&FS Nepal Infrastructure Development Co. Pvt. Ltd.		✗	✗	✓	✗	✗	✗
	Unique Waste Processing Co.		✗	✗	✓	✗	✗	✗
	Apptex Manpower Development Services Ltd.		✗	✗	✓	✓	✗	✗
	Apptex Marketing Services & Solutions Ltd.		✗	✗	✓	✗	✗	✗
	IL&FS Hydro Energy Ltd.		✗	✗	✓	✗	✗	✗
	IL&FS Wind Power Ltd.		✗	✗	✓	✗	✗	✗
	Kanpur Unnao Leather Cluster Development Co. Ltd.		✗	✗	✓	✗	✗	✗
	Kanak Resources Management Ltd.		✗	✗	✓	✗	✗	✗
	Integrated Waste Mgmt & Urban Services (TN) Pvt. Ltd.		✗	✗	✓	✗	✗	✗
	IL&FS Investment Advisory LLC		✗	✗	✓	✗	✗	✗
	IL&FS Asian Infrastructure Managers Ltd.		✗	✗	✓	✗	✗	✗
	IL&FS Singapore Asset Management Co. Pte. Ltd.		✗	✗	✓	✗	✗	✗
	Andhra Pradesh Expressway Limited		✗	✗	✗	✗	✓	✗
	IL&FS Infrastructure Equity Fund		✗	✗	✗	✓	✗	✗
	IL&FS Investment Trust - I		✗	✗	✗	✓	✗	✗
	IL&FS Investment Trust - II		✗	✗	✗	✓	✗	✗
	IL&FS Investment Trust - IV		✗	✗	✗	✓	✗	✗
	IL&FS Investment Trust - V		✗	✗	✗	✓	✗	✗
Associates:	Andhra Pradesh Expressway Limited	APEL	✓	✓	✓	✓	✗	✗
	West Gujarat Expressway Limited	WGEL	✗	✓	✓	✓	✓	✗
	Thiruvananthapuram Road Development	TRDCL	✓	✓	✓	✓	✓	✓

Nature of Relationship	Name of Entity	Acronym used	September 2009	March 2009	March 2008	March 2007	March 2006	March 2005
	Company Limited							
	Kohinoor CTNL Infrastructure Company Limited (upto September 25, 2008)	KCTNL	✘	✔	✔	✔	✔	✘
	ITNL Toll Management Services Limited	ITMSL	✔	✔	✔	✘	✘	✘
	Urban Mass Transit Co. Ltd.		✘	✘	✘	✘	✔	✘
	Narmada Infrastructure Construction Enterprise Ltd.		✘	✘	✘	✘	✔	✔
	North Karnataka Expressway Limited		✘	✘	✘	✘	✔	✔
	Trans Harbour Link Private Limited		✘	✘	✘	✘	✔	✘
	Centro De Investigacion De Carreteras De Andalucia S.A.		✘	✘	✔	✘	✘	✘
	CGI-8, S.A.		✘	✘	✔	✘	✘	✘
	Labtec Ensayos Tecnicos Canarios S.A.		✘	✘	✔	✘	✘	✘
	Elsamex USA LLC		✘	✘	✔	✘	✘	✘
	Elsamex Road Technology Ltd.		✘	✘	✔	✘	✘	✘
	Zhejiang Elsamex Road Technology		✘	✘	✔	✘	✘	✘
	Zhejiang Elsamex Machinery Technology		✘	✘	✔	✘	✘	✘
	VCS-Elsamex India Pvt. Ltd.		✘	✘	✔	✘	✘	✘
	Instituto Tecnico De La Vialidad Y Del Transporte, S.A		✘	✘	✔	✘	✘	✘
	Sociedad Concessionaria Autovia A-4 Madrid		✘	✘	✔	✘	✘	✘
	Yala Construction Company Limited		✘	✘	✔	✘	✘	✘
Joint Venture :	Tamil Nadu Road Development Company Limited	TNRDCL	✔	✔	✔	✔	✘	✘
	Noida Toll Bridge Company Limited	NTBCL	✔	✔	✔	✔	✘	✘
	ITNL Enso Rail Systems Limited		✘	✘	✔	✘	✘	✘
Other Enterprises over which ITNL has control :	ITNL Road Investment Trust	IRIT	✔	✔	✔	✔	✘	✘
Other Enterprises over which holding company has control :	IL&FS Infrastructure Equity Fund		✘	✘	✔	✘	✘	✘
	IL&FS Investment Trust - I		✘	✘	✔	✘	✘	✘
	IL&FS Investment Trust - II		✘	✘	✔	✘	✘	✘
	IL&FS Investment Trust - IV		✘	✘	✔	✘	✘	✘
	IL&FS Investment Trust - V		✘	✘	✔	✘	✘	✘

Nature of Relationship	Name of Entity	Acronym used	September 2009	March 2009	March 2008	March 2007	March 2006	March 2005
	IL&FS IIDC Fund		✕	✕	✔	✕	✕	✕
	Tara India Fund II Trust		✕	✕	✔	✕	✕	✕
Other Enterprises over which holding company has control :	SCB Asian Infrastructure Fund		✕	✕	✔	✕	✕	✕
	Urjankur Nidhi Trust		✕	✕	✔	✕	✕	✕
	Pan Asia Project Development Fund		✕	✕	✔	✕	✕	✕
	Tamil Nadu Infotech Fund		✕	✕	✔	✕	✕	✕
	India Auto Ancillary Fund		✕	✕	✔	✕	✕	✕
	Infrastructure Leasing & Financial Services India Reality Fund		✕	✕	✔	✕	✕	✕
Key Management personnel:	Mr K Ramchand-Managing Director (From August 13, 2008)		✔	✔	✔	✔	✔	✔
	Mr Mukund Sapre-Executive Director (From August 13, 2008)		✔	✔	✕	✕	✕	✕
	Mr Ajay Menon-Manager (Upto August 14, 2008)		✕	✔	✔	✔	✔	✔

Legend: ✔ = Related party
✕ = Not related party

b. Related Party Transactions

(Rs. in Million)

Particulars	30th September '09						
	Holding Company	Subsidiaries	Fellow Subsidiaries	Other enterprises over which ITNL has control	Associates	Joint Venture	Key Managerial Personnel
Nature Of Transaction							
Advance towards capital	-	-	-	-	-	-	-
Advance Towards Investments	-	-	-	-	-	-	-
Advance Towards Investments made	-	1,012.03	-	-	40.30	-	-
Debtors	18.50	2,474.29	11.16	-	65.98	-	-
Dividend payment	168.75	-	-	-	-	-	-
Interest Accrued but not due	0.47	42.16	-	-	86.38	-	-
Interest Expense- Short Term Loan	111.82	17.82	14.51	-	-	-	-
Interest Free Deposit	-	750.00	-	-	-	-	-
Interest Income	9.05	99.67	-	-	41.45	-	-
Interest Payable but not due	33.95	43.40	13.06	-	-	-	-
Investments	500.00	4,469.09	-	1,031.32	295.63	1,871.58	-
Investment in Call Money	217.50	-	-	-	-	-	-
Call Money – Repaid	1,962.50	-	-	-	-	-	-
Investment in Call Money made	1,970.00	-	-	-	-	-	-
Investment made in Redeemable Optionally Convertible Cumulative Preference Shares	198.90	-	-	-	-	-	-
Ivestment made in Equity	-	373.49	-	-	-	-	-

Particulars	30th September '09						
	Holding Company	Subsidiaries	Fellow Subsidiaries	Other enterprises over which ITNL has control	Associates	Joint Venture	Key Managerial Personnel
Shares							
Investment made in Units	-	-	-	0.22	-	-	-
Investment Sold	-	-	-	-	-	-	-
Loan Given	-	30.05	-	-	374.60	-	-
Loan Given (Balance)	-	1,696.04	-	-	594.60	-	-
Loan Received Back	-	1,304.37	-	-	15.00	-	-
Loan Repaid	2,500.00	-	-	-	-	-	-
Loan Taken	2,500.00	-	1,350.00	-	-	-	-
Loan Taken (Balance)	1,150.00	740.00	1,350.00	-	-	-	-
Option premium liability	-	-	-	227.44	-	-	-
Payable on Current Account	2.82	248.28	0.16	-	-	0.31	-
Receivable on Current Account	-	180.66	10.65	-	15.89	-	-
Remuneration	-	-	-	-	-	-	15.61
Service Rendered	-	2,392.55	0.14	-	12.63	-	-
Services Received	22.67	282.12	0.85	-	-	-	-
Call Option Premium	1.25	-	-	-	-	-	-
Non Convertible Debentures	-	-	-	-	786.40	-	-
Redeemable optionally convertible cumulative preference shares	-	296.90	-	-	-	-	-
Conversion of Application money into loan	-	450.00	-	-	-	-	-
Dues against Contract work	-	37.71	-	-	-	-	-

(Rs. in Million)

Particulars	31st March '09					
	Holding Company	Subsidiaries	Other Enterprise over which ITNL has control	Associate	Joint Venture	Key Managerial Personnel
Nature Of Transaction						
Advance towards capital	-	450.00	-	-	-	-
Advance Towards Investments	-	1,040.76	-	40.30	-	-
Advance Towards Investments made	-	37.20	-	-	-	-
Debtors	18.50	89.34	-	262.29	-	-
Deputation Cost Recovered	-	52.93	-	24.59	-	-
Dividend payment	270.00	-	-	-	-	-
Interest Accrued but not due	0.12	94.77	-	56.98	-	-
Interest Expense- STL	111.30	76.45	-	-	-	-
Interest Free Deposit	-	750.00	-	-	-	-
Interest Income	20.91	176.91	-	97.42	-	-
Interest Payable but not due	-	27.36	-	-	-	-
Investment	-	3,997.72	1,031.10	1,278.03	1,925.48	-
Investment in Call Money	210.00	-	-	-	-	-
Investment in Call Money - Matured	4,580.08	-	-	-	-	-
Investment in Call Money made	4,767.50	-	-	-	-	-
Investment made	-	3,186.39	0.25	-	-	-
Investment Sold	300.00	198.79	-	-	-	-
Loan Given	-	3,219.25	-	422.24	-	-
Loan Received Back	-	851.52	-	472.24	-	-
Loan Repaid	4,150.00	1,280.00	-	-	-	-
Loan Taken	5,300.00	930.00	-	-	-	-

Particulars	31st March '09					
	Holding Company	Subsidiaries	Other Enterprise over which ITNL has control	Associate	Joint Venture	Key Managerial Personnel
Option premium liability	-	-	227.44	-	-	-
Payable on Current Account	18.39	257.87	-	0.25	0.12	-
Receivable on Current Account	-	73.34	-	67.47	-	-
Deputation Cost paid	20.12	-	-	-	-	-
Remuneration	-	-	-	-	-	20.13
Rent paid	33.14	-	-	-	-	-
Sale of Construction Material	-	-	-	7.14	-	-
Service Rendered	0.05	666.85	-	466.40	0.02	-
Services Received	17.36	43.88	-	-	-	-

(Rs. in Million)

Particulars	31st March '08						
	Holding Company	Subsidiaries	Fellow Subsidiaries	Other Enterprise over which ITNL has control	Associate	Joint Venture	Key Managerial Personnel
Nature Of Transaction							
Advance	-	10.10	1.08	-	62.05	0.02	-
Advance towards capital	-	450.00	-	-	-	-	-
Advance Towards Investments	-	2,756.12	-	-	40.30	20.30	-
Advance Towards Investments made	-	2,176.92	-	0.23	102.06	-	-
Debtors	47.23	45.33	12.58	-	339.71	0.01	-
Deputation Cost Recovered	-	12.14	7.81	-	17.71	-	-
Dividend payment	171.98	-	-	-	-	-	-
Equity premium	189.95	-	-	-	-	-	-
Fixed Assets purchase	-	-	1.64	-	-	-	-
Interest Accrued & Due	-	0.82	0.66	-	0.05	-	-
Interest Accrued but not due	0.37	79.14	7.86	-	20.93	-	-
Interest Expense-STL	-	18.36	50.81	-	-	-	-
Interest Free Deposit	-	750.00	-	-	-	-	-
Interest Income	29.44	43.32	-	-	75.87	-	-
Investment	250.00	1,309.62	-	1,030.85	1,510.02	1,925.48	-
Investment in Call Money	22.58	-	-	-	-	-	-
Investment in Call Money - Matured	3,167.42	-	-	-	-	-	-
Investment in Call Money made	3,190.00	-	-	-	-	-	-
Loans Advances	-	567.63	-	-	668.24	-	-
Loan Given	-	567.63	-	-	707.24	-	-
Loans Payable	-	-	640.00	-	-	-	-

Particulars	31st March '08						
	Holding Company	Subsidiaries	Fellow Subsidiaries	Other Enterprise over which ITNL has control	Associate	Joint Venture	Key Managerial Personnel
Loan Repaid	-	38.00	305.00	-	-	-	-
Loan Taken	-	1,040.00	945.00	-	-	-	-
Non Convertible Debentures	200.00	-	-	-	-	-	-
Option premium liability	-	-	-	227.44	-	-	-
Payable on Account of Service received	-	1.81	0.11	-	-	-	-
Payable on Current Account	1.79	-	-	-	-	0.43	-
Purchase of bonds	100.00	-	-	-	-	-	-
Purchase of Line of Credit	286.00	-	-	-	-	-	-
Receivable on Account of Service rendered	-	-	13.02	-	49.81	-	-
Receivable on Current Account	-	0.02	15.55	-	49.37	-	-
Remuneration	-	-	-	-	-	-	23.80
Rent paid	36.76	-	-	-	-	-	-
Sale of Construction Material	-	-	-	-	348.92	-	-
Service Rendered	-	279.28	11.42	-	801.23	-	-
Services Received	0.89	-	4.17	-	-	-	-
Advance Given	-	-	-	-	20.27	-	-

(Rs. in Million)

Particulars	31st March '07					
	Holding Company	Subsidiaries	Fellow Subsidiaries	Associate	Joint Venture	Key Managerial Personnel
Nature Of Transaction						
Advance received	-	-	-	39.94	-	-
Advance Towards Investments	-	600.00	-	151.92	-	-
Advance Towards Investments refund	-	-	-	0.25	-	-
Advance Towards Investments made	-	290.54	-	-	-	-
Advance towards CWIP	-	-	0.79	-	-	-
Leasehold Improvements	-	-	2.12	-	-	-
Equity premium	189.95	-	-	-	-	-
Fixed Assets purchase	-	-	-	0.07	-	-
Interest Accrued but not due	-	-	-	20.87	-	-
Interest Expense-STL	68.94	0.67	-	-	-	-
Interest Free Deposit	-	750.00	-	-	-	-
Interest Income	29.31	-	-	26.91	-	-
Interest Payable but	0.10	0.52	-	-	-	-

Particulars	31st March '07					
	Holding Company	Subsidiaries	Fellow Subsidiaries	Associate	Joint Venture	Key Managerial Personnel
not due						
Investment	-	1,182.07	-	984.88	1,864.60	-
Investment in Call Money - Matured	1,751.00	-	-	-	-	-
Investment in Call Money made	1,751.00	-	-	-	-	-
Loan Given	-	-	-	39.00	-	-
Loan Repaid	735.55	-	-	-	-	-
Loan Taken	39.00	328.00	-	-	-	-
Option premium liability	-	227.44	-	-	-	-
Payable on Account of Service received	-	-	0.01	-	-	-
Payable on Current Account	0.79	3.85	-	6.94	0.25	-
Receivable on Account of Service rendered	57.74	17.36	-	563.55	-	-
Receivable on Current Account	-	2.89	-	61.86	0.21	-
Remuneration	-	-	-	-	-	16.60
Sale of Construction Material	-	-	-	284.95	-	-
Service Rendered	78.29	120.37	-	902.36	-	-
Services Received	13.12	-	3.72	-	-	-
Share Application Money Received	3,490.07	-	-	-	-	-
Purchase of Shares/Units	1,836.07	442.50	-	-	-	-
Security Deposit	-	0.01	-	-	-	-
Sale of Investment	8.30	36.66	-	-	-	-
Sale of Fixed Asset	-	-	-	0.10	-	-

(Rs. in Million)

Particulars	31st March '06					
	Holding Company	Subsidiaries	Companies having Significant influence	Associate	Joint Venture	Key Managerial Personnel
Nature Of Transaction						
Advance received	-	23.42	-	-	-	-
Advance towards capital	-	-	-	450.00	-	-
Advance Towards Investments	250.45	-	-	541.76	-	-
Advance towards CWIP	-	2.09	-	-	-	-
Leasehold Improvements	-	1.85	-	-	-	-
Fixed Assets purchase	-	-	-	1.28	-	-
Interest Accrued but not due	58.76	-	-	-	-	-
Interest Expense- STL	48.61	-	-	-	-	-
Interest Income	-	-	-	1.42	-	-
Investment	-	98.24	-	7.49	-	-
Loan Given	-	-	-	20.85	-	-
Loan Repaid	353.28	-	-	323.85	-	-
Loan Taken	1,051.55	-	-	-	-	-
Payable on Current Account	11.47	-	-	-	-	-
Receivable on Account of Service rendered	-	62.24	-	-	-	-
Receivable on Current Account	-	4.64	-	53.65	-	-
Remuneration	-	-	-	-	-	9.61

Particulars	31st March '06					
	Holding Company	Subsidiaries	Companies having Significant influence	Associate	Joint Venture	Key Managerial Personnel
Sale of Construction Material	-	65.98	-	-	-	-
Service Rendered	-	88.19	-	83.63	-	-
Services Received	6.35	0.90	0.66	-	-	-
Share Application Money Received	350.00	-	-	-	-	-
Share Application Money Repaid	200.00	-	-	-	-	-
Purchase of Shares/Units	-	105.44	17.55	17.79	-	-

(Rs. in Million)

Particulars	31st March '05					
	Holding Company	Subsidiaries	Companies having Significant influence	Associate	Joint Venture	Key Managerial Personnel
Nature Of Transaction						
Advance Towards Investments	-	-	-	292.01	-	-
Fixed Assets purchase	-	-	-	1.12	-	-
Fixed Assets Sale	0.19	-	-	-	-	-
Interest Expense- STL	40.92	-	-	4.36	-	-
Interest Income	0.09	-	-	-	-	-
Loan Given	-	-	-	303.00	-	-
Loans Payable	694.62	-	0.22	303.00	-	-
Loan Received Back	-	-	-	7.50	-	-
Loan Repaid	295.68	-	-	-	-	-
Loan Taken	714.64	-	-	-	-	-
Payable on current account	1.93	-	-	-	-	-
Receivable on current account	-	-	-	59.98	-	-
Remuneration	-	-	-	-	-	6.16
Rent paid	6.07	-	0.06	-	-	-
Service Rendered	-	-	-	114.61	-	-
Services Received	-	-	0.22	-	-	-
Share Application Money Received	13.50	-	-	-	-	-
Purchase of Shares/Units	-	-	-	0.25	-	-
Security Deposit	5.60	-	-	-	-	-
Advance Receivable	0.18	-	-	-	-	-
Sale of Investment	-	-	231.07	-	-	-

ANNEXURE – XVIII: RESTATED CONSOLIDATED STATEMENT OF PROFITS & LOSSES

(Rs. in Million)

Particulars	For the year ended			For half year ended September 30, 2009
	March 31, 2007	March 31, 2008	March 31, 2009	
A. Income				
Income from Operations (net of service tax)	1,833.31	2,965.87	10,587.23	5,462.77
Construction Contract revenue	53.83	650.05	1,666.47	4,111.26
Foreign Exchange Fluctuations (net)	0.31	-	272.18	9.27
Other Income	94.04	758.62	794.20	212.25
Total Income	**1,981.49**	**4,374.54**	**13,320.08**	**9,795.55**
B. Expenditure				
Material Consumption	-	-	1,036.69	315.03
Cost of traded products	273.81	335.77	220.65	-
Construction contract cost	49.12	419.99	1,495.20	1,945.45
Staff Costs (Refer note 16 of annexure XXI-B)	128.16	203.73	2,994.63	1,775.79
Operation and Maintenance Expenses	72.09	106.20	2,644.63	1,127.69
Provision for Overlay (Refer note 21 of annexure XXI-B)	12.02	59.73	54.04	41.36
Administrative and General Expenses	383.51	660.13	1,874.36	1,008.24
Interest and Finance Charges	214.58	1,069.52	1,742.98	1,278.62
Depreciation / Amortisation	32.91	76.09	353.44	277.14
Preliminary Expenses Written off	2.92	0.05	-	0.32
Total Expenditure	**1,169.12**	**2,931.21**	**12,416.62**	**7,769.64**
Profit before diminution and tax (A-B)	**812.37**	**1,443.33**	**903.46**	**2,025.91**
Less: Provision for diminution	(100.00)	(100.00)	(100.00)	-
Profit before tax	**712.37**	**1,343.33**	**803.46**	**2,025.91**
Less: Provision for Current Tax	(244.91)	(402.19)	(407.78)	(739.90)
Less: Deferred Tax credit /(charge) (net)	(3.55)	(59.81)	(49.51)	(51.49)
Less: Fringe Benefit Tax	(6.13)	(8.58)	(8.82)	-
Profit after tax (before adjustment of minority interest)	**457.78**	**872.75**	**337.35**	**1,234.52**
Add / (Less): Share in loss / (profit) transferred to minority interest	1.03	(13.48)	(31.80)	(8.12)
Profit after tax (after adjustment of minority interest)	**458.81**	**859.27**	**305.55**	**1,226.40**
Add : Share in profit / (loss) of associates	55.01	73.28	(26.77)	(44.13)
Total profit after tax, as Restated	**513.82**	**932.55**	**278.78**	**1,182.27**
Profit and Loss account at the beginning of the year	222.02	687.75	1,171.04	1,164.15
Adjustment on amalgamation in Joint Venture (Refer note 3 of annexure XXI-B)	214.55	-	-	-
Adjustment for additional acquisition in Joint Venture	-	14.54	-	-
Balance available for appropriation	**950.39**	**1,634.84**	**1,449.82**	**2,346.42**
General reserve	(34.14)	(58.50)	(10.11)	-
Debenture redemption reserve	(0.43)	(5.75)	(6.00)	(0.63)
Premium on preference shares of a subsidiary	(3.49)	(16.19)	(16.14)	(8.09)
Proposed dividend	(189.57)	(325.32)	(214.27)	-
Tax on dividend	(32.22)	(55.29)	(36.41)	-
Tax on premium on preference shares of a subsidiary	(2.79)	(2.75)	(2.74)	(1.38)
BALANCE CARRIED FORWARD AS RESTATED	**687.75**	**1,171.04**	**1,164.15**	**2,336.32**

The above statement should be read in conjunction with Significant Accounting Policies and Notes to the Restated Summary Statements.

ANNEXURE – XIX: RESTATED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(Rs. in Million)

Particulars	**As at**			
	March 31, 2007	**March 31, 2008**	**March 31, 2009**	**September 30, 2009**
A. FIXED ASSETS (Refer note 7 of annexure XXI-B)				
Gross Fixed Assets	6,566.36	10,393.55	11,163.79	16,061.22
Less: Depreciation	229.18	2,221.84	2,631.85	3,122.76
Net Block	**6,337.18**	**8,171.71**	**8,531.94**	**12,938.46**
Capital / Project work in progress	498.32	836.23	81.21	98.73
Total	**6,835.50**	**9,007.94**	**8,613.15**	**13,037.19**
B. Goodwill on Consolidation	**1,212.69**	**2,667.26**	**2,854.76**	**2,931.32**
C. Investments	**1,408.58**	**2,019.84**	**2,010.15**	**1,661.93**
D. Toll receivable account (Refer note 3 and 10 of annexure XXI-B)	**1,898.70**	**1,898.70**	**1,898.70**	**1,898.70**
E. Deferred Tax Asset (net) (Refer note 9 of annexure XXI-B)	**3.15**	**5.89**	**-**	**-**
F. Receivable under service concession arrangement	**6,238.33**	**6,469.26**	**7,317.62**	**8,515.80**
(Refer note 18 and 22 (ii) of annexure XXI-B)				
G. Current Assets, Loans and Advances				
Inventories	438.05	200.16	245.43	246.78
Sundry Debtors	706.59	8,177.11	7,873.05	7,729.95
Cash and Bank Balances	773.90	1,823.67	1,601.43	1,974.45
Other Current Assets (Refer note 13 of annexure XXI-B)	513.83	1,067.28	1,027.23	929.28
Loans and Advances	619.78	2,542.67	3,435.80	5,549.09
Total	**3,052.15**	**13,810.89**	**14,182.94**	**16,429.55**
H. Liabilities and Provisions				
Secured Loans	10,289.95	10,774.66	10,433.68	14,056.81
Unsecured Loans	106.38	5,362.71	8,108.25	10,114.46
Deferred Tax Liability (net) (Refer note 9 of annexure XXI-B)	410.94	523.32	647.06	722.61
Current Liabilities and Provisions	1,068.94	8,451.07	7,249.91	7,531.72
Total	**11,876.21**	**25,111.76**	**26,438.90**	**32,425.60**
I. Minority Interest	**592.04**	**762.36**	**773.70**	**1,078.31**
J. Preference shares issued by subsidiary (Refer note 4 of annexure XXI-B)	**350.00**	**350.00**	**350.00**	**350.00**
K. Advance towards capital (Refer note 8 of annexure XXI-B)	**450.00**	**499.00**	**453.75**	**450.00**
L. Net Worth (A+B+C+D+E+F+G-H-I-J-K)	**7,380.85**	**9,156.66**	**8,860.97**	**10,170.58**
Represented by				
Equity Share Capital	1,624.90	1,714.15	1,714.15	1,714.15
Reserves and Surplus				
Securities Premium	3,845.77	4,943.52	4,943.52	4,943.52
Capital Reserve on Consolidation	1,138.82	1,140.77	1,076.06	1,076.06
Capital Reserve (see note below)	48.99	73.49	88.18	1.27
Debenture Redemption Reserve	0.48	6.22	12.22	14.85
General Reserve	34.14	92.64	102.74	102.74
Foreign Exchange Fluctuation Reserve	-	14.83	(63.13)	166.41
Cash Flow Hedge Reserve	-	-	(176.92)	(184.74)
Profit & Loss A/c	687.75	1,171.04	1,164.15	2,336.32
Net Reserves & Surplus	**5,755.95**	**7,442.51**	**7,146.82**	**8,456.43**
M. Net Worth	**7,380.85**	**9,156.66**	**8,860.97**	**10,170.58**

Note: Capital Reserve comprises post acquisition share in capital reserve of an associate

The above statement should be read in conjunction with Significant Accounting Policies and Notes to the Restated Summary Statements.

ANNEXURE XX: CONSOLIDATED RESTATED STATEMENT OF CASH FLOWS

(Rs. in Million)

Particulars	**For the year / period ended**			
	31-Mar-07	**31-Mar-08**	**31-Mar-09**	**30-Sep-09**
Cash Flow from Operating Activities				
Adjusted net profit before tax and extraordinary items	712.37	1,343.33	803.46	2,025.91
Adjustments for:				
Provision for doubtful debts	0.29	3.90	62.69	0.69
Provision for Compensated Absences	1.74	9.77	4.38	(0.24)
Excess provisions written back	(0.05)	(1.59)	(0.50)	-
Interest on loans granted	(21.70)	(113.75)	(162.48)	(98.29)
(Profit)/Loss on sale of investments	(3.30)	(523.80)	(387.76)	(0.20)
Interest on debentures	(15.68)	(29.20)	(39.32)	(19.71)
Interest on call money	(29.64)	(29.44)	(22.75)	(9.75)
Interest on short term deposit	(17.79)	(25.08)	(21.40)	(20.02)
Interest and finance expense	214.58	1,069.52	1,742.98	1,278.62
(Profit)/Loss on sale of fixed assets	(0.03)	(0.02)	(53.75)	-
Depreciation	32.91	76.09	353.44	277.14
Capital advances written off	-	1.41	-	-
Provision for overlay	12.02	60.43	38.67	43.49
Foreign exchange fluctuation reserve	-	11.76	(76.87)	226.52
Foreign exchange difference - P/L	2.99	18.45	(272.18)	(0.84)
Provision for diminution in value of investments	100.00	100.00	100.00	-
Operating Profit before working capital changes	**988.71**	**1,971.78**	**2,068.61**	**3,703.32**
Adjustments for changes in:				
(Increase) / decrease in inventories	(438.00)	437.60	(45.26)	(1.35)
(Increase) / decrease in debtors	(539.49)	208.83	241.36	124.29
(Increase) / decrease in loans and advances	426.82	(198.49)	(372.94)	(1,307.04)
Increase / (decrease) in current liabilities & provisions	189.95	174.24	(1,144.13)	(373.84)
Cash Generated from Operating Activities	**627.99**	**2,593.96**	**747.64**	**2,145.38**
Taxes paid				
Direct Taxes (paid) / receivable (Net)	(296.61)	(529.08)	(572.27)	(260.02)
Net Cash (used in) / generated from Operations (A)	**331.38**	**2,064.88**	**175.37**	**1,885.36**
Cash flow from Investing Activities				
Purchase of Fixed Assets	(555.53)	(630.76)	(214.28)	(1,843.94)
Proceeds from sale of fixed assets	0.74	3.73	552.24	0.68
Purchase of / advance towards investments	(627.21)	(506.46)	(730.86)	(56.41)
Acquisition of Subsidiary (net of cash and cash equivalents)	(2,580.44)	(766.54)	(69.76)	(75.86)
Proceeds from sale of investments	409.78	77.04	1,111.30	28.17
Loans (given) / refund/ paid	(39.00)	(985.48)	158.71	(717.54)
Investment in call money	-	(22.58)	(197.42)	(29.93)
(Increase) in Receivable under Service Concession Arrangement	(21.07)	(230.93)	(848.36)	(1,198.18)
Interest received	54.83	194.76	140.39	63.51
Fixed deposits for periods exceeding 3 months encashed /(placed)	(537.50)	304.29	(85.87)	(117.36)
Net Cash (used in) / generated from Investing Activities (B)	**(3,895.40)**	**(2,562.93)**	**(183.91)**	**(3,946.86)**
Cash Flow from Financing Activities				
Increase in equity capital	1,043.17	89.25	-	-
Share premium money received (net of exchange differences Rs. 2.99 million, Rs. Nil & Rs. Nil)	3,842.79	1,097.75	-	-

Particulars	For the year / period ended			
	31-Mar-07	**31-Mar-08**	**31-Mar-09**	**30-Sep-09**
Proceeds from Borrowings	1,306.04	3,795.10	10,779.08	8,206.94
Repayment of Borrowings	(1,716.82)	(2,139.43)	(8,875.60)	(4,634.60)
Interest paid	(271.05)	(1,071.85)	(1,750.88)	(1,209.59)
Dividend paid	-	(189.57)	(325.32)	(214.27)
Tax on Dividend	-	(32.22)	(55.29)	(36.41)
Increase in Advance towards capital	(450.00)	49.00	(45.25)	(3.75)
Contribution by minority	1.03	127.92	(26.29)	21.31
Net Cash (used in) / generated from Financing Activities (C)	**3,755.16**	**1,725.95**	**(299.56)**	**2,129.63**
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	191.14	1,227.90	(308.09)	68.13
Cash & cash equivalent at the beginning of the year	45.15	236.29	1,464.19	1,156.10
Cash & cash equivalent at the end of the year	**236.29**	**1,464.19**	**1,156.10**	**1,224.23**
Components of Cash & cash equivalent at the end of the year				
Cash balance on hand	0.71	29.78	46.21	70.58
Cheques on hand	-	-	-	12.11
Bank balances with Scheduled Bank	-	-	-	-
- In Current Account	120.54	1,420.85	830.32	680.63
- In Fixed Deposit Account (maturity less than 3 months)	115.04	13.56	279.57	460.91
	236.29	**1,464.19**	**1,156.10**	**1,224.23**
Fixed deposits placed for periods exceeding 3 months	537.60	359.48	445.33	750.22
Components of Cash & cash equivalent at the end of the year as per financials	**773.90**	**1,823.67**	**1,601.43**	**1,974.45**

ANNEXURE XXI-A: PRINCIPLES OF CONSOLIDATION, SIGNIFICANT ACCOUNTING POLICIES

(1) Basis of Consolidation:

(a) The Restated Consolidated Financial Statements ("Restated 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 Restated CFS have 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 and in the manner provided under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009. All income and expenditure having a material bearing on the financial statements are recognised on accrual basis.

(c) The preparation of the restated 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 respective financial statements, 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 Restated CFS have been prepared by the Company in accordance with the Accounting Standard (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".

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 associate 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 associate, 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 restated financial statements of the subsidiaries, associates and joint ventures used in the consolidation are drawn upto the same reporting date as that of the Company, except in case of one overseas subsidiary (incorporating the financial statements of its subsidiaries, jointlly controlled operations and its associates) whose financial statements as at / for the year ended 31st December, 2008 have been considered for preparing Restated CFS as at / for the year ended 31st March, 2009 after giving effect to material transactions that occurred between the period 1st January, 2009 to 31st March, 2009 and as at / for the half year ended 30th June, 2009 have been considered for preparing Restated CFS as at 30th September, 2009 after giving effect to material transactions that occurred between the period 1st July, 2009 to 30th September, 2009.

(f) The financial statement of one jointly controlled entity used in preparing CFS has been consolidated based on audited financial statements without adjustments for difference. Adjustments to the Restated CFS due to differences in policies of the jointly controlled entity with the Group could not be quantified.

(3) The list of subsidiaries, which are included in the Restated 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**	**Date of Acquisition of Control**	**Proportion of Group's Interest (%)**			
			2006-07	**2007-08**	**2008-09**	**30th Sep 09**
Subsidiary Companies (Held directly):						
Gujarat Road and Infrastructure Company Limited (GRICL)	India	January 11, 2007	83.61	83.61	83.61	83.61
East Hyderabad Expressway Limited (EHEL)	India	September 5, 2007	-	73.90	73.99	73.99
ITNL Road Infrastructure Development Company Limited (IRIDCL)*(Formerly known as ITNL Chhattisgarh Road Infrastructure Company Limited (ICRICL))*	India	January 17, 2008	-	100.00	100.00	100.00
ITNL Enso Rail Systems Limited (ENSO)	India	February 4, 2008	-	57.50	57.50	70.00
Vansh Nimay Infraprojects Pvt. Limited (VNIPL)	India	March 25, 2009	-	-	80.00	80.00
ILFS Maritime Offshore Pte. Limited (IMOPL) (Upto September 29, 2008)	Singapore	November 29, 2007	-	80.00	-	-

Name of the Subsidiary / Scheme	Country of Incorporation	Date of Acquisition of Control	Proportion of Group's Interest (%)			
			2006-07	2007-08	2008-09	30th Sep 09
ITNL International Pte Limited (IIPL)	Singapore	September 19, 2008	-	-	100.00	100.00
Scheme of ITNL Road Investment Trust (IRIT)	India	March 13, 2007	100.00	100.00	100.00	100.00
Elsamex SA	Spain	March 18, 2008	-	-	100.00	100.00
West Gujarat Expressway Limited (through control over the composition of Board of Directors)	India	June 10, 2009	-	-	-	49.00
Hazaribagh Ranchi Expressway Limited	India	August 1, 2009	-	-	-	73.88
Pune Sholapur Road Development Company Limited	India	September 25, 2009	-	-	-	99.88
Subsidiary Companies (Held through subsidiaries):						
Elsamex SA	Spain	March 18, 2008	-	100.00	-	-
North Karnataka Expressway Limited (NKEL) (from March 21, 2007)	India	March 21, 2007	74.50 @	74.50 @	74.50 @	74.50 @
Inversiones Tyndrum Servicious	Spain	March 18, 2008	-	100.00	100.00	100.00
Proyectos y Promociones inmobilarias Sanchez Marcos SA	Spain	March 18, 2008	-	100.00	100.00	100.00
Atenea Seguridad y Medio Ambiente S.A. (2)	Spain	March 18, 2008	-	95.00	95.02	95.02
Progescan SA	Spain	March 18, 2008	-	100.00	100.00	100.00
Intevia SA	Spain	March 18, 2008	-	77.00	100.00	100.00
Sanchez Marcos SI SA	Spain	March 18, 2008	-	100.00	100.00	100.00
Senalizacion Viales e Imagen S.A.U. (SEVIMAGEN) S.A.U.	Spain	March 18, 2008	-	68.59	68.59	100.00
Elsamex Internacional SRL	Spain	March 18, 2008	-	100.00	100.00	100.00
Grusamar Ingenieria y Consulting SRL	Spain	March 18, 2008	-	100.00	100.00	100.00
Elsamex Portugal Ingeniaría e SG SA	Portugal	March 18, 2008	-	70.01	70.01	70.01
Intevial S.A.	Portugal	March 18, 2008	-	88.73	88.73	88.73
Maintenance and Conservation Vlalidaldes SA (MANCOVI) MEXICO (Construction)	Spain	March 18, 2008	-	56.00	56.00	56.00
Elsamex India Private Limited	India	March 18, 2008	-	70.00	70.00	70.00
Yala Construction Co Private Limited	India	March 18, 2008	-	70.00	70.00	70.00
Especialidades en Construcciones y Mantento Integral SA de CV * !	Mexico	March 18, 2008	-	52.00	52.00	52.00
ESM Mantenimiento Integral SACV	Mexico	March 18, 2008	-	99.00	99.00	99.00
Centro De Investigación Elpidio! Sánchez Marcos, S.A.	Spain	March 18, 2008	-	100.00	100.00	100.00
Control 7, S.A	Spain	March 18, 2008	-	99.90	99.90	99.90
Geotecnia 7	Spain	March 18,	-	51.00	51.00	51.00

Name of the Subsidiary / Scheme	Country of Incorporation	Date of Acquisition of Control	Proportion of Group's Interest (%)			
			2006-07	2007-08	2008-09	30th Sep 09
		2008				
Ecoasfalt Construction Company Private Limited	India	March 18, 2008	-	70.00	70.00	70.00
Grusamar Albania	Albania	March 18, 2008	-	51.00	51.00	51.00
Bastean Sl (up to December 9, 2008)	Spain	March 18, 2008	-	60.00	-	-

* Consolidated using unaudited financial statements of entities for the year ended March 31, 2008

! Consolidated using unaudited financial statements of entities for the period ended June 30, 2009

@ 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 the results (before elimination) of entities which became subsidiaries during the past three years are given below:

I. During the year March 31, 2007

(Rs. in Million)

Particulars	NKEL	GRICL	IRIT
Sources of Funds	**March 31, 2007**	**March 31, 2007**	**March 31, 2007**
Shareholders' Funds as at	1,243.16	1,768.97	1,030.90
Advance towards Share Capital	412.00	1,050.00	-
Loan Funds	5,815.45	3,443.88	-
Deferred Tax Liabilities (net)	345.37	62.79	-
	7,815.98	**6,325.64**	**1,030.90**
Application of Funds as at	**March 31, 2007**	**March 31, 2007**	**March 31, 2007**
Fixed Assets (net block)	2.25	5,003.66	-
Toll Equalisation Reserve	-	1,565.47	-
Receivable under Service Concession Arrangement	6,242.17	-	-
Investments	-	-	512.59
Net Current Assets	1,571.56	(243.49)	518.31
	7,815.98	**6,325.64**	**1,030.90**

Income for the year ended	**March 31, 2007**	**March 31, 2007**	**March 31, 2007**
Income from Operations	21.07	103.00	-
Other Income	0.44	2.23	0.31
	21.51	**105.23**	**0.31**
Expenses for the year ended	**March 31, 2007**	**March 31, 2007**	**March 31, 2007**
Operation & Other expenses	2.73	29.52	0.03
Interest and finance charges	16.06	72.64	-
Depreciation and amortisation	0.02	7.03	-
	18.81	**109.19**	**0.03**
Profit/(Loss) for the year before tax	2.70	(3.96)	**0.28**
Taxes	1.09	(1.45)	**-**
Profit/(Loss) for the year after tax	**1.61**	**(2.51)**	**0.28**

Note: NKEL was an associate of the Company (29.51% holding) up to March 20, 2007. It became a subsidiary of the Company upon acquisition of 49% (including 4% transferred by the Company) of its equity shares through the scheme of IL&FS Road Infrastructure Trust on March 21, 2007. Therefore, it has been consolidated as an associate from April 1, 2006 to March 20, 2007 and thereafter as a subsidiary.

II. During the year March 31, 2008

(Rs. in Million)

Particulars	EHEL	ICRICL	IMOPL	ENSO	Elsamex SA*
Sources of Funds as at	**March 31, 2008**	**March 31, 2008**	**March 31, 2008**	**March 31, 2008**	**March 31, 2008**
Shareholders' Funds	302.91	0.50	256.39	-	382.41
Share Application Money	-	-	-	20.50	-
Loan Funds	750.09	-	2,002.95	-	4,624.40
Deferred Tax Liabilities (net)	6.10	-	-	-	43.72

Particulars	EHEL	ICRICL	IMOPL	ENSO	Elsamex SA*
Sources of Funds as at	**March 31, 2008**	**March 31, 2008**	**March 31, 2008**	**March 31, 2008**	**March 31, 2008**
Minority Interest	-	-	-	-	28.93
	1,059.10	**0.50**	**2,259.34**	**20.50**	**5,079.46**
Application of Funds as at	**March 31, 2008**	**March 31, 2008**	**March 31, 2008**	**March 31, 2008**	**March 31, 2008**
Fixed Assets (net block)	1.20	-	-	-	1,622.89
Goodwill	-	-	-	-	11.85
Receivable under Service Concession Arrangement	570.39	-	-	-	-
Investments	-	-	760.88	-	107.31
Net Current Assets	487.51	0.46	1,435.15	20.01	2,311.36
Profit and Loss Account	-	0.04	63.31	0.49	1,026.05
	1,059.10	**0.50**	**2,259.34**	**20.50**	**5,079.46**
Income for the year ended	**March 31, 2008**	**March 31, 2008**	**March 31, 2008**	**March 31, 2008**	**March 31, 2008**
Income from Operations	570.39	-	-	-	-
Other Income	-	-	2.01	-	-
	570.39	**-**	**2.01**	**-**	**-**
Expenses for the year ended	**March 31, 2008**	**March 31, 2008**	**March 31, 2008**	**March 31, 2008**	**March 31, 2008**
Operation & Other expenses	508.34	0.04	65.32	0.49	-
Interest and finance charges	46.00	-	-	-	-
Depreciation and amortisation	0.14	-	-	-	-
	554.48	0.04	65.32	0.49	-
Profit/(Loss) for the year before tax	**15.91**	**(0.04)**	**(63.31)**	**(0.49)**	**-**
Taxes	6.10	-	-	-	-
Profit/(Loss) for the year after tax	**9.81**	**(0.04)**	**(63.31)**	**(0.49)**	**-**

* The assets and liabilities of Elsamex SA included above are on a consolidated basis. Income and expenditure during the period from the date of acquisition till March 31, 2008 were not significant.

III. During the year March 31, 2009

(Rs. in Million)

	IIPL	VNIPL
Sources of Funds as at	**March 31, 2009**	**March 31, 2009**
Shareholders' Funds	232.29	100.00
Loan Funds	2,369.18	201.08
	2,601.47	**301.08**
Application of Funds as at	**March 31, 2009**	**March 31, 2009**
Fixed Assets (net block)	-	242.85
Investments	964.90	0.44
Net Current Assets	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**	**March 31, 2009**
Income from Operations	40.22	4.94
Other Income	-	0.07
	40.22	**5.01**
Expenses for year ended	**March 31, 2009**	**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)	(2.43)
Taxes	7.52	(0.01)
Profit/(Loss) for the year after tax	**(63.40)**	**(2.42)**

IV. During the half year ended September 30, 2009

(Rs. in Million)

	WGEL	**PSDRCL**	**HREL**
Sources of Funds as at	**September 30, 2009**	**September 30, 2009**	**September 30, 2009**
Shareholders' Funds	712.16	0.44	0.43
Loan Funds	2,015.41	-	-
Deferred Tax Liabilities (net)	54.05	-	-
	2,781.62	**0.44**	**0.43**
Application of Funds as at	**September 30,2009**	**September 30,2009**	**September 30,2009**
Fixed Assets (net block)	2,834.84	1,303.06	-
Investments	-	-	-
Net Current Assets/ (Liabilities)	(53.22)	(1,302.60)	(858.38)
Receivable against Service Concession Arrangements			858.81
	2,781.62	**0.44**	**0.43**

Income for the half year ended	**September 30,2009**	**September 30,2009**	**September 30,2009**
Income from Operations	96.13	-	-
Construction Contract Revenue	-	1,303.04	858.41
Other Income	22.74	-	-
	118.87	**1,303.04**	**858.41**
Expenses for half year ended	**September 30,2009**	**September 30,2009**	**September 30,2009**
Construction Contract Costs	-	1,303.04	858.41
Operation & Other expenses	42.37	0.06	0.07
Interest and finance charges	80.81	-	-
Depreciation	27.05	-	-
	150.23	**1303.10**	**858.48**
Profit/(Loss) for the year before tax	(31.36)	(0.06)	(0.07)
Taxes	(10.66)	-	-
Profit/(Loss) for the year after tax	**(20.70)**	**(0.06)**	**(0.07)**

Income and expenditure of Elsamex SA (on a consolidated basis) considered in the preparation of the Restated CFS for the year ended March 31, 2009 are as under:

Particulars	**(Rs. in Million)**
Income for the period April 1, 2008 to December 31, 2008	
Income from Operations	8,116.81
Other Income	333.00
	8,449.81
Expenses for the period April 1, 2008 to December 31, 2008	
Operation & Other expenses	8,259.91
Depreciation	278.17
	8,538.08
Loss for the year	(88.27)

(4) <u>Interest in Jointly Controlled Entities:</u>

(a) The financial statements (consolidated financial statements where applicable) of the 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 the intra-group balances and intra-group transactions resulting in unrealised profits or losses as required by AS 27 using the proportionate consolidation method.

(b) The accounting policies in the jointly controlled entities have been adjusted, as necessary and to the extent practicable, so as to ensure consistent accounting with the policies stipulated by the Group.

(c) The Group's interest in Jointly Controlled entities are :

Name of the Company	Country of Incorporation	Date of Acquisition of Joint Control	Proportion of Group's Interest (%)			
			2006-07	2007-08	2008-09	30th Sep 09
Tamil Nadu Road Development Company Limited (TNRDCL) (*upto September 30, 2008)	India	June 14, 2006	49.00	49.00	49.00*	-
Noida Toll Bridge Company Limited (NTBCL)	India	Various dates	24.28	25.35	25.35	25.35

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

(5) Interest in Jointly Controlled Operations:

(a) The financial statements (including consolidated financial statements where applicable) of the jointly controlled operations have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating the intra-group balances and intra-group transactions as required by AS 27 using the proportionate consolidation method. The financial statements of the jointly controlled operations are prepared by respective operators in accordance with the requirements prescribed by the joint operating agreements of the jointly controlled operations.

(b) The accounting policies in jointly controlled operations have been adjusted as necessary and to the extent practicable, so as to ensure consistent accounting with the policies stipulated by the Company.

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

Name of the Jointly Controlled Operations	Proportion of Group's Interest		
	2007-08	2008-09	30th Sep 09
ABEDUL ORIHUELA	-	25%	25%
ABEDUL PONFERRADA	-	25%	25%
ABEDUL VILLAVIDEL	-	25%	25%
ABEDUL ZAMORA	-	25%	25%
CGS GEOTEYCO CIESM	30%	-	-
UTE 6/2004	23%	23%	23%
UTE A 32 VANDELLOS	50%	-	-
UTE ABASTECIMIENTO DE HUELVA	-	50%	50%
UTE ABEDUL CACERES	25%	25%	25%
UTE ANDALUCIA	20%	20%	20%
UTE AREA LEON	25%	25%	25%
UTE AREA ZAMORA	25%	25%	25%
UTE AREAS DE SERVICIO	30%	70%	70%
UTE ARUCAS	40%	40%	40%
UTE ASTURIAS	20%	20%	20%
UTE ATENEA GRUSAMAR	50%	50%	50%
UTE ATENEA-GRUSAMAR	-	50%	50%
UTE BASOINSA	-	50%	50%
UTE BIZKAIA III	-	28%	28%
UTE BOCA CHICA SUCURSAL DOMINICANA	-	100%	100%
UTE BRION NOIA	-	80%	80%
UTE CAMPO FUTBOL BLANCA 7	-	50%	50%
UTE CASA DEL QUESO	50%	50%	50%
UTE CGS CIESM	40%	-	-
UTE CGS GEOTECYCO-CIESM	-	30%	30%
UTE CGS GEOTEYCO-CIESM	-	30%	20%
UTE CIES-LABIKER	80%	80%	80%

Name of the Jointly Controlled Operations	Proportion of Group's Interest		
	2007-08	2008-09	30th Sep 09
UTE CIESM ENMACOSA-GEOT	-	24%	-
UTE CIPSA CIESM AGUILAR	40%	-	-
UTE CIUDAD DE LA LUZ	-	50%	50%
UTE CONCESIONARIA A4 UTE CORELSA	-	50%	-
UTE CONSERVACION GRUPO SUR		100%	100%
UTE CONSULTEA	-	50%	50%
UTE CORREDORES VIALES DE COLOMBIA	-	50%	50%
UTE CORUNA 3	-	70%	70%
UTE CORUNA II	-	60%	-
UTE DURANGO II	-	45%	45%
UTE ELSAMEX ALPIDESA	-	50%	-
UTE ELSAMEX ARIAS CORUNA	-	60%	60%
UTE ELSAMEX ARIAS ORENSE	-	75%	75%
UTE ELSAMEX CAUCHIL JAEN	-	80%	80%
UTE ELSAMEX CIESM PEAJE R3	80%	-	-
UTE ELSAMEX CIESM	60%	-	-
UTE ELSAMEX GARCILEN	-	50%	50%
UTE ELSAMEX GRUSAMAR MURCIA	-	50%	-
UTE ELSAMEX INFRAEST.TERRESTRE	-	80%	-
UTE ELSAMEX LOPESAN CONSERV.SUR	-	50%	-
UTE ELSAMEX MAG3 VILADECANS	-	60%	-
UTE ELSAMEX TYOSA OBRAS PUBLICAS	-	50%	-
UTE ELSAMEX-GRUSAMAR MURCIA	-	50%	-
UTE ELSMEX ARIAS OCA	-	50%	-
UTE EMBALSE FLIX	-	50%	50%
UTE EPTISA ELSAMEX CIESM	30%	-	-
UTE ESTEPONA	50%	50%	50%
UTE EXPROPIACION	-	50%	50%
UTE GALLEGO	50%	-	-
UTE GEOCISA CIESM	35%	-	-
UTE GEOCISA CONTROL 7	65%	-	-
UTE GEOCISA-CIESM	-	35%	35%
UTE GEOT-CIESM-ENMAC 2/2006	-	25%	25%
UTE GEOTEYCO CIESM	50%	-	-
UTE GRUSAMAR INT.DAIR	10%	-	-
UTE GRUSAMAR -INTEVIA JAEN	-	50%	-
UTE GRUSAMAR-INASTECAN	-	60%	-
UTE GRUSAMAR -INTEVIA DAIR	-	10%	-
UTE GRUSAMAR-KV PUERTO MAHON	-	80%	-
UTE GRUSAMAR-KV ZARAGOZA	-	50%	50%
UTE GRUSAMAR-PROGES .VTE.SUECA	-	60%	60%
UTE GUADAHORTUNA	-	50%	-
UTE INSERCO GRUSAMAR	50%	-	-
UTE INVERSIONES 2008	-	50%	50%
UTE ITZIAR	-	50%	50%
UTE LINARES	-	50%	50%
UTE LLANES	30%	-	-
UTE MAG 3 ELSAMEX PEAJES ACESA	-	40%	-
UTE MODECAR CHENLO	-	80%	-
UTE NAVAVILLAR DE PELA II		50%	-
UTE OSUNA	-	50%	50%
UTE PEAJE LA JUNQUERA	-	50%	50%
UTE PERI SERRANO URIBE	-	80%	-
UTE PETISA ELSAMEX-CIESM	-	20%	-
UTE POLIDEPORTIVO LA LATINA	-	50%	50%
UTE POLIDEPORTIVOS HORTALEZA	-	50%	50%
UTE POLIDEPORTIVOS TETUAN	-	50%	50%
UTE PONTEMACEIRAS	80%	-	-
UTE PRESAS	50%	50%	50%
UTE PROINTEC	40%	-	-
UTE PROINTEC-GRUSAMAR INGENIERIA	-	50%	-
UTE PYCSA-ATENEA	-	50%	50%

Name of the Jointly Controlled Operations	Proportion of Group's Interest		
	2007-08	2008-09	30th Sep 09
UTE R4	-	50%	-
UTE REFUERZO DE FIRME A 395	-	50%	-
UTE ROMANA SUCURSAL DOMINICANA	-	100%	100%
UTE SEGURIDAD VIAL NORTE	30%	30%	30%
UTE SENALIZACION MADRID	-	60%	-
UTE SENER 1543	50%	-	-
UTE SENER-GRUSAMAR MURCIA	-	50%	-
UTE SIERRA NEVADA	50%	50%	50%
UTE SUPERVISION BALEARES	-	80%	80%
UTE TERUEL 2	-	50%	-
UTE TORREPEROGIL	-	50%	-
UTE TRAVESIA DE HERMIGUA	-	50%	50%
UTE ZENETA SAN JAVIER	-	50%	50%
UTE ANDALUCIA	-	80%	80%
MODECAR PONTEVEDRA	80%	-	-
TUE MAG 3 G63648083	60%	-	-
UTE ABEDUL VILLAVIDEL	25%	-	-
UTE ABEDUL ZAMORA	25%	-	-
UTE ALPIDESA	50%	-	50%
UTE ANDALUCIA	80%	-	-
UTE AREA SERVICIO	70%	-	-
UTE CAMPO DE FUTBOL BLANCA	50%	-	-
UTE CAUCHILL JAEN	80%	-	-
UTE CENLO 6590	80%	-	-
UTE CESFER	50%	-	50%
UTE CGS GEOTEYCO CIESM	80%	-	-
UTE CIESM 1316	60%	-	-
UTE CONSERVACION JAEN	57%	-	-
UTE CORUÑA	60%	-	-
UTE CORUÑA II	60%	-	-
UTE DO VIÑO	60%	-	-
UTE DURANGO	45%	-	-
UTE ELSAMEX ABT	80%	-	-
UTE ELSAMEX ARIAS OCA 6736	50%	-	-
UTE ELSAMEX ASFALTOS REUNIDOS 6452	80%	-	-
UTE ELSAMEX MODECAR 1605	80%	-	-
UTE ELSAMEX MODECAR VILLAJOYOSA	80%	-	-
UTE ELSAMEX SENER	50%	-	-
UTE ELSAN PACSA	50%	-	-
UTE EMTE 6599	50%	-	-
UTE EPTISA CIESM ELSAMEX	30%	-	-
UTE EUROCONSULT	45%	-	-
UTE FITONOVO AEROPUERTO SUR	50%	-	-
UTE FITONOVO POL.ISLETA	50%	-	-
UTE FUENTE EL SAZ	80%	-	-
UTE G84185065	50%	-	50%
UTE GABINETE	75%	-	-
UTE GARCILEN ELSAMEX	-	50%	-
UTE GARCILEN G38801833	50%	-	-
UTE GARCILEN G38844742	50%	-	-
UTE GARCILEN G38844932	50%	-	-
UTE GEOCONTROL	80%	-	-
UTE GUADAHOR	50%	-	50%
UTE GALLEGO	50%	-	-
UTE IBERSENAL	60%	-	-
UTE IMEM	80%	-	-
UTE INASTECAN	60%	-	60%
UTE INECO 11	50%	-	-
UTE INECO VANDELLOS	50%	-	-
UTE INTERSA 5561	80%	-	-
UTE INVERTREN	80%	-	-
UTE JAEN	50%	-	50%

Name of the Jointly Controlled Operations	Proportion of Group's Interest		
	2007-08	2008-09	30th Sep 09
UTE JATIVA	50%	-	-
UTE KV ZARAGOZA	50%	-	-
UTE LA JUNQUERA	50%	-	-
UTE LAIN	50%	-	-
UTE LEON	57%	-	-
UTE MADRID	50%	-	-
UTE MANACOR	50%	-	-
UTE MANTENIMIENTO SEROP ELSAMEX	-	50%	-
UTE MAREAS	60%	-	-
UTE MARQUESINAS	20%	-	-
UTE MEDITERRANEO	50%	-	-
UTE MODECAR 1542	20%	-	-
UTE MODECAR CARRIL BUS	50%	-	-
UTE MODECAR CONO SUR	50%	-	-
UTE MURCIA	50%	-	50%
UTE NIEBLA	20%	-	-
UTE OLVERCO	55%	-	-
UTE ORENSE	75%	-	-
UTE ORIHUELA	25%	-	-
UTE PARKING TAXI	20%	-	-
UTE PAVIMENTOS MORALES	80%	-	-
UTE PEAJES	40%	-	40%
UTE PELA II	50%	-	50%
UTE PERI	80%	-	-
UTE PESCADOR	60%	-	-
UTE PONFERRADA	25%	-	-
UTE PONTEMAC	80%	-	-
UTE PROINTEC GRUSAMAR	50%	-	-
UTE PROINTEC R4	50%	-	50%
UTE PROYECTO OJOS	80%	-	-
UTE PUERTO MAHON	80%	-	-
UTE R.CABAN	60%	-	-
UTE R3	80%	-	-
UTE REDES	60%	-	-
UTE REFUERZO 395	50%	-	50%
UTE RIBADUMIA 6595	80%	-	-
UTE ASTURIAS	80%	80%	80%
UTE RONDES	50%	-	-
UTE LLANES	70%	-	-
UTE SANDO 2	50%	-	50%
UTE SECORDOBA	50%	-	-
UTE SENER BCN	50%	-	-
UTE SEROP	50%	-	50%
UTE TECNOSEÑAL G13443320	50%	-	-
UTE TECNOSEÑAL G84073188	50%	-	-
UTE TECNOSEÑAL G84995729	50%	-	-
UTE TECPORSER	50%	-	-
UTE TERUEL API	50%	-	50%
UTE TORRADO	60%	-	-
UTE TORRES ALAMEDA MODECAR	80%	-	-
UTE UINTEVIA 4463	80%	-	-
UTE UNEVIA VALLADOLID	40%	-	-
UTE VARIANTE SUECA	60%	-	-
UTE VEGRANADA	50%	-	-
UTE VUZCAYA	45%	-	-
UTE ZONA SUR	50%	-	50%
UTE ATENEA GRUSAMAR	50%	-	-
UTE INTERSA	-	-	80%
UTE 6736 EX AR OCA	-	-	50%
UTE 6736 EX AROCA	-	-	50%
UTE CHENLO	-	-	80%
UTE CIESM SG-2/2008	-	-	24%

Name of the Jointly Controlled Operations	Proportion of Group's Interest		
	2007-08	2008-09	30th Sep 09
UTE CORELSA	-	-	50%
UTE G63648083	-	-	60%
UTE GARCILEN	-	-	50%
UTE INT-DSIR	-	-	10%
UTE MAHON	-	-	80%
UTE METRO	-	-	50%
UTE PERI G844698	-	-	80%
UTE RIO ALHAMA	-	-	50%
UTE SEG VIAL MURCIA	-	-	50%
UTE SEG VIAL MURCIA	-	-	20%
UTE SEG VIAL MURCIA	-	-	30%
UTE SENER MURCIA	-	-	50%
UTE TYOSA	-	-	50%

(6) <u>Investments in Associates:</u>

(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 these 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 in associates have been adjusted, as necessary and to the extent practicable, so as to ensure consistent accounting within the Group.

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

Name of the Company	Country of Incorporation	Proportion of Group's Interest (%)			
		2006-07	2007-08	2008-09	30th Sep 09
1.Held directly					
North Karnataka Expressway Limited (NKEL) (upto March 20, 2007)	India	29.51	-	-	-
West Gujarat Expressway Limited (WGEL) (upto June 10th 2009)	India	48.99	48.99	48.99	48.99
Andhra Pradesh Expressway Limited (APEL)	India	48.99	48.99	48.99	48.99
Thiruvananthapuram Road Development Company Limited (TRDCL)	India	49.99	49.99	49.99	49.99
Kohinoor CTNL Infrastructure Company Limited (KCICL) (upto September 29, 2008)	India	48.99	46.39	-	-
ITNL Toll Management Services Limited (ITMSL) (see footnote below)	India	-	48.99	48.99	48.99
2.Held through Subsidiaries					
Centro de Investigaciones Crtas Andalucía	Spain	-	49.00	49.00	49.00
Labetec Ensayos Técnicos Canarios,S.A.	Spain	-	50.00	50.00	50.00
CGI 8	Spain	-	48.00	48.00	48.00
Zheisiang Elsamex Road Tech. Co. *#	China	-	40.29	40.29	38.96
Soc Concesionaria Autovía A-IV S.A.	Spain	-	46.25	48.75	48.75
Abedul AIE	Spain	-	25.00	25.00	25.00
VCS-Enterprises Limited	India	-	30.00	30.00	30.00
Yala	Thailand	-	33.33	33.33	33.33
Ramky Elsamex, Hyderabad *#	India	-	-	26.00	26.00
MIRNA 2006 AIE	Spain	-	-	25.00	-

* Consolidated using unaudited financial statements for the year ended 31st December, 2008.
# Consolidated using unaudited financial statements for the year ended 30th June, 2009.
Footnote: ITMSL is a subsidiary of NTBCL, which is consolidated as a Joint Venture Entity.

(7) Goodwill on consolidation:

(a) Goodwill comprises the portion of the purchase price for an acquisition that exceeds the Group's share of identifiable assets, with deductions for liabilities, calculated on the date of acquisition.

(b) Goodwill arising from the acquisition of associates is included in the value of the holdings in the associate.

(c) Goodwill is deemed to have an indefinite useful life and is reported at acquisition value with deduction for accumulated impairments. An impairment test of goodwill is conducted once every year or more often if there is an indication of a decrease in value. The impairment loss on goodwill is reported in the Profit and Loss Account.

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

(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 a "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 asset 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.

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 constructions / 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 Company are reported at acquisition value, with deductions for accumulated depreciation and impairment losses, if any.

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

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

Depreciation on tangible fixed assets is computed as under:

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

under Schedule XIV to the Companies Act, 1956, based on the Management's estimate of useful life of such assets:

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

(iii) Depreciation on fixed assets, other than on assets specified in Notes 9(a) (i) & (ii) above, has been 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 upto 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 SCA comprise of software and amounts paid for acquisition of commercial rights under an "Operation and Maintenance" agreement of a toll road project.

Such intangible assets are reported at acquisition value with deductions for accumulated amortisation and impairment losses, if any.

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

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

Intangible assets other than those covered by SCA 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, in respect of which rights were acquired by the Company, is amortised over the minimum balance period of the concession agreement relating to the corresponding toll road project. (Refer note no. 7 in Annexure – XXIB)

(10) <u>Government Grants:</u>

(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 and are 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.

(11) <u>Impairment of Assets:</u>

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.

(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, 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 Fund, 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) In the case of stocks of electronic cards (prepaid cards) and on-board units, inventories are valued at the lower of cost and net realisable value. Cost is recognised on first-in-first-out basis.

(14) Revenue Recognition:

(a) Revenue is recognised when it is realised or realisable and earned. Revenue is considered as realised or realisable and earned when it has persuasive evidence of an arrangement, delivery has occurred, the sales price is fixed or determinable and collectability is reasonably assured.
(b) Revenue in respect of arrangements made for rendering services 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 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 a foreign currency which are carried at historical cost 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, a deduction from, the Group's net investments in a foreign entity are also 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. The repayment of receivables or payables forming part of net investment in foreign operations is not considered as partial disposal of investments in foreign operations.

(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) <u>Employee Benefits:</u>

a. Short Term

Short term employee benefits are recognised as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Group.

b. Long Term

The Group has both defined-contribution and defined-benefit plans, of which some have assets in special funds or securities. The plans are financed by the Group and in the case of some defined contribution plans by the Group along with its employees.

(i) Defined-contribution plans

These are plans in which the Group pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the employees' provident fund, family pension fund and superannuation fund. The Group's payments to the defined-contribution plans are reported as expenses during 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 of 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, fringe benefits tax, 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 for 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 were 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 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 statements.

(e) A contingent asset is neither recognised nor disclosed.

(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:

(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.

(21) Earnings Per Share:

(a) Basic earnings per share (before dilution) 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 as aforesaid 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 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.

(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 the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

(b) Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the Profit and Loss Account on the 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 which includes 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 which have 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 AS 3 on Cash Flow Statement.

(27) Preliminary Expenses:

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

ANNEXURE XXI-B: NOTES TO THE RESTATED SUMMARY STATEMENTS

(1) The Group's holding in joint ventures is given below:

Name of the joint venture	% holding			
	As at March 31, 2007	As at March 31, 2008	As at March 31, 2009	As at September 30, 2009
TNDRCL[#]	49.00	49.00	49.00	-
NTBCL	24.28	25.35	25.35	25.35

[#] As the Group has ceased to have joint control over TNRDCL with effect from 29th October, 2008, and the investments in that entity are currently held for disposal in the near future, the Group was unable to obtain the necessary information to make necessary adjustments so as to ensure consistent accounting with the policies stipulated by the Group. The statutory financial statements of TNRDCL as at / for the years ended March 31, 2007 and March 31, 2008 had to be used for preparing the Restated CFS of the Group for those periods. Also, the audited interim financial statements as at / for the period of six months ended September 30, 2008 have been used for preparing the Restated CFS of the Group for the year ended March 31, 2009. The Group's investments in TNRDCL as at September 30, 2009, are carried at a cost of Rs. 15.34 million which is the aggregate of the Group's share in the net assets of TNRDCL as at September 30, 2008 as adjusted for the carrying amount of the relevant goodwill as on that date. The investment in TNRDCL has been disposed off subsequent to September 30, 2009

The proportionate share in assets, liabilities, income and expenditures in the above joint venture companies which are included in these consolidated financial statements, based on the note above, are given below:

(Rs. in Million)

	As at March 31, 2007	As at March 31, 2008	As at March 31, 2009	As at September 30, 2009
Assets				
Net Block (including capital work progress and capital advanced)	1,743.38	2,264.29	1,210.19	1,204.16
Investments	20.15	13.85	48.29	70.07
Toll Equalisation Reserve	333.23	333.23	333.23	333.23
Current Assets	115.15	205.49	5.29	15.69
Loans and advances	86.60	32.70	13.26	14.33
Deferred Tax Asset	3.15	5.90	-	-
	2,301.66	**2,855.46**	**1,610.26**	**1,637.48**
Liabilities				
Reserves and surplus	228.27	286.34	393.74	429.12
Advance Towards Share Capital	-	49.00	-	-
Minority Interest	-	0.06	-	-
Secured Loans	1,039.96	1,265.78	502.14	490.60
Unsecured Loans	106.38	143.37	-	-
Current liabilities	179.69	298.31	38.94	40.98
Provisions	30.71	43.23	24.68	26.20
	1,585.01	**2,086.09**	**959.50**	**986.90**

(Rs. in Million)

	For the year ended	For the year ended	For the year ended	For the half year ended
	March 31, 2007	March 31, 2008	March 31, 2009[*]	September 30, 2009
Income				
Income from Operations	229.43	338.15	236.25	103.91
Other Income	5.79	9.69	3.09	0.55
	235.22	**347.84**	**239.34**	**104.46**
Expenses				
Operating and Administrative Expenses	147.37	189.37	89.82	30.13
Depreciation	16.84	23.15	16.18	5.90
Interest	57.44	59.36	52.76	25.62
Taxes - Current Tax	-	10.4	11.49	7.36
- Deferred Tax	0.14	(2.74)	(0.14)	-

	For the year ended	For the year ended	For the year ended	For the half year ended
	March 31, 2007	March 31, 2008	March 31, 2009 *	September 30, 2009
- Fringe Benefits Tax	0.37	0.63	0.46	-
	222.16	**280.17**	**170.57**	**69.01**

* upto September 30, 2008 in respect of TNRDCL

(Rs. in Million)

	As at March 31, 2007	As at March 31, 2008	As at March 31, 2009	As at September 30, 2009
- Contingent Liabilities	4.98	10.90	6.31	5.20
- Capital commitments	564.02	780.57	1.27	-
- against which advances given	69.58	236.12	-	-

(2) During the year 2008-09, the Company sold its investment in equity shares of one of its subsidiaries viz. IL&FS Maritime Offshore Pte. Limited, Singapore. The financial position and results of the subsidiary for the period ended year ended September 28, 2008 are tabulated as below:

(Rs. in Million)

Sources of Funds	**As at September 28, 2008**
Shareholders' Funds	1,721.35
	1,721.35
Application of Funds	**As at September 28, 2008**
Investments	0.00
Net Current Assets	1,640.19
Profit & Loss Account (debit balance)	81.16
	1,721.35
Income	**For the period April 1, 2008 to September 28 , 2008**
Other Income	154.87
	154.87
Expenses	**For the period April 1, 2008 to September 28 , 2008**
Operation & Other expenses	39.03
Interest Expense	12.43
Foreign exchange loss	113.54
	165.00
Loss for the year / period	(10.13)
Less: Provision for Tax	7.71
Net Loss After Tax	**(17.84)**

(3) **Scheme of Amalgamation with DND Flyway Ltd.:**

The Honourable High Courts of Allahabad and Delhi vide their orders dated 22nd March, 2007 and 21st May, 2007 respectively, approved the scheme of amalgamation of DND Flyway Limited (DND) with its holding company, Noida Toll Bridge Company Limited (NTBCL) from the appointed date viz. 1st July, 2006. Pursuant to the orders, Rs. 434.27 million was recognised as Toll Receivable Account in the consolidated financial statements for the year ended March 31, 2008 by credit to the General Reserve as Group's share. From the amount so recognised the following adjustments were made:

i) Rs. 109.63 million towards additional liability in respect of Zero Coupon Bonds (Series B); Rs. 1.56 million towards Bond Issue Expenses and Rs. 7.49 million towards provision for contingencies was charged against the amount credited to the general reserve as aforesaid;

ii) Rs. 315.58 million was charged against the amount credited to the General Reserve to offset the following items:

(Rs. in Million)

Miscellaneous expenses to the extent not written off as at 31st March, 2007	27.57
Accumulated losses up to 31st March, 2007	285.18
Loan Prepayment Charges	2.83

As these items had been adjusted against the Profit & Loss Account prior to receipt of the aforesaid orders, the correspondence adjustment was made to the opening balance in the Profit and Loss Accounts as at 1st April, 2007.

Further the construction margin amounting to Rs. 101.04 million recognised in respect of the Delhi Noida Toll Bridge Project has been adjusted against the Toll Receivable account. The net credit to the opening Profit & Loss Account amounts to Rs. 214.55 million

(4) 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 dividends become non-cumulative and the CRCPS will become Non-Cumulative Redeemable Convertible Preference Shares (NRCPS) with effect from 1st April, 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 amount of accumulated premium accrued on Redeemable Convertible Preference Shares, and the tax thereon, recognised in restated CFS are as under:

(Rs. in Million)

	As at March 31, 2007	As at March 31, 2008	As at March 31, 2009	As at September 30, 2009
Accumulated Premium	72.19	88.37	104.51	112.61
Accumulated Tax on premium	12.27	15.02	17.76	19.14

(5) 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. 0.05 million each are redeemable at Rs. 0.27 million each at the end of the 15th year from the deemed date of allotment (i.e. 1st July, 2003).

ii. 60,000 Deep Discount Bonds (DDBs) issued by GRICL at Rs. 5,000 each would be redeemed at Rs. 0.03 million each at the end of 16th year, with a "take-out" option at the end of 8th year at Rs. 0.01 million each from the dates of allotment (47,000 DDBs allotted on April 17, 2000, 3,000 DDBs allotted on April 18, 2000, and Rs. 0.01 million 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 60,000 Deep Discount Bonds of Rs. 0.05 million each with subscription value aggregating Rs. 300.00 million (Rs. 100.00 million by the

holding company and Rs. 200.00 million by IDFC) in the event of exercise of "take-out" option 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 17th April 2000, 3,000 DDBs allotted on 18th April 2000 and 10,000 DDBs allotted on 30th November 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 DDB which opted for takeout) from such DDB holders. In respect of balance 16,435 DDBs, IDFC provided the "take-out" finance in the form of loan to GRICL to pay out such other DDB holders

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 from IDFC Rs. 157.55 million (March 31, 2009: Rs. 175.38 million) has been classified as a part of "Secured Loans from Financial Institutions".

iv. The balance outstanding against Deep Discount Bonds (DDBs) includes accrued interest aggregating Rs. 551.33 million as on 30 September, 2009 (Rs. 500.07 million as on 31 March, 2009, Rs. 538.23 million as on 31 March, 2008 & Rs. 445.14 million as on 31 March, 2007) which is payable at the time of redemption of the DDBs.

v. 4,000 Non-Convertible Debentures issued by the above subsidiary on 1st July, 2003, at Rs. 0.05 million 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. 1st July, 2003).

(b) The 15.50% Senior Non-Convertible Debentures (the "Debentures") in an erstwhile jointly controlled entity viz. TNRDCL amounting to Rs. 250.00 million as at March 31, 2008 (March 31, 2007: Rs. 250. 00 million), of which the Group's share of Rs. 95.28 million (March 31, 2007: Rs. 108.89 million) (net of redemption) has been recognised in the Restated CFS. These dues have priority for servicing of interest, principal and other obligations of TNRDCL under the terms of issue. The Debentures were to be redeemable at par in nine years commencing from November 2006 and accordingly the two installments have been redeemed.

(c) A loan of Rs. 500.00 million was sanctioned to a subsidiary of an erstwhile jointly controlled entity for the development and maintenance of IT Corridor from Madhya Kailash Junction to Siruseri disbursed. The amount outstanding as at 31st March 2008 is inclusive of interest accrued up to that date of which the Group's share Rs. 238.96 million has been recognised in the Restated CFS. The repayment will commence from August 2010, after an initial moratorium of 60 months from the date of first disbursement of the loan, in 60 quarterly installments.

(d) A term loan of Rs. 650.00 million was sanctioned to a subsidiary of an erstwhile jointly controlled entity for the IT Corridor project. The Group's share in the liability outstanding as at 31st March 2008 amounted to Rs. 147.00 million which has been recognised in the Restated CFS. The loan is repayable in 40 quarterly installments as per the approved schedule commencing after an initial moratorium period of three years reckoned from the date of first disbursement.

(e) A loan of Rs. 650.00 million was sanctioned to the subsidiary of an erstwhile jointly controlled entity for IT Corridor Project. As per original sanction terms, the loan was to be repaid by 30th June, 2015. During 2007-08, the Group repaid a sum of Rs. 23.53 million and obtained disbursement of Rs. 175.40 million. The lenders have restructured the loan into two phases. Phase I – Rs. 501.30 million is repayable in 26 quarterly installments. Phase II – Rs.148.70 million for which the repayment schedule has not been informed by the lender but is to be repaid within the original payment schedule/period. Thus, for Phase I and II disbursements, the repayment are to be made within the original repayment period stipulated at the time of sanction. The amount outstanding as of 31st March, 2008 under Phase I and Phase II is Rs. 551.87 million of which the Group's share in the liability amounting to Rs. 270.42 million has been recognised in the Restated CFS.

(f) A jointly controlled entity had issued Zero Coupon Bonds (Series B) of face value of Rs. 100 each to Banks, Financial Institutions and Others repayable no later than March 31, 2014 towards the Net Present Value of the sacrifice made by them by way of reduction in interest rates from the contracted terms.

(g) 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 maturity amount is computed based on the contracted rate of interest of 13.6974% per annum up to March 31, 2002 and at 8.50% per annum thereafter. This is in terms of the Scheme of Arrangement approved by the Honourable High Court of Judicature at Allahabad which has been implemented by the jointly controlled entity. The Group's share in the liability of Rs. 34.60 million as at 30th September 2009 (Rs. 33.19 million as at 31st March 2009, Rs. 30.59 million as at March 31, 2008, Rs. 27.00 million as at March 31, 2007) has been included in the CFS

(6) <u>Unsecured Loans of erstwhile Jointly Controlled Entity:</u>

Included in unsecured loans are the following items as share in jointly controlled entities:

(a) A sum of Rs. 31.85 million as at March 31, 2007 being the Group's share in a subordinated loan of Rs. 65.00 million received by the Jointly Controlled Entity which was expected to be interest free and in respect of which terms and conditions were to be agreed upon. Therefore, no interest was accrued on this loan for the year ended 31st March 2007.

(b) A sum of Rs. 24.50 million as at March 31, 2007 being the Group's share in the sum of Rs. 50.00 million received by the Jointly Controlled Entity was expected to be interest free and of which terms and conditions were to be agreed upon. Therefore, no interest is accrued on this loan during the year ended March 31, 2007.

(7) During 2006-07, the Company 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 Company is entitled to routine maintenance price and the operation price for maintaining and operating the project. The Company expects benefits under the O&M contract to accrue until the end of the concession period which is not expected to be earlier than May 12, 2029. Accordingly, the expenditure incurred by the Company for acquisition of the rights is treated as an intangible asset and is being amortised on a straight line basis over the minimum balance period of the concession i.e. 22 years and 7 months (from the date of acquisition of the said rights).

(8) <u>Advance Towards Capital</u>:

(a) As required by the restructuring package approved by the Corporate Debt Restructuring Cell on June 17, 2004, two promoters of a Subsidiary have 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.

(b) During the year 2008-09, a subsidiary viz. ENSO received an advance towards share capital of Rs. 3.75 million from one of its promoters against which allotment was pending as at March 31, 2009.

(c) During the year 2007-08, a jointly controlled entity received advance towards share capital of Rs. 100.00 million from one of its promoters. The Group's share amounting to Rs. 49.00 million has been recognised in the Restated CFS of that year.

(9) <u>Deferred Tax</u>:

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

(Rs. in Million)

Particulars	As at 31st March 2007	As at 31st March 2008	As at 31st March 2009	As at 30th September 2009
Net deferred tax liabilities of the entities other than Jointly Controlled Entities				
Liabilities:				
Timing differences in respect of income	2,004.79	1,896.02	1,817.17	1,861.10
Timing differences in respect of depreciation	-	-	-	492.25
Assets:				
Timing differences in respect of depreciation	(897.80)	(601.52)	(241.90)	-
Timing differences in respect of employee benefits	(0.92)	(4.09)	(5.71)	(6.93)
Timing differences in respect of unabsorbed depreciation	(647.36)	(701.99)	(843.10)	(1,491.35)
Timing differences in respect of provision for doubtful debts	(0.11)	(1.43)	(1.43)	(1.45)
Timing differences in respect of provision for overlay	(47.66)	(63.67)	(77.97)	(131.01)
Net deferred tax liability / (asset)	**410.94**	**523.32**	**647.06**	**722.61**

(Rs. in Million)

Particulars	As at 31st March 2007	As at 31st March 2008	As at 31st March 2009	As at 30th September 2009
Net deferred tax assets of the Jointly Controlled Entities				
Liabilities				
Timing differences in respect of depreciation and deferred expenses	0.26	-	-	-
Assets:				
Timing difference in respect of expenses charged to profit and loss account but allowable in the future years	(3.41)	-	-	-
Timing differences in respect of depreciation and deferred expenses	-	(5.89)	-	-
Net deferred tax liability / (asset)	**(3.15)**	**(5.89)**	**-**	**-**

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.

(10) Toll Receivable Account includes Rs. 1565.47 million being the aggregate shortfall in the assured return upto September 30, 2003, as adjusted for margin recognised during construction, as per the terms of the Concession Agreements in respect of two of the road projects in a subsidiary. The amount was recognised with a corresponding credit to the General Reserve of the subsidiary pursuant to the Order of the Honourable High Court of Gujarat at Ahmedabad dated May 18, 2005, sanctioning the Scheme of Amalgamation of two toll road companies with the subsidiary.

(11) The Company has subscribed to "Covered Warrants" issued by Infrastructure Leasing & Financial Services Limited ("IL&FS") aggregating Rs. 500.00 million as on 30 September 2009 (Rs. 500.00 million as on 31 March 2009, Rs. 250.00 million on 31 March, 2008 and 2007). "Covered Warrants" 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 (50.00 million on 31 March 2009, 25.00 million on 31 March, 2008 and 2007) equity shares of Rs. 10 each held by IL&FS and any further rights, entitlements and bonus declarations in respect thereof. However, the Company would not be entitled to rights and privileges that IL&FS enjoys as a shareholder. The debt 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 Company's investment in the said "Covered Warrants" is included as a part of "Investments".

(12) During the year 2007-08, the Company invested in preference shares carrying a coupon of 2% per annum accrued annually in arrears (coupon) issued by the then associate West Gujarat

Expressway Limited ("WGEL"). These preference shares are convertible, at the option of the investor, into one equity share of the face value of Rs. 10 per share. An additional coupon consisting of 95 % of the balance distributable profits would accrue on preference shares ("Additional Coupon").

The Coupon and the Additional Coupon are payable annually only if WGEL has surplus cash after servicing its lenders and meeting plough back requirements towards capital expenditure as may be decided by its Board of Directors. The unpaid Coupon would be accumulated annually. The unpaid Additional Coupon would be accumulated in a year in which there are distributable profits, which are not distributed. The unpaid Coupon and unpaid Additional Coupon carry a special coupon at 10% per annum compounded with annual rests and shall accrue as special coupon to the investor in addition to the Coupon and Additional Coupon ("Special Coupon").

(13) Derivatives:

(a) During the year 2006-07, the Company, as part of its strategic initiatives to consolidate/restructure its investments in surface transport sector, made direct investments in certain special purpose entities (SPEs) engaged in that sector and invested in units in a scheme of ITNL Road Investment Trust (the Scheme) which in turn has made investments in such SPEs. Amounts invested during the year include derivative instruments in the form of call options.

(b) The amounts outstanding in respect of derivative transactions for the year ended March 31, 2007, 2008 and 2009 are summarised below:

(Rs. in Million)

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

(c) The amounts outstanding in respect of derivative transactions for the half year ended September 30, 2009 are summarised below:

(Rs. in Million)

Category	No of instruments	Call option premium	Exercise price payable
Call option of Equity Shares in subsidiary bought from IL&FS	1	1.25	1.25
Call option of Equity Shares of a subsidiary held by minority	1	55.68	1.48
Call option of Equity Shares of a subsidiary (bought from IL&FS) held by minority	2	71.94	3.79
Call option of Equity Shares of an associate bought from IL&FS	3	163.28	8.59

(d) Amounts paid by the Group towards call option premium in respect of call options acquired by it have been aggregated under the head "Option Premium Assets" classified as a part of "Other Current Assets".

(e) The underlying instruments in respect of the derivative transactions are unquoted and the Company intends to pay the exercise price during the exercise period, as the above transactions in derivative instruments 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 Company's capital commitments.

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.

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

Particulars	2006-07		2007-08		2008-09		September 2009	
	Rs. in Million	Foreign currency (In Million)	Rs. in Million	Foreign currency (In Million)	Rs. in Million	Foreign currency (In Million)	Rs. in Million	Foreign currency (In Million)
Amounts receivable			8.92	USD 0.22	596.95	DOP 405.45	565.66	DOP 418.89
			0.30	NOK 0.04	13.66	ARS 0.97	2.73	ARS 0.22
					261.82	COP 12,455.62	139.13	COP 5,490.48
					119.21	MXN 35.86	80.27	MXN 22.48
					440.41	HNL 156.12	10.36	HNL 3.98
					19.80	SARE 9,487.73	9.83	SARE 5,084.01
					246.12	RUPIAH 54,476.40	90.00	RUPIAH 18,112.83
					21.87	ALE 40.88	6.35	ALE 11.89
					9.14	THB 6.17	0.94	THB 0.65
					50.07	USD 0.98	130.38	USD 2.71

Particulars	2006-07		2007-08		2008-09		September 2009	
	Rs. in Million	Foreign currency (In Million)	Rs. in Million	Foreign currency (In Million)	Rs. in Million	Foreign currency (In Million)	Rs. in Million	Foreign currency (In Million)
Amounts payable	2.70	GBP 0.03	15.25	EUR 0.24	769.40	DOP 522.58	421.80	DOP 312.35
	1.94	USD 0.05			1.03	ARS 0.07	11.84	ARS 0.94
					108.90	COP 5,180.63	118.04	COP 4,658.19
					318.78	MXN 95.89	25.68	MXN 7.19
					31.15	HNL 11.04	458.72	HNL 176.11
					68.30	SARE 32,725.49	9.79	SARE 5,063.09
					132.12	RUPIAH 29,242.85	130.67	RUPIAH 26,296.72
					45.47	ALE 85.01	5.37	ALE 10.05
					3.13	THB 2.11	8.39	THB 5.82
					26.90	USD 0.53	18.32	USD 0.38
					0.30	LKR 0.67	0.29	SGD 0.01

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

(g) A subsidiary company uses foreign currency forward contracts to hedge its risk associated with foreign currency fluctuations relating to certain foreign currency receivables. The subsidiary company does not use forward contracts for speculative purposes.

The details of outstanding forward exchange contracts as at September 30, 2009 is as under:

Number of contracts	Amount (in Million)	INR (Rs. in Million)	Purpose
1	Euro 1.00	70.24	To hedge receivables

(14) A subsidiary of an erstwhile jointly controlled entity received an amount of Rs. 92.20 million from State Government on May 24, 2005 towards Rehabilitation and Resettlement Program to be carried out by it on behalf of the State Government. From this sum, disbursements aggregating Rs. 39.13 million has been made up to March 31, 2008 and Rs. 36.99 million up to March 31, 2007, have been made towards expenses and advances to contractors. The Group's share of Rs. 26.01 million as at March 31, 2008 and Rs. 27.05 million as at March 31, 2007 out of the balance amount of Rs. 53.07 million as at March 31, 2008 and Rs. 55.21 million as at March 31, 2007 have been included under Current Liabilities. The above disbursements are subject to independent certification.

The above referred entity has received a sum of Rs. 350.00 million up to March 31, 2008 (Rs.100.00 million up to March 31, 2007) from the State Electricity Board being part contribution towards construction of service ducts. The Group's share of Rs. 171.50 million upto March 31, 2008 (Rs. 49.00 million up to March 31, 2007) has been included under Current Liabilities pending capitalisation of the project cost.

(15) Included in Sundry Creditors is a sum of Rs. 28.73 million as on 30 September, 2009 (Rs. 28.73 million as on 31 March, 2009, Rs. 28.73 million as at 31 March, 2008 and Rs. 25.64 million as at 31 March, 2007) being dues on account of commitment charges payable to IL&FS for providing an irrevocable Revolving Line of Credit 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.

(16) 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 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, the superannuation fund contributions are made only by the Group. The contributions are normally based on a certain proportion of the employee's salary.

(ii) Following sums have been charged to consolidated profit and loss account in this respect.

(Rs. in Million)

As at 31st March 2007	As at 31st March 2008	As at 31st March 2009	As at 30th September 2009
4.41	14.8	13.12	9.32

Defined–Benefits 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 either on years of service and the employee's Consolidated/Basic Salary (immediately before retirement). The gratuity scheme covers substantially all regular employees. In the case of the gratuity scheme, the Company contributes funds to the Life Insurance Corporation of India. Commitments are actuarially determined at year-end. Actuarial valuation is based on "Projected Unit Credit" method. Gains and losses due to change in actuarial assumptions are charged to the profit and loss account.

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

(Rs. in Million)

	As at 31st March 2007	As at 31st March 2008	As at 31st March 2009	As at 30th September 2009
Present value of commitment	5.32	21.86	21.50	23.02
Fair value of plans	(9.59)	(23.30)	(26.41)	(30.54)
Unfunded liability transferred from Group	-	0.08	-	-

	As at 31st March 2007	As at 31st March 2008	As at 31st March 2009	As at 30th September 2009
Company				
Amount taken to the balance sheet	**(4.27)**	**(1.36)**	**(4.91)**	**(7.52)**

(Rs. in Million)

Defined benefit Commitments: Gratuity	As at 31st March 2007	As at 31st March 2008	As at 31st March 2009	As at 30th September 2009
Opening balance	3.39	5.32	21.86	21.50
Adjustment on account of new acquisition	-	0.05	0.26	-
Interest cost	0.32	0.40	1.20	0.86
Current service cost	1.54	9.13	6.44	4.46
Benefits paid	(1.03)	(1.19)	(12.10)	-
Transferred to other company	-	(1.42)	-	-
Adjustment on account of disposal of investment in joint venture	-	-	(0.47)	-
Actuarial (gain) / loss	1.10	9.56	4.31	(3.81)
Closing balance	**5.32**	**21.86**	**21.50**	**23.01**

(Rs. in Million)

Plan assets: Gratuity	As at 31st March 2007	As at 31st March 2008	As at 31st March 2009	As at 30th Septembe r 2009
Opening balance	6.12	9.59	23.30	26.41
Adjustment on account of additional acquisition in joint venture	-	0.06	-	-
Expected return on plan assets	0.39	1.42	1.74	1.13
Contributions by the Company / Group	4.01	15.48	15.00	1.05
Benefits paid	(1.03)	(0.90)	(12.10)	-
Actuarial gain /(loss)	0.10	(0.93)	(1.10)	1.95
Transferred to other Company	-	(1.42)	-	-
Adjustment on account of disposal of investment in joint venture	-	-	(0.43)	-
Fair value of plan Assets	**9.59**	**23.30**	**26.41**	**30.54**

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

(Rs. in Million)

Return on plan assets : Gratuity	For the year ended 31st March 2007	For the year ended 31st March 2008	For the year ended 31st March 2009	For the half year ended 30th September 2009
Expected return on plan assets	0.44	1.42	1.74	1.13
Actuarial gain /(loss)	0.10	(0.94)	(1.10)	1.95
Actual Return on Plan Assets	**0.54**	**0.48**	**0.64**	**3.08**

(Rs. in Million)

	For the year ended 31st March 2007	For the year ended 31st March 2008	For the year ended 31st March 2009	For the half year ended 30th September 2009
Current service cost	1.54	9.13	6.44	4.46
Interest expenses	0.32	0.40	1.21	0.86
Expected return on investments	(0.43)	(1.42)	(1.74)	(1.13)
Net actuarial gain / (loss)	1.02	10.50	5.41	(5.76)
Expenses charged to Profit and Loss account	**2.45**	**18.61**	**11.32**	**(1.57)**
Add: Reimbursement received	-	-	(1.29)	-
Add: Benefits paid that were not funded by the plan	0.09	-	-	-

	For the year ended 31st March 2007	For the year ended 31st March 2008	For the year ended 31st March 2009	For the half year ended 30th September 2009
Less: Impact on capital reserve	(0.03)	-	-	-
Net	**2.50**	**18.61**	**10.03**	**(1.57)**

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

	For the year ended 31st March 2007		For the year ended 31st March 2008		For the year ended 31st March 2009		For the half year ended 30th September 2009	
	Group entities other than a jointly controlled entity	Jointly controlled entity	Group entities other than a jointly controlled entity	Jointly controlled entity	Group entities other than a jointly controlled entity	Jointly controlled entity	Group entities other than a jointly controlled entity	Jointly controlled entity
Rate for discounting liabilities	8.00%	8.00%	8.00%	7.50%	7.50%	8.00%	7.50% - 8.00%	8.00%
Expected salary increase rate	4.50%	7.00%	6.00%	7.00%	4.00%	6.00%	4.00% - 4.50%	4.00%
Expected return on scheme assets	8.00%	8.10%	8.00%	10.10%	8.00%	8.00%	7.50% - 8.00%	5.00%
Attrition rate	2.00%	Not disclosed	2.00%	Not disclosed	2.00%	Not disclosed	2.00%	Not disclosed
Mortality table used	LIC (1994-96) Ultimate	Not disclosed	LIC (1994-96) Ultimate	Not disclosed	LIC (1994-96) Ultimate	Not disclosed	LIC (1994-96) Ultimate	Not disclosed

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

iii. The amount 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 last three annual periods are given below:

(Rs. in Million)

Gratuity (Funded Plan)	As at 31st March 2007	As at 31st March 2008	As at 31st March 2009	As at 30th September 2009
Defined benefit commitments	5.32	21.86	21.50	23.02
Plan Assets	(9.59)	(23.30)	26.41	(30.54)
Unfunded liability transferred from group companies	-	0.08	-	-
(Surplus) / Deficit	**(4.27)**	**(1.36)**	**(4.91)**	**(7.52)**

(Rs. in Million)

Gratuity (Funded Plan)	For the year ended 31st March 2007	For the year ended 31st March 2008	For the year ended 31st March 2009	For the half year ended 30th September 2009
Experience adjustments on plan commitments	1.36	8.99	6.22	2.17
Experience adjustments on plan assets	0.10	(0.93)	(1.34)	1.95

The Company adopted AS 15 with effect from 1st April, 2006. Hence the information has been provided from that date.

iv. The contribution expected to be made by some of the constituent of the Group during the financial year 2009-10 has not been ascertained.

(17) 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

(Rs. in Million)

Future Lease rentals	For the year ended 31st March 2007	For the year ended 31st March 2008	For the year ended 31st March 2009	For the half year ended 30th September 2009
Within one year	11.14	34.93	8.82	8.66
Over one year but less than 5 years	14.37	9.01	35.15	-
Amount charged to the Profit and loss account for rent	5.48	29.51	35.65	17.73

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) For jointly controlled entities

(Rs. in Million)

Future Lease rentals	For the year ended 31st March 2007	For the year ended 31st March 2008	For the year ended 31st March 2009	For the half year ended 30th September 2009
Within one year	0.94	0.83	-	-
Over one year but less than 5 years	1.40	0.63	-	-
More than 5 years	-	-	-	-
Amount charged to the Profit and loss account for rent	0.73	0.96	-	-

The lease terms do not contain any exceptional / restrictive covenants nor are there any options given to the entity to renew the lease or purchase the properties.

(B) Finance Leases:

(a) Subsidiaries

(Rs. in Million)

Particulars	For the year ended 31st March 2007	For the year ended 31st March 2008	For the year ended 31st March 2009	For the half year ended 30th September 2009
Minimum Lease Payment:				
Amount payable not later than one year	-	249.05	275.18	275.99
Amount payable later than one year but not later than five years	-	535.81	392.01	279.16
Amount payable later than five years	-	111.07	75.65	77.20
Present value of minimum lease payments:				
Amount payable not later than one year	-	207.03	267.11	247.36
Amount payable later than one year but not later than five years	-	479.05	329.32	254.61
Amount payable later than five years	-	99.28	64.61	64.74
Lease Charges:				

Particulars	For the year ended 31st March 2007	For the year ended 31st March 2008	For the year ended 31st March 2009	For the half year ended 30th September 2009
Amount payable not later than one year	-	42.02	8.07	28.62
Amount payable later than one year but not later than five years	-	56.76	62.69	24.55
Amount payable later than five years	-	11.79	11.04	12.46

(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:

(Rs. in Million)

Particulars	For the year ended 31st March 2007	For the year ended 31st March 2008	For the year ended 31st March 2009	For the half year ended 30th September 2009
Minimum Lease Payment:				
Amount payable not later than one year	0.33	0.69	0.69	0.69
Amount payable later than one year but not later than five years	0.88	1.40	0.67	0.36
Amount payable later than five years	-	-	-	-
Present value of minimum lease payments:				
Amount payable not later than one year	0.24	0.51	0.57	0.61
Amount payable later than one year but not later than five years	0.77	1.22	0.65	0.34
Amount payable later than five years	-	-	-	-
Lease Charges:				
Amount payable not later than one year	0.10	0.18	0.12	0.09
Amount payable later than one year but not later than five years	0.12	0.17	0.02	0.02
Amount payable later than five years	-	-	-	-

(18) During the year 2008-09 a subsidiary received a grant of Rs. 271.78 million and during half year ended September 30, 2009 Rs. 190.00 million which has been adjusted against the "Receivable under Service Concession Arrangements"

(19) SEGMENT INFORMATION

(I) Primary - Business Segments:

(Rs. in Million)

	Surface Transportation Business	Trading	Non reportable	Total
Revenue				
External				
2006-07	1,604.37	284.95	0.31	1,889.63
2007-08	3,287.12	348.92	-	3,636.04
2008-09	12,058.99	194.86	0.44	12,254.29
Apr 09 - Sep 09	9,594.07	-	0.58	9,594.65
Other income				
2006-07				91.86
2007-08				738.50
2008-09				1,065.78
Apr 09 - Sep 09				200.90

	Surface Transportation Business	Trading	Non reportable	Total
Total Revenue				
2006-07				1,981.49
2007-08				4,374.54
2008-09				13,320.07
Apr 09 - Sep 09				9,795.55
Segment results				
2006-07	924.48	11.14	0.28	935.90
2007-08	1,853.64	13.15	(65.54)	1,801.25
2008-09	1,675.10	(25.80)	(38.82)	1,610.48
Apr 09 - Sep 09	3,132.77	-	0.36	3,133.13
Unallocated income				
2006-07				7.04
2007-08				541.03
2008-09				819.83
Apr 09 - Sep 09				53.12
Unallocated expenditure				
2006-07				100.80
2007-08				126.91
2008-09				129.85
Apr 09 - Sep 09				29.50
Interest Expenses				
2006-07				214.58
2007-08				1,069.52
2008-09				1,742.98
Apr 09 - Sep 09				1,278.62
Interest Income				
2006-07				84.81
2007-08				197.48
2008-09				245.95
Apr 09 - Sep 09				147.77
Provision for taxation (Including Wealth Tax & Fringe Benefit Tax)				
2006-07				254.58
2007-08				470.58
2008-09				466.11
Apr 09 - Sep 09				791.39
Add: Share of Profit of Associates				
2006-07				55.01
2007-08				73.28
2008-09				(26.77)
Apr 09 - Sep 09				(44.13)
Add: Share of Loss of Minority Interest				
2006-07				1.03
2007-08				(13.48)
2008-09				(31.80)
Apr 09 - Sep 09				(8.11)
Net Profit / (Loss)				

	Surface Transportation Business	Trading	Non reportable	Total
2006-07				513.82
2007-08				932.55
2008-09				278.78
Apr 09 - Sep 09				1,182.28
Segment assets				
March 31, 2007	16,057.26	50.96	461.27	16,569.49
March 31, 2008	28,111.69	-	255.80	28,367.49
March 31, 2009	28,408.86	514.48	27.41	28,950.75
September 30, 2009	36,321.57	-	28.00	36,349.57
Unallocated Assets (Refer footnote 1)				
March 31, 2007				4,079.61
March 31, 2008				7,512.29
March 31, 2009				7,926.57
September 30, 2009				8,124.92
Total Assets				
March 31, 2007				20,649.10
March 31, 2008				35,879.78
March 31, 2009				36,877.32
September 30, 2009				44,474.49
Segment liabilities				
March 31, 2007	457.28	44.50	0.03	501.81
March 31, 2008	7,600.63	-	16.78	7,617.41
March 31, 2009	6,869.28	171.80	0.08	7,041.16
September 30, 2009	6,487.49	-	0.08	6,487.57
Unallocated Liabilities (Refer footnote 2)				
March 31, 2007				12,766.44
March 31, 2008				19,105.71
March 31, 2009				20,975.19
September 30, 2009				27,816.33
Total liabilities				
March 31, 2007				13,268.25
March 31, 2008				26,723.12
March 31, 2009				28,016.35
September 30, 2009				34,303.90
Capital Expenditure				
March 31, 2007	88.15	-	-	88.15
March 31, 2008	520.61	-	-	520.61
March 31, 2009	315.36	-	-	315.36
September 30, 2009	1,962.66	-	-	1,962.66
Depreciation				
2006-07	32.91	-	-	32.91
2007-08	76.09	-	-	76.09
2008-09	353.44	-	-	353.44
Apr 09 - Sep 09	277.14	-	-	277.14
Significant non cash expenditure other than depreciation (unallocated)				
2006-07				115.23
2007-08				163.62

	Surface Transportation Business	Trading	Non reportable	Total
2008-09				154.04
Apr 09 - Sep 09				42.05

(II) Secondary - Geographical Segments:

(Rs. in Millions)

	India	Outside India
Revenue		
2006-07	1,889.63	-
2007-08	3,636.05	-
2008-09	4,193.25	8,061.04
Apr 09 - Sep 09	5,373.21	4,221.44
Segment Assets		
2006-07	16,569.49	-
2007-08	17,667.00	10,700.49
2008-09	17,911.83	11,038.93
Apr 09 - Sep 09	25,569.17	10,780.40
Capital Expenditure		
2006-07	88.15	-
2007-08	520.61	-
2008-09	23.70	291.66
Apr 09 - Sep 09	1,859.11	103.55

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 and capital work in progress and for which segment information was not available.
2) Unallocated liabilities include secured loans, unsecured loans, deferred tax liability, minority interest, preference share capital, proposed dividend, premium and tax thereon.
3) Where segment information relating to capital work in progress ("CWIP") has not been available, such capital expenditure has not been allocated / disclosed under any segment and has been treated as a part of unallocated assets.

(20) Earnings Per Share

(In Million)

Particulars	Unit	For the year ended 31st March, 2007	For the year ended 31st March, 2008	For the year ended 31st March, 2009	For the half year ended 30th September, 2009
Profit after tax and minority interest	Rs.	513.83	932.55	278.77	1,182.27
Premium on preference shares and tax thereon	Rs.	(3.49)	(16.19)	(16.14)	(8.09)
Tax on premium on preference shares	Rs.	(2.79)	(2.75)	(2.74)	(1.38)
Profit available for Equity Shareholders	Rs.	507.55	913.61	259.88	1,172.80
Weighted number of Equity Shares outstanding	Nos	94.78	162.66	171.41	171.41
Nominal Value of equity shares	Rs.	10	10	10	10
Basic Earnings per share	Rs.	5.35	5.62	1.52	6.84
Equity shares used to compute diluted earnings per share	Nos	94.78	162.66	171.41	171.41
Diluted Earnings per share	Rs.	5.35	5.62	1.52	6.84

In the absence of clarity as to the terms of issue against advance towards capital, 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 assets. 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 recognised on financial assets, allocation of annuity into recovery of financial asset, carrying values of financial assets and depreciation of intangible assets and provisions for overlay in respect of service concession agreements are based on such assumptions.

Movements in provision made for overlay are tabulated below:

(Rs. in Million)

Particulars	31st March, 2007	31st March, 2008	31st March, 2009	30th September, 2009
Opening balance	-	149.54	242.14	280.81
Adjustment in opening reserves	137.52	-	-	71.79
Adjustment for new acquisition	-	32.87	-	-
Provision made during the year /half year	12.02	59.73	54.04	41.36
Provision utilised	-	-	(7.53)	-
Adjustment on disposal of joint venture			(7.84)	-
Closing balance	149.54	242.14	280.81	393.97

(22) As explained in note no. 8 of annexure XXI-A

(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:

(Rs. in Million)

	31st March, 2007	31st March, 2008	31st March, 2009	30th September, 2009
Margin on construction services recognised in respect of Intangible Assets upto the year / half year end	586.86	588.71	589.18	634.50
Carrying amounts of Intangible Assets as at the year end	6,211.38	6,595.53	6,899.58	11,280.46
Amortisation charge in respect of Intangible Assets up to the year /half year end	185.86	256.70	244.71	392.03
Units of usage (No. of vehicles)	616,542,229 to 897,294,387	616,542,229 to 897,294,387	616,542,229 to 897,294,387	125,372,025 to 1,864,087,082
Provision for Overlay in respect of Intangible Assets as at the year /half year end	149. 54	242.14	280.81	393.97

(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:

(Rs. in Million)

	31st March, 2007	31st March, 2008	31st March, 2009	30th September, 2009
Margin on the construction and operation & maintenance and renewal services recognised in respect of Financial Assets up to the year / half year end	565.83	629.28	773.36	838.58
Carrying amounts of Financial Assets included under Receivables against Service Concession Arrangements as at the year /half year end	6,238.33	6,469.26	7,317.62	8515.80
Revenue recognised on Financial Assets on the basis of effective interest method upto the year/half year end.	2,404.61	2,996.55	3,652.94	4,032.13

(23) Loans and advances as at March 31, 2008 include a sum of 199.45 million (US$ 5 million) advances by an overseas subsidiary to an Indonesia based coal mining company. The Company has sold its stake in the overseas subsidiary during the year 2008-09.

(24) Group's details of Service Concession Arrangement ("SCA") are provided below:

Gujarat Road And Infrastructure Company Limited (GRICL)

Upon the merger of the erstwhile Vadodara Halol Toll Road Company Limited ("VHTRL") and Ahmedabad Mehsana Toll Road Company Limited ("AMTRL") with GRICL, Service Concession Arrangements ("SCAs") relating to Vadodara Halol Road Project ("VHRP") and the Ahmedabad Mehsana Road Project ("AMRP") with the Government of Gujarat (GoG), devolved on GRICL.

The SCA in respect of VHRP was entered into on 17th October, 1998 while that in respect of AMRP was entered into on 12th May, 1999. The SCA in respect of VHRP envisages the widening of Vadodara-Halol Road (SH 87) beginning at Km 8/300 and ending at Km 40/000 from two lane carriageway to a dual two lane carriageway with physically segregated service roads abutting the main carriageway. The SCA in respect of AMRP envisages the widening of Ahmedabad-Mehsana Road (SH 87) beginning at Km 19 and ending at Km 70.6 (south of Mehsana) including the spur from Chhatral to Kadi 11.5 km long, from two lane carriageway to a dual two lane carriageway with physically segregated service roads abutting the main carriageway.

Both SCAs have been granted for an initial period of 30 years from the "Operations Date" which is 24th October, 2000 in the case of VHRP and 20th February, 2003, in the case of AMRP. The SCAs also envisage GRICL earning designated returns over the period of 30 years. In the event the GRICL is unable to earn the designated return, the SCAs provide for extension of the period of 30 years by two years at a time until the project costs and the returns thereon are recovered by GRICL. Premature termination on the part of GoG (the grantor) without default on the part of GRICL, will require GoG to pay GRICL the total cost of the project and the return thereon remaining to be recovered as on the date of the transfer. Premature termination before the initial period of 30 years on the part of GRICL is not permitted except in the event of a force majeure.

The construction of VHRP was completed on 24th October, 1998, whereas the construction of AMRP was completed on 20th February, 2003. GRICL is required to operate and maintain VHRP and AMRP to standards defined in the SCAs either by itself or through a qualified contractor. Maintenance activities cover routine maintenance, overlays and renewals. GRICL is also required to insure VHRP and AMRP, carry out other maintenance works including illumination installations, traffic signs and markings, landscaping, safety barriers, service area, road furniture etc.

In consideration for performing its obligations under the SCA, GRICL has a right to charge

"Toll" directly to users of VHRP and AMRP and to permit advertisements, hoardings and other commercial activity at the project sites. The SCAs also define the mode of computation of the annual "Toll" revision linking it to the movements in the consumer price index and the custom escalators which in turn takes into account the wholesale price index of fuel, specific materials and labour.

At the end of the concession period, GRICL will hand back VHRP and AMRP to GoG for a nominal consideration of Re. 1 each.

Having regard to the terms of the SCAs, the Company has classified its right to receive "Toll" from the users of VHRP and AMRP as "Intangible assets"

North Karnataka Expressway Limited (NKEL)

NKEL which has been set up as a special purpose entity, has entered into a Service Concession Arrangement (SCA) with the National Highways Authority of India (NHAI) on 20th November, 2001, for the rehabilitation and strengthening of the existing 2 lanes from Km 515 to Km 592 stretch of National Highway 4 ("NH-4") (i.e. the Dharwad-Maharashtra border section of NH-4 in the State of Karnataka – hereinafter referred to as the "Road") and the widening thereof into a 4 lane dual carriageway on a Build-Operate-Transfer ("BOT") basis.

The Concession under the SCA has been granted to NKEL for a period of 17 years and 6 months from 20th June, 2002; thus, the concession period ends on 19th December, 2019. Premature termination is permitted only upon the happening of a force majeure event or upon the parties defaulting on their obligations. The SCA does not provide for renewal options.

NKEL completed the construction of the Road on 19th July, 2004. NKEL is required to operate and maintain the Road to standards defined in the SCA either by itself or through a qualified contractor. Maintenance activities include routine maintenance, periodic maintenance of the flexible pavement at predefined intervals, periodic maintenance of the rigid pavement at the end of a predefined period and emergency maintenance. NKEL is also required to insure the Road, carry out other maintenance works including maintenance of illumination installations, traffic signs and markings, landscaping, safety barriers and pedestrian guard rails, service area, Road furniture etc.

In consideration for performing its obligations under the SCA, NKEL is entitled to an annuity, with predefined sums payable on dates specified in the SCA. NHAI will retain the rights to levy and collect fees from the users of the Road and to permit advertisements, hoardings and other commercial activity at the Road site.

At the end of the concession period, the Company will hand back the Road to the NHAI without additional consideration

Having regard to the terms of the arrangement, the Company has classified its right to receive the annuity as a financial asset (i.e. "Receivables under the Service Concession Arrangement")

East Hyderabad Expressway Limited (EHEL)

EHEL, a special purpose entity, has entered into an SCA with Hyderabad Urban Development Authority (HUDA) on August 31, 2007 to construct the 8-lane expressway (the "Hyderabad Outer Ring Road") to serve as an extension to the outer ring road to Hyderabad city.

The Concession under the SCA has been granted to the Company for a period of 16 years from August 31, 2007. EHEL is required to construct the Hyderabad Road within a period of 3 years from the date of award of the concession. Currently, the Hyderabad Road is under construction. EHEL is also required to operate and maintain the Hyderabad Road to standards defined in the SCA either by itself or through a qualified contractor for 13 years thereafter. Premature termination is permitted only upon the happening of a force majeure event or upon the parties to the SCA defaulting on their obligations. The SCA does not provide for renewal options.

Maintenance activities include routine maintenance, periodic maintenance of the flexible pavement at predefined intervals, periodic maintenance of the rigid pavement at the end of a predefined period and emergency maintenance. EHEL is also required to insure the Road, carry out other maintenance works including maintenance of illumination installations, traffic signs and markings, landscaping, safety barriers and pedestrian guard rails, service area, Road, furniture etc.

In consideration for performing its obligations under the SCA, EHEL will be entitled to an annuity with predefined sums payable on dates specified in the SCA. HUDA will retain the right to levy and collect fees from users of the Hyderabad Road and to permit advertisements, hoardings and other commercial activity at the Hyderabad Road site.

At the end of the concession period EHEL will hand back the Hyderabad Road to HUDA without additional consideration.

Having regard to the terms of the arrangement, the right to receive annuity has been classified as a financial asset (i.e. "Receivables under the Service Concession Arrangement").

Noida Toll Bridge Company Limited (NTBCL)

The SCA in respect of NTBCL was entered into on 12th November, 1997 with New Okhla Industrial Development Authority (NOIDA). The SCA envisages Delhi Noida bridge starting from Ring Road near Maharani Bagh at Delhi side and joins Master Plan road No. 1 at the bridge across Shahdra drain in Noida encompassing a length of approx. 5.6 kms. The Project road crosses Yamuna river via a bridge of 522.5 meter length ("Noida Bridge").

SCA have been granted for an initial period of 30 years from the "Effective Date" which is February 7, 2001. The SCA also envisage NTBCL earning designated returns over the period of 30 years. In the event the NTBCL recovers the total cost of the project along with the designated return prior to the date 30 years from the Effective Date, NTBCL shall transfer the project assets to the granter. In the event the NTBCL is unable to earn the designated return, the SCA provides for extension of the period of 30 years by two years at a time until the project costs and the returns thereon are recovered by NTBCL. Premature termination on the part of NOIDA (the grantor) without default on the part of NTBCL, will require NOIDA to pay NTBCL the total cost of the project and the return thereon remaining to be recovered as on the date of the transfer. Premature termination before the initial period of 30 years on the part of NTBCL is not permitted except in the event of a force majeure.

The construction of Noida Bridge was completed on February 7, 2001. NTBCL is required to operate and maintain Noida Bridge to standards defined in the SCA either by itself or through a qualified contractor. Maintenance activities cover routine maintenance, overlays and renewals. NTBCL is also required to insure Noida Bridge, carry out other maintenance works including illumination installations, traffic signs and markings, landscaping, safety barriers, service area, road furniture etc.

In consideration for performing its obligations under the SCA, NTBCL has a right to charge "Fee" directly to users of Noida Bridge and to permit advertisements, hoardings and other commercial activity at the project sites. The SCA also define the mode of computation of the annual "Fee" revision linking it to the movements in the consumer price index.

At the end of the concession period, NTBCL will hand back Noida Bridge to NOIDA for a nominal consideration of Re. 1 each.

Having regard to the terms of the SCA, NTBCL has classified its right to receive "Fee" from the users of Noida Bridge as "Intangible assets"

Tamil Nadu Road Development Company Limited (TNRDCL)

The SCA in respect of TNRDCL was entered into on 22nd December 2000 with Governor of the State of Tamil Nadu (GoTN). The SCA envisages widening and strengthening of the select stretch which begins at Km. 22/300 near Sholinganallur Road Junction and extends upto and including Km 135/500 near outer district of Pondicherry to two lane paved/hard shoulder configuration, re-alignment ("Project Facility")

SCA have been granted for an initial period of 31 years from the "Operations Date". The SCA also envisage TNRDCL earning designated returns over the period of 31 years. In the event TNRDCL is unable to earn the designated return, the SCA provides for extension of the period of 31 years by two years or at a time until the outstanding cost of the project and the returns thereon have been recovered by TNRDCL. However, GoTN is not obliged to extend the concession period beyond 36 years from the date of financial close. Premature termination on the part of GoTN (the grantor) without default on the part of TNRDCL, will require GoTN to pay TNRDCL the total cost of the project and the return thereon remaining to be recovered as on the date of the transfer. Premature termination before the initial period of 31 years on the part of TNRDCL is not permitted except in the event of a force majeure.

TNRDCL is required to operate and maintain Road to standards defined in the SCAs either by itself or through a qualified contractor. Maintenance activities cover routine maintenance. TNRDCL is also required to insure Road, carry out other maintenance works including illumination installations, traffic signs and markings, landscaping, safety barriers, service area, road furniture etc.

In consideration for performing its obligations under the SCA, TNRDCL has a right to charge "Toll" directly to users of Road. The SCA also defines the mode of computation of the annual "Toll" revision based upon a formula providing for fixed percentage increase every year. SCA also provides for in between the year review of Toll based upon certain exceptional circumstances as mentioned under the terms.

At the end of the concession period, TNRDCL will hand back "Project Facility" to GoTN without consideration.

Having regard to the terms of the SCAs, TNRDCL has classified its right to receive "Toll" from the users of "Project Facility" as "Intangible assets"

Elsamex SA Group (Elsamex)

The Elsamex SA, its subsidiaries and joint ventures, (the "Elsamex Group") have entered into SCAs 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 respective 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

Premature termination is permitted only upon the happening of a force majeure event or upon the parties to the SCA defaulting on their obligations.

Maintenance activities for the gas stations 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 a compensation from the oil companies computed at a predefined proportion of the sale of products at the gas stations.

In consideration for performing its obligations under the SCA, Elsamex is entitled to a compensation from the grantor in the form of a "shadow toll" based on the units of usage i.e. the number of vehicles using the road.

ITNL Road Infrastructure Development Company Limited (IRIDCL)

IRIDCL, a special purpose entity, has entered into SCA on April 1, 2009 with The President of India, represented by Special Secretary and Director General (Road Development), DORTH (hereinafter referred to as the "Authority") for development of Beawar-Gomti section of NH-8 (the Project) in the State of Rajasthan through private participation on Design, Build, Finance, Operate and Transfer (DBFOT) basis. As per the SCA, IRIDCL is required to Construct, Operate and Maintain the Project for a period of 30 years commencing from the appointed date. The Concession period of the SCA is 11 years including construction period of 455 days required for 2- laning of the Project.

As per the SCA, IRIDCL is required to operate and maintain the project highway by itself or through operation and maintenance contractors and if required, modify, repair, carry out improvements to the project highway to comply with specifications and standards and other requirements set forth in the agreement, good industry practice, applicable laws and applicable permits.

In consideration for performing its obligations under the SCA, IRIDCL will be entitled to collect toll/user charges from the users of the infrastructure assets/facility on completion of the construction activities.

At the end of the concession period IRIDCL will hand back the road to DORTH without additional consideration.

Having regard to the terms of the arrangement, the right to collect toll/user charges from the users has been classified as an "Intangible assets".

West Gujarat Expressway Limited (WGEL)

WGEL, a special purpose entity, has entered into an SCA with National Highways Authority of India (NHAI) on March 22, 2005. The Concession under the SCA has been granted to the Company for a period of 20 years ending on September 17, 2025. WGEL is required to design, construct, develop, design, engineer, finance, procure, operate and maintain the Jetpur-Gondal-Rajkot Project in the state of Gujarat on Build, Own and Transfer basis. Premature termination is permitted only upon the happening of a force majeure event or upon the parties to the SCA defaulting on their obligations. The SCA does not provide for renewal options.

In the event of NHAI, Government of India (GOI) or Government of Gujarat (GOG), as the case may be, constructing or permitting construction of any additional tollway at any time after 8 years from the appointed date (i.e. September 18, 2005), the Concession Period would be increased by half the number of years by which the commissioning precedes the expiry of the Concession Period

User Fees to be levied for using the said additional tollway cannot be less than an amount which is 133% of the per kilometre fee levied, for using the existing Project Highway.

As per the SCA, the Company is required to operate and maintain the project highway by itself or through operation and maintenance contractors and if required, modify, repair, carry out improvements to the project highway to comply with specifications and standards and other requirements set forth in the agreement, good industry practice, applicable laws and applicable permits.

In consideration for performing its obligations under the SCA, WGEL will be entitled to collect toll/user charges from the users of the infrastructure assets/facility on completion of the construction activities.

The concession agreement provides for annual revision of user fees linked to the extent of variation in Wholesale Price Index (WPI) as per the Fee Notification, and that save and except as provided in Fee Notification, the Company is not entitled to and shall not seek any relief whatsoever from NHAI, GOI or GOG, on account of increase or otherwise in WPI or on any other account except in accordance with the express provisions of the concession agreement.

Under the terms of the concession agreement, WHEL is required to provide NHAI cash payment (the "Negative Grant") aggregating Rs. 280 crores and NHAI in return provide to the Company cash support (the "Grant") aggregating Rs. 40 Crores. As per the terms of the concession agreement the Grant is required to be applied for meeting the capital cost of the Project and expenditure during operations period.

At the end of the concession period WGEL will hand back the road to NHAI without additional consideration.

Having regard to the terms of the arrangement, the right to collect toll/user charges from the users has been classified as an "Intangible assets".

Hazaribagh Ranchi Expressway Limited (HREL)

HREL, a special purpose entity, has entered into an SCA with National Highways Authority of India (NHAI) on October 8, 2009. The Concession under the SCA has been granted to the Company for a period of 18 years from October 8, 2009. HREL is required to design, construct, develop, finance, operate and maintain 4 laning Hazaribagh-Ranchi section of NH-33 from km 40.500 to km 114.000 in the state of Jharkhand on Build, Own and Transfer basis. Premature termination is permitted only upon the happening of a force majeure event or upon the parties to the SCA defaulting on their obligations. The SCA does not provide for renewal options.

As per the SCA, the Company is required to operate and maintain the project highway by itself or through operation and maintenance contractors and if required, modify, repair, carry out improvements to the project highway to comply with specifications and standards and other requirements set forth in the agreement, good industry practice, applicable laws and applicable permits.

In consideration for performing its obligations under the SCA, HREL will be entitled to an annuity with predefined sums payable on dates specified in the SCA. NHAI will retain the right to levy and collect fees from users of the road and to permit advertisements, hoardings and other commercial activity at the road site.

At the end of the concession period HREL will hand back the road to NHAI without additional consideration.

Having regard to the terms of the arrangement, the right to receive annuity has been classified as a financial asset (i.e. "Receivables under the Service Concession Arrangement").

Pune Sholapur Road Development Company Limited (PSRDCL)

PSRDCL, a special purpose entity, has entered into an SCA with National Highways Authority of India (NHAI) on September 30, 2009. The Concession under the SCA has been granted to the Company for a period of 20 years from September 30, 2009. PSRDCL is required to design, finance, construct, operate and maintain 4 laning Pune Sholapur section of NH-9 from km 144.400 to km 249.000 in the state of Maharashtra on Design, Build, Finance, Operate Own and Transfer basis. Premature termination is permitted only upon the happening of a force majeure event or upon the parties to the SCA defaulting on their obligations. The SCA does not provide for renewal options.

As per the SCA, the Company is required to operate and maintain the project highway by itself or through operation and maintenance contractors and if required, modify, repair, carry out improvements to the project highway to comply with specifications and standards and other requirements set forth in the agreement, good industry practice, applicable laws and applicable permits.

In consideration for performing its obligations under the SCA, PSRDCL will be entitled to collect toll/user charges from the users of the infrastructure assets/facility on completion of the construction activities.

At the end of the concession period PSRDCL will hand back the road to NHAI without additional consideration.

Having regard to the terms of the arrangement, the rights to collect toll/user charges from the users has been classified as an "Intangible assets".

(25) A set of Restated Consolidated Financial Statements for the years ended March 31, 2007, 2008 and 2009 and for the half year ended September 30, 2009, were approved by the Board of Directors in their meeting held on November 30, 2009 and on which the statutory auditors of the Company had issued their report dated November 30, 2009. The Securities and Exchange Board of India ("SEBI"), vide letter dated January 20, 2010, provided the Company with its observations on the Draft Red Herring Prospectus filed on September 29, 2009. Based on SEBI's observations, modifications to the Restated Consolidated Financial Statements approved by the Board of Directors on November 30, 2009, have been incorporated in these Restated CFS, except to the extent that the financial statements of a subsidiary and two associates within the Group, have not been audited. The following table provides a summary of the total assets, revenues and net cash flows included in the Restated CFS (net of eliminations) in respect of the subsidiary and associate companies that have not been audited:

(Rs. in million)

Particulars	**As at for the half year ended 30th September**	**As at and for the financial years ended 31st March**	
	2009	**2009**	**2008**
Number of Subsidiaries	1	-	1
Total Assets (net of current liabilities and provisions)	(6.38)	-	(5.01)
% to Total Assets (net of current liabilities and provisions) of the Group	NA	-	NA
Revenues	-	-	-
% to Total Revenues of the Group	-	-	-
Net Cash Inflow / (Outflow)	0.19	-	-
% to Total Net Cash Flows of the Group	0.28%	-	-
Number of Associates	2	2	-
Group's share of profit/(loss) in Associates (net)	1.01	(10.71)	-
% of Total Profit of the Group	0.09%	NA	-

For the reasons stated above, the Restated Consolidated Financial Statements approved by the Board of Directors on November 30, 2009 stand withdrawn.

ANNEXURE XXII: DETAILS OF CONSOLIDATED SECURED AND UNSECURED LOANS

(Rs. in Million)

Particulars	As at			
	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
Secured				
(Refer note 5 of annexure XXI-B)				
From Banks	7,366.42	7,693.94	7,532.95	11,259.52
From Financial Institutions	181.69	92.17	330.61	348.61
From Others	1,406.03	1,182.94	750.46	671.67
Non Convertible Debentures	308.89	125.86	200.00	200.00
Deep Discount Bonds	872.14	772.99	851.08	903.76
Funded Interest	10.57	-	-	-
Lease Finance (Refer note 17 of annexure XXI-B)	1.00	787.09	662.27	567.66
Zero Coupon Bonds	139.32	119.67	105.59	105.59
Interest Accrued and Due	3.89	-	0.72	-
Total Secured Loans	**10,289.95**	**10,774.66**	**10,433.68**	**14,056.81**
Unsecured				
(Refer note 6 of annexure XXI-B)				
From entities other than banks and subsidiaries				
Short term loans	36.42	783.37	1,153.30	2,565.45
Other than short term loans	69.96	-	-	25.17
From Banks				
Short term loans	-	2,578.51	2,954.84	3,663.84
Other than Short term	-	2,000.00	4,000.00	3,500.00
Interest accrued and due on loans	-	0.83	0.11	-
Subordinate non-Convertible Debentures	-	-	-	360.00
Total Unsecured Loans	**106.38**	**5,362.71**	**8,108.25**	**10,114.46**

ANNEXURE XXII A: STATEMENT OF RESTATED SECURED & UNSECURED LOANS

Sr. No.	Lender and date of agreement	Company	Nature of Borrowing &lender status (FI/Bank/ Other)	Amount Sanctioned (Rs. in Million)	Rate of Interest	Repayment	Security (in case of Secured Loans)	Amount outstanding as at 30-Sep-09 (Rs. in Million)
1	Agreement dated March 15, 1999 with Infrastructure Leasing & Financial Services Ltd.	GRICL	Subordinate Loan (Others)	100.00	12.50% (Refer Note 1)	108 monthly equal installments of Rs. 1.00 million starting from April 1, 2005 (Refer Note 4)	Loans from financial institutions, banks and others aggregating excluding CDR are secured by first charge on all present and future immovable properties including project assets and hypothecation of all present and future tangible and intangible movable assets and monies, instruments, receivables and	53.13
2	Loan Agreement dated December 28, 2000 with Infrastructure Leasing & Financial Services Ltd.	GRICL	Line of Credit (Others)	150.00	12.50% (Refer Note 1)	108 monthly equal installments of Rs. 1.01 million starting from April 1, 2005 (Refer Note 4)		53.56
3	Loan Agreement dated March 15, 1999 with Infrastructure Leasing & Financial Services Ltd.	GRICL	Term Loan (Others)	350.00	12.50% (Refer Note 1)	108 monthly equal installments of Rs. 0.68 million starting from April 1, 2005 (Refer Note 4)		36.34
4	Loan Agreement	GRICL	Term Loan	500.00	12.50%	96 monthly equal		208.95

Sr. No.	Lender and date of agreement	Company	Nature of Borrowing &lender status (FI/Bank/ Other)	Amount Sanctioned (Rs. in Million)	Rate of Interest	Repayment	Security (in case of Secured Loans)	Amount outstanding as at 30-Sep-09 (Rs. in Million)
	with Infrastructure Leasing & Financial Services Ltd.		(Others)		(Refer Note 1)	installments of Rs. 3.94 million from April 1, 2006 (Refer Note 4)	investment of the subsidiary. The Company is in process of creating charge in respect of loan taken from financial institution (IDFC Ltd.)	
5	Loan Agreement dated June 17, 2004 with Infrastructure Leasing & Financial Services Ltd.	GRICL	Term Loan under CDR (Others)	108.50	12.50% (Refer Note 1)	108 monthly equal installments of Rs. 0.90 million starting from April 1, 2005 (Refer Note 4)		80.47
6	Loan Agreement dated June 23, 2004 with Infrastructure Leasing & Financial Services Ltd.	GRICL	Term Loan under CDR (Others)	91.50	12.50% (Refer Note 1)	96 monthly equal installments of Rs. 0. 76 million from April 1, 2006 (Refer Note 4)		67.86
7	Loan Agreement dated February 19, 2001 with Bank of Baroda	GRICL	Term Loan (Bank)	250.00	12.50% (Refer Note 1)	96 monthly equal installments of Rs. 1.15 million from April 1, 2006 (Refer Note 4)		61.01
8	Loan Agreement dated November 4, 1999 with Bank of Baroda	GRICL	Term Loan (Bank)	100.00	12.50% (Refer Note 1)	108 monthly equal installments of Rs. 0. 49 million starting from April 1, 2005 (Refer Note 4)		26.45
9	Loan Agreement dated February 16, 2001 with Central Bank of India	GRICL	Term Loan (Bank)	250.00	12.50% (Refer Note 1)	96 monthly equal installments of Rs. 1.15 million from April 1, 2006 (Refer Note 4)		61.01
10	Loan Agreement dated April 9, 1999 with Central Bank of India	GRICL	Term Loan (Bank)	100.00	12.50% (Refer Note 1)	108 monthly equal installments of Rs. 0.57 million starting from April 1, 2005 (Refer Note 4)		30.27
11	Loan Agreement dated April 16, 1999 with Gujarat Industrial Investment Corporation Ltd.	GRICL	Term Loan (FI)	100.00	12.50% (Refer Note 1)	108 monthly equal installments of Rs. 0.37 million starting from April 1, 2005 (Refer Note 4)		19.91
12	Loan Agreement dated April 17, 2008 with Infrastructure Development Finance Co. Ltd.	GRICL	Term Loan (FI)	116.60	12.50% (Refer Note 1)	68 monthly equal installments of Rs. 1.71 million from August 1, 2008 (Refer Note 4)		90.88
13	Loan Agreement dated November 27, 2008 with Infrastructure Development Finance Co. Ltd.	GRICL	Term Loan (FI)	79.25	12.50% (Refer Note 1)	63 monthly equal installments of Rs. 1.25 million from January 1, 2009 (Refer Note 4)		66.67

Sr. No.	Lender and date of agreement	Company	Nature of Borrowing &lender status (FI/Bank/ Other)	Amount Sanctioned (Rs. in Million)	Rate of Interest	Repayment	Security (in case of Secured Loans)	Amount outstanding as at 30-Sep-09 (Rs. in Million)
14	Loan Agreement dated March 15, 1999 with Industrial Development Bank of India Ltd.	GRICL	Term Loan (Bank)	250.00	12.50% (Refer Note 1)	108 monthly equal installments of Rs. 1.31 million starting from April 1, 2005 (Refer Note 4)		69.92
15	Loan Agreement dated October 4, 2001 with Industrial Development Bank of India Ltd.	GRICL	Term Loan (Bank)	348.50	12.50% (Refer Note 1)	96 monthly equal installments of Rs. 2.74 million from April 1, 2006 (Refer Note 4)		145.63
16	Loan Agreement dated August, 17, 2001 with The Jammu & Kashmir Bank Ltd.	GRICL	Term Loan (Bank)	250.00	12.50% (Refer Note 1)	96 monthly equal installments of Rs. 1.15 million from April 1, 2006 (Refer Note 4)		61.01
17	Loan Agreement dated January 2, 2002 with Life Insurance Corporation of India	GRICL	Term Loan (FI)	200.00	12.50% (Refer Note 1)	96 monthly equal installments of Rs. 0.92 million from April 1, 2006 (Refer Note 4)		48.89
18	Loan Agreement dated June 13, 2001 with State Bank of Hyderabad	GRICL	Term Loan (Bank)	100.00	12.50% (Refer Note 1)	96 monthly equal installments of Rs. 0.45 million from April 1, 2006 (Refer Note 4)		24.24
19	Loan Agreement dated February 23, 2001 with State Bank of India	GRICL	Term Loan (Bank)	250.00	12.50% (Refer Note 1)	96 monthly equal installments of Rs. 1.15 million from April 1, 2006 (Refer Note 4)		61.01
20	Loan Agreement dated December 24, 1999 with State Bank of India	GRICL	Term Loan (Bank)	150.00	12.50% (Refer Note 1)	108 monthly equal installments of Rs. 0.75 million starting from April 1, 2005 (Refer Note 4)		40.11
21	Non-convertible Debentures to Infrastructure Leasing & Financial Services Ltd.	GRICL	Debentures (Others)	200.00	12.50% (Refer Note 1)	5 equal annual installment of Rs. 40.00 million each commencing at the end of 11 year from the date of allotment i.e. July 1, 2014	Secured by a pari-passu first charge in favour of the Trustee along with the other senior lenders of the Company on the project assets and all tangible and intangible assets, including but not limited to rights over the project site, project documents, financial assets such as	200.00

Sr. No.	Lender and date of agreement	Company	Nature of Borrowing &lender status (FI/Bank/ Other)	Amount Sanctioned (Rs. in Million)	Rate of Interest	Repayment	Security (in case of Secured Loans)	Amount outstanding as at 30-Sep-09 (Rs. in Million)
							receivables, cash, investments, insurance proceeds, etc.	
22	Deep Discount Bonds to Infrastructure Leasing & Financial Services Ltd. (Refer Note 3)	GRICL	Bonds (Others)	100.00	12.50% (Refer Note 1)	Date of Maturity July 1, 2018 (Refer Note 4)	Deep Discount Bonds along with interest accrued but not due are secured by a pari-passu first charge in favour of the Trustee along with the other senior lenders of the Company on the respective project assets and all tangible and intangible assets, including but not limited to rights over the project site, project documents, financial assets such as receivables, cash, investment, insurance proceeds, etc.	196.34
23	Deep Discount Bonds (Refer Note 3)	GRICL	Bonds (Others)	300.00	12.50% (Refer Note 1)	Date of Maturity April 17, 2016 (Refer Note 4)		672.82
24	PUNJAB NATIONAL BANK- Amended & restated payment schedule dated 31st March, 2005	NKEL	Term loan (Bank)	651.53	8.50% (Refer Note 2)	Half Yearly Payment i.e. 5th July & 4th Jan as per the revised Repayment Schedule	Loans obtained from banks (covered under Amended and Restated Rupee Loan Agreement & New Term Loan Agreement) are secured by first charge on all present and future tangible movable assets, project documents, insurance policies, annuity, project guarantees under engineering procurement construction contract and operation & maintenance contract, book debts and other debts, receivables, commissions,	506.53
25	ALLAHABAD BANK- Amended & restated payment schedule dated 31st March, 2005	NKEL	Term loan (Bank)	282.01	8.50% (Refer Note 2)	Half Yearly Payment i.e. 5th July & 4th Jan as per the revised Repayment Schedule		219.25
26	BANK OF MAHARASHT RA- Amended & restated payment schedule dated 31st March, 2005	NKEL	Term loan (Bank)	233.50	8.50% (Refer Note 2)	Half Yearly Payment i.e. 5th July & 4th Jan as per the revised Repayment Schedule		181.54
27	INDIAN OVERSEAS BANK- Amended & restated payment schedule dated 31st March,	NKEL	Term loan (Bank)	233.50	8.50% (Refer Note 2)	Half Yearly Payment i.e. 5th July & 4th Jan as per the revised Repayment Schedule		181.54

Sr. No.	Lender and date of agreement	Company	Nature of Borrowing &lender status (FI/Bank/ Other)	Amount Sanctioned (Rs. in Million)	Rate of Interest	Repayment	Security (in case of Secured Loans)	Amount outstanding as at 30-Sep-09 (Rs. in Million)
	2005.						revenues, claims of chooses-in-action and monies lying to the credit of or liable to be credited to trust & retention account and other accounts including balances in depreciation/sinking fund, and the rights, title, interest, benefits, claims of demand thereto.	
28	UCO BANK- Amended & restated payment schedule dated 11th April, 2005.	NKEL	Term loan (Bank)	233.28	8.50% (Refer Note 2)	Half Yearly Payment i.e. 5th July & 4th Jan as per the revised Repayment Schedule		181.37
29	ORIENTAL BANK OF COMM- Amended & restated payment schedule dated 31st March, 2005	NKEL	Term loan (Bank)	233.50	8.50% (Refer Note 2)	Half Yearly Payment i.e. 5th July & 4th Jan as per the revised Repayment Schedule		181.54
30	UNION BANK OF INDIA- Amended & restated payment schedule dated 31st March, 2005	NKEL	Term loan (Bank)	233.50	8.50% (Refer Note 2)	Half Yearly Payment i.e. 5th July & 4th Jan as per the revised Repayment Schedule		181.54
31	BANK OF INDIA- Amended & restated payment schedule dated 31st March, 2005	NKEL	Term loan (Bank)	461.00	8.50% (Refer Note 2)	Half Yearly Payment i.e. 5th July & 4th Jan as per the revised Repayment Schedule		358.39
32	CENTRAL BANK OF INDIA- Amended & restated payment schedule dated 12th April, 2005	NKEL	Term loan (Bank)	467.00	8.50% (Refer Note 2)	Half Yearly Payment i.e. 5th July & 4th Jan as per the revised Repayment Schedule		363.05
33	PUNJAB & SIND BANK- Amended & restated payment schedule dated 31st March, 2005	NKEL	Term loan (Bank)	462.01	8.50% (Refer Note 2)	Half Yearly Payment i.e. 5th July & 4th Jan as per the revised Repayment Schedule		359.20
34	JAMMU & KASHMIR BANK- Amended & restated payment schedule dated 28th April, 2005	NKEL	Term loan (Bank)	462.00	8.50% (Refer Note 2)	Half Yearly Payment i.e. 5th July & 4th Jan as per the revised Repayment Schedule		359.19
35	STATE BANK OF PATIALA- Amended & restated payment schedule dated 12th April, 2005	NKEL	Term loan (Bank)	233.52	8.50% (Refer Note 2)	Half Yearly Payment i.e. 5th July & 4th Jan as per the revised Repayment Schedule		181.56
36	VIJAYA BANK- Amended & restated payment	NKEL	Term loan (Bank)	233.50	8.50% (Refer Note 2)	Half Yearly Payment i.e. 5th July & 4th Jan as per the revised		181.54

Sr. No.	Lender and date of agreement	Company	Nature of Borrowing &lender status (FI/Bank/ Other)	Amount Sanctioned (Rs. in Million)	Rate of Interest	Repayment	Security (in case of Secured Loans)	Amount outstanding as at 30-Sep-09 (Rs. in Million)
	schedule dated 12th April, 2005					Repayment Schedule		
37	BANK OF BARODA- [Rupee Loan Agreement (For new loan) dated 11th April, 2005]	NKEL	Term loan (Bank)	500.00	8.50% (Refer Note 2)	Half Yearly Payment i.e. 5th July & 4th Jan as per the revised Repayment Schedule		250.11
38	BANK OF INDIA- [Rupee Loan Agreement (For new loan) dated 13th April, 2005]	NKEL	Term loan (Bank)	217.00	8.50% (Refer Note 2)	Half Yearly Payment i.e. 5th July & 4th Jan as per the revised Repayment Schedule		166.77
39	CANARA BANK- [Rupee Loan Agreement (For new loan) dated 13th April, 2005]	NKEL	Term loan (Bank)	1,000.00	8.50% (Refer Note 2)	Half Yearly Payment i.e. 5th July & 4th Jan as per the revised Repayment Schedule		500.13
40	INDIAN OVERSEAS BANK- [Rupee Loan Agreement (For new loan) dated 31st March, 2005]	NKEL	Term loan (Bank)	66.50	8.50% (Refer Note 2)	Half Yearly Payment i.e. 5th July & 4th Jan as per the revised Repayment Schedule		51.07
41	JAMMU & KASHMIR BANK- [Rupee Loan Agreement (For new loan) dated 1st April, 2005]	NKEL	Term loan (Bank)	217.00	8.50% (Refer Note 2)	Half Yearly Payment i.e. 5th July & 4th Jan as per the revised Repayment Schedule		167.15
42	ORIENTAL BANK OF COMM- [Rupee Loan Agreement (For new loan) dated 31st March, 2005]	NKEL	Term loan (Bank)	109.89	8.50% (Refer Note 2)	Half Yearly Payment i.e. 5th July & 4th Jan as per the revised Repayment Schedule		84.50
43	PUNJAB NATIONAL BANK- [Rupee Loan Agreement (For new loan) dated 31st March, 2005]	NKEL	Term loan (Bank)	306.63	8.50% (Refer Note 2)	Half Yearly Payment i.e. 5th July & 4th Jan as per the revised Repayment Schedule		235.96
44	STATE BANK OF PATIALA- [Rupee Loan Agreement (For new loan) dated 12th April, 2005]	NKEL	Term loan (Bank)	33.70	8.50% (Refer Note 2)	Half Yearly Payment i.e. 5th July & 4th Jan as per the revised Repayment Schedule		25.81
45	UNION BANK OF INDIA- [Rupee Loan Agreement (For	NKEL	Term loan (Bank)	110.00	8.50% (Refer Note 2)	Half Yearly Payment i.e. 5th July & 4th Jan as per the revised		84.77

Sr. No.	Lender and date of agreement	Company	Nature of Borrowing &lender status (FI/Bank/ Other)	Amount Sanctioned (Rs. in Million)	Rate of Interest	Repayment	Security (in case of Secured Loans)	Amount outstanding as at 30-Sep-09 (Rs. in Million)
	new loan) dated 31st March, 2005]					Repayment Schedule		
46	UCO BANK- [Rupee Loan Agreement (For new loan) dated 11th April, 2005]	NKEL	Term loan (Bank)	67.00	8.50% (Refer Note 2)	Half Yearly Payment i.e. 5th July & 4th Jan as per the revised Repayment Schedule		51.07
47	Agreement dated March 17, 2007 with Allahabad Bank	EHEL	Term loan (Bank)	500.00	12.00%	Repayable in 21 unequal half yearly installments on month after the first annuity date	Secured by hypothecation of: (i) All tangible and intangible moveable assets both present and future and all right, title, interest, property, claims and demands whatsoever unto and upon the same (ii) All right, title, interest, benefits, claims and demands whatsoever in respect of all moneys including Annuity, insurance proceeds under Insurance Contracts, Termination payments and investments lying to the credit of or liable to be credited to their Escrow account and other accounts including balances in Debt Service Reserve together with interest thereon (iii) All rights, title and interest pursuant to and in accordance with the Substitution Agreement providing for step in rights of the lenders in accordance with	162.10
48	Agreement dated March 17, 2007 Canara Bank	EHEL	Term loan (Bank)	1,000.00	12.00%	Repayable in 21 unequal half yearly installments on month after the first annuity date		324.00
49	Agreement dated March 17, 2007 India Infrastructure Finance Co. Ltd	EHEL	Term loan (Bank)	850.00	12.00%	Repayable in 21 unequal half yearly installments on month after the first annuity date		274.20
50	Agreement dated March 17, 2007 Oriental Bank of Commerce	EHEL	Term loan (Bank)	1,000.00	12.00%	Repayable in 21 unequal half yearly installments on month after the first annuity date		329.60
51	Agreement dated March 17, 2007 Punjab & Sind Bank	EHEL	Term loan (Bank)	500.00	12.00%	Repayable in 21 unequal half yearly installments on month after the first annuity date		162.10
52	Agreement dated March 17, 2007 State Bank Of Indore	EHEL	Term loan (Bank)	750.00	12.00%	Repayable in 21 unequal half yearly installments on month after the first annuity date		243.20
53	Agreement dated March 17, 2007 State Bank Of Patiala	EHEL	Term loan (Bank)	500.00	12.00%	Repayable in 21 unequal half yearly installments on month after the first annuity date		162.11
54	Agreement dated March 17, 2007 State Bank Of Saurashtra	EHEL	Term loan (Bank)	300.00	12.00%	Repayable in 21 unequal half yearly installments on month after the first annuity date		99.70
55	Agreement dated March 17, 2007 United	EHEL	Term loan (Bank)	750.00	12.00%	Repayable in 21 unequal half yearly		243.00

Sr. No.	Lender and date of agreement	Company	Nature of Borrowing &lender status (FI/Bank/ Other)	Amount Sanctioned (Rs. in Million)	Rate of Interest	Repayment	Security (in case of Secured Loans)	Amount outstanding as at 30-Sep-09 (Rs. in Million)
	Bank Of India					installments on month after the first annuity date	the Concession Agreement.	
56	Deep Discount Bonds	NTBCL	Bond	224.03	8.50%	16 years from November 3, 1999	Deep Discount Bonds are secured by a pari-passu first charge in favour of the Trustee along with the other senior lenders of the Company on all project assets which include the Delhi Noida Link Bridge and all intangible assets including but not limited to rights over the project site, project documents, financial assets such as receivables, cash, investments, insurance proceeds etc.	34.60
57	Zero Coupon Bonds - Series B	NTBCL	Bond	555.42	N/A	Maturity on March 31, 2014 with right to earlier redemption if the cash flow permit	Zero coupon bonds are secured by pari-passu first charge on the Company's assets both present and future.	105.59
58	Agreement dated October 30, 1998 Canara Bank of India	NTBCL	Term loan (Bank)	165.00	8.50%	16% of the term loan shall be repaid in FY 2004-05 & 2005-06 respectively, 5.5% in FY 2007-08 and Balance term loan shall be repaid in 5 yrs from 2008-09 to 2012-13 (12.5% on the Term loan amount every year)	Term loans from banks, financial institutions and others are secured by a charge on: - Immovable properties of the Company situated in the states of Delhi and Uttar Pradesh, - Movable properties of the Company, both present and future, - All the Company's book debts, receivables, revenues, all the	12.34
59	Agreement dated October 30, 1998 Central Bank of India	NTBCL	Term loan (Bank)	100.00	8.50%			7.48
60	Agreement dated October 30, 1998 Punjab National Bank	NTBCL	Term loan (Bank)	165.00	8.50%			12.34
61	Agreement dated October 30, 1998 State Bank of Patiala	NTBCL	Term loan (Bank)	60.00	8.50%			4.49
62	Agreement dated October 30, 1998 Union Bank of India	NTBCL	Term loan (Bank)	165.00	8.50%			12.34
63	Agreement dated October 30, 1998 Vijaya	NTBCL	Term loan (Bank)	100.00	8.50%			7.48

Sr. No.	Lender and date of agreement	Company	Nature of Borrowing &lender status (FI/Bank/ Other)	Amount Sanctioned (Rs. in Million)	Rate of Interest	Repayment	Security (in case of Secured Loans)	Amount outstanding as at 30-Sep-09 (Rs. in Million)
	Bank						rights, titles, interest, benefits, claims, demands under any agreements entered into, the project including consents, agreements or any other documents entered into or to be entered into by the Company pertaining to the project, as amended, varied or supplemented from time to time, the Trust & Retention account proceeds, being the bank account established by the Company for crediting all the revenues from the project including but not limited to toll collections from the project and the Government permits, authorisation, approvals, no objections, licenses pertaining to the project and to any claims or proceeds arising in relation to or under the insurance policies taken out by the Company pertaining to the assets of the projects of the Company for both present and future.	
64	Agreement dated October 30, 1998 Bank of Baroda	NTBCL	Term loan (Bank)	165.00	8.50%			12.34
65	Agreement dated October 30, 1998 State Bank Of India	NTBCL	Term loan (Bank)	410.00	8.44%			30.66
66	Agreement dated December 17, 1998 IFCI	NTBCL	Term loan (FI)	50.00	12.50%	10% of Term Loan shall be repaid in 2010-11, 20% in 2011-12, 25% in 2012-13, and 45% in 2013-14		6.34
67	Agreement dated October 30, 1998 IDFC	NTBCL	Term loan (FI)	566.59	8.50%			54.23
68	Agreement dated October 30, 1998 IDBI	NTBCL	Term loan (FI)	277.70	12.50%			13.29
69	Agreement dated August 23, 1999 LIC	NTBCL	Term loan (FI)	100.00	12.50%			4.79
70	Agreement dated October 30, 1998 IL&FS Ltd.	NTBCL	Term loan (Others)	600.00	12.50%	10% of Term Loan shall be repaid in 2010-11, 20% in 2011-12, 25% in 2012-13, and 45% in 2013-14		28.24
71	Agreement dated July 20, 2006 IL&FS Ltd.	NTBCL	Term loan (Others)	377.73	8.50%	10% of Term Loan shall be repaid in 2010-11, 20% in 2011-12, 25% in 2012-13, and 45% in 2013-14		35.56
72	Agreement dated May 3, 2005 IL&FS Ltd.	NTBCL	Term loan (Others)	350.00	12.50%	Term Loan shall be repaid in 7 equated annual instalments of Rs. 50mn from March 31, 2009 to March 31, 2017	Loan is secured by pari-passu first charge on the Company's assets both present and future along with	76.04

Sr. No.	Lender and date of agreement	Company	Nature of Borrowing &lender status (FI/Bank/ Other)	Amount Sanctioned (Rs. in Million)	Rate of Interest	Repayment	Security (in case of Secured Loans)	Amount outstanding as at 30-Sep-09 (Rs. in Million)
							the other senior lenders of the Company.	
73	Agreement dated February 23, 2006 IL&FS Ltd.	NTBCL	Term loan (Others)	124.31	10.00%	Term Loan shall be repaid-10% in 2010-11, 20% in 2011-12, 25% in 2012-13 & 45% in 2013-14	Loan is secured by pari-passu first charge on the Company's assets both present and future.	31.51
74	Agreement dated November 2006- October 2007 Kotak/Citi Bank/ICICI Bank	NTBCL	Lease Finance (Others)	8.68	9.74% to 15.54%	Till Nov 2011	Secured by hypothecation on the Car.	0.95
75	ICICI Bank - Sanction dated 11.02.2008	VNIPL	Term loan (Bank)	0.04	10.50%	Repayable by February 10, 2011 by way of 36 monthly installments commencing from March 10, 2008.	Secured by hypothecation on the Car acquired out of the Bank Finance and Personal Guarantee of the Directors.	0.21
76	Allahabad Bank - Agreement dated January 23, 2009	VNIPL	Term loan (Bank)	14.37	11.75%	26 Equated Quarterly installments commencing from the end of 2nd quarter from the date of first disbursement, unless agreed otherwise by the Asset Manager with prior approval of the Lenders	First charge by way of hypothecation / mortgage of all movable project assets including Buses, movable Plant & Machinery, Spares, tools both present and future	10.92
77	Bank of India - Agreement dated January 23, 2009	VNIPL	Term loan (Bank)	35.83	11.75%			27.27
78	Central Bank of India - Agreement dated January 23, 2009	VNIPL	Term loan (Bank)	28.66	11.75%			21.81
79	Corporation Bank - Agreement dated January 23, 2009	VNIPL	Term loan (Bank)	14.35	11.75%			10.92
80	Dena Bank - Agreement dated January 23, 2009	VNIPL	Term loan (Bank)	14.35	11.75%			10.92
81	IDBI Bank - Agreement dated January 23, 2009	VNIPL	Term loan (Bank)	35.83	11.75%			27.27
82	Oriental Bank of Commerce - Agreement dated January 23, 2009	VNIPL	Term loan (Bank)	21.48	11.75%			16.35
83	Union Bank of India - Agreement dated January 23, 2009	VNIPL	Term loan (Bank)	14.35	11.75%			10.92

Sr. No.	Lender and date of agreement	Company	Nature of Borrowing &lender status (FI/Bank/ Other)	Amount Sanctioned (Rs. in Million)	Rate of Interest	Repayment	Security (in case of Secured Loans)	Amount outstanding as at 30-Sep-09 (Rs. in Million)
84	Vijay Bank - Agreement dated January 23, 2009	VNIPL	Term loan (Bank)	14.35	11.75%			10.92
85	Infrastructure Leasing & Financial Services Ltd. - Agreement dated January 23, 2009	VNIPL	Term loan (Others)	35.83	11.75%			27.27
86	India Infrastructure Finance Company Limited - Agreement dated January 23, 2009	VNIPL	Term loan (Others)	35.83	11.75%			16.35
87	Agreement dated March 28, 2008 with Canara Bank	ITNL	Term loan (Bank)	1,000.00	13.50%	Repayable on March 28, 2010	Unsecured	1,000.00
88	Agreement dated September 26, 2007 with Allahabad Bank	ITNL	Term loan (Bank)	1,000.00	13.40%	Two Equal Tranches at the end of First year i.e. September 25, 2008 and second year from the date of Disbursement i.e. September 9, 2009, Loan taken on September 26, 2007	Unsecured	-
89	Agreement dated December 30, 2008 Allahabad Bank	ITNL	Term loan (Bank)	1,000.00	15.00%	Two Equal Tranches at the end of First year i.e. January 4, 2010 & second year from the date of Disbursement i.e. January 4, 2011, Loan taken on January 5, 2009	Unsecured	1,000.00
90	Agreement dated November 16, 2007 United Bank Of India	ITNL	Term loan (Bank)	1,000.00	12.40%	Repayable in 2 years. 50% at the end of first year i.e. November 19, 2008 & balance at the end of two years i.e. November 19, 2009. Loan taken on November 20, 2007	Unsecured	500.00
91	Agreement dated December 12, 2008 United Bank Of India	ITNL	Short Term loan (Bank)	1,000.00	14.00%	Bullet repayment as on November 19, 2009 Loan taken on	Unsecured	1,000.00

Sr. No.	Lender and date of agreement	Company	Nature of Borrowing &lender status (FI/Bank/ Other)	Amount Sanctioned (Rs. in Million)	Rate of Interest	Repayment	Security (in case of Secured Loans)	Amount outstanding as at 30-Sep-09 (Rs. in Million)
						December 31, 2008		
92	Agreement dated March 31, 2009 United Bank Of India	ITNL	Term loan (Bank)	1,000.00	12.00%	Two Annual Equal Installment from the date of Disbursement, Loan taken on March 31, 2009	Unsecured	1,000.00
93	Agreement dated March 26, 2009 Infrastructure Leasing & Financial Services Limited	ITNL	Short Term loan (Others)	1,750.00	16.00%	Twelve months from the date of Disbursement, Loan taken as on March 25, 2009	Unsecured	650.00
94	Agreement dated October 10, 2008 Infrastructure Leasing & Financial Services Limited	ITNL	Short Term loan (Others)	500.00	16.00%	Twelve months from the date of Disbursement	Unsecured	500.00
95	Agreement dated August 31, 2009 IL&FS Securities Services Ltd	ITNL	Short Term loan (Others)	1,000.00	16.00%	Repayable on 31.08.2010	Unsecured	1,000.00
96	Agreement dated September 25, 2009 IL&FS Securities Services Ltd	ITNL	Short Term loan (Others)	350.00	16.00%	Repayable on 25.03.2010	Unsecured	350.00
97	Agreement dated September 24, 2009 South Indian Bank	ITNL	Short Term loan (Others)	1,000.00	10.50%	Repayable in two equal installments of Rs.500.00 million each at the end of first and second year from the date of disbursement.	Unsecured	1,000.00
98	Agreement dated June 22, 2009 Lakshmi Vilas Bank	ITNL	Short Term loan (Others)	500.00	11.50%	Bullet repayment from the date of disbursement i.e. 22.06.09	Unsecured	500.00
99	Kotak Mahindra	Elsamex	Credit Facilities and Discount Facilities	4.21	13.00%	Upto 3 years	Cars	4.13
100	B. Pastor Mortgage	Elsamex	Credit Facilities and Discount Facilities	35.12	6.00%	10 years	Mortgage - Building	5.72
101	B. Popular Hipoteca	Elsamex	Credit Facilities and Discount Facilities	21.07	6.00%	10 years	Mortgage - Building	7.40
102	B. SBI Bank (yala india)	Elsamex	Credit Facilities and Discount Facilities	17.56	13.00%	Upto 3 years	Stocks	14.46
103	B. Pastor CIESM	Elsamex	Leasing	0.00	6.50%	upto 6 years	Machinery	21.06
104	B. Pastor Intevia	Elsamex	Leasing	0.00	6.50%	upto 6 years	Machinery	6.40
105	B. Pastor	Elsamex	Leasing	0.00	6.50%	upto 6 years	Machinery	38.23

Sr. No.	Lender and date of agreement	Company	Nature of Borrowing &lender status (FI/Bank/ Other)	Amount Sanctioned (Rs. in Million)	Rate of Interest	Repayment	Security (in case of Secured Loans)	Amount outstanding as at 30-Sep-09 (Rs. in Million)
	Sevimagen							
106	BBVA leasing	Elsamex	Leasing	140.48	euribor + 1.00%	upto 6 years	Machinery	52.21
107	Sa Nostra leasing	Elsamex	Leasing	42.14	euribor + 1%	upto 6 years	Machinery	29.31
108	BanCantabria leasing	Elsamex	Leasing	70.24	euribor + 1%	upto 6 years	Machinery	48.85
109	Lico Leas	Elsamex	Leasing	70.24	5.00%	upto 6 years	Machinery	39.08
110	Liscat Elsamex	Elsamex	Leasing	70.24	5.00%	upto 6 years	Machinery	29.92
111	B. Simeon Leasing Sevimagen	Elsamex	Leasing	17.56	euribor + 1.00%	upto 6 years	Machinery	2.34
112	Madrid Leasing	Elsamex	Leasing	21.07	euribor + 1.00%	upto 6 years	Machinery	14.66
113	B. Simeon Leasing	Elsamex	Leasing	17.56	euribor + 1.00%	upto 6 years	Machinery	9.77
114	Arboleasing	Elsamex	Leasing	91.31	euribor + 1.00%	upto 6 years	Machinery	35.60
115	C. Cataluya leasing C7	Elsamex	Leasing	42.14	euribor + 1.00%	upto 6 years	Machinery	9.20
116	Caja Rioja leasing Sevimagen	Elsamex	Leasing	63.22	euribor + 1.50%	upto 6 years	Machinery	34.30
117	Banco Gallego G7	Elsamex	Leasing	10.54	euribor + 1.00%	upto 6 years	Machinery	7.41
118	Banco Gallego Elsamex	Elsamex	Leasing	70.24	euribor + 1.00%	upto 6 years	Machinery	39.08
119	BSCH leasing	Elsamex	Leasing	52.68	euribor + 1.25%	upto 6 years	Machinery	24.43
120	BES Leasing	Elsamex	Leasing	105.36	euribor + 1.25%	upto 6 years	Machinery	48.01
121	F. Veneta leasing	Elsamex	Leasing	70.24	euribor + 0.90%	upto 6 years	Machinery	39.08
122	Banco BBVA Colombia	Elsamex	Leasing	28.10	5.60%	upto 6 years	Machinery	22.30
123	Laboral (sevimagen) leasing	Elsamex	Leasing	35.12	euribor + 1.00%	upto 6 years	Machinery	15.50
124	Caja Ahorro del Mediterraneo	Elsamex	Credit Facilities and Discount Facilities	316.08	euribor + 1.00%	Upto 2 years	NIL	139.61
125	B. Pastor	Elsamex	Credit Facilities and Discount Facilities	368.41	6.50%	Upto 2 years	NIL	171.61
126	F. Veneta	Elsamex	Credit Facilities and Discount Facilities	351.20	euribor + 0.90%	Upto 2 years	NIL	132.13
127	DEUTSCHE Bank	Elsamex	Credit Facilities and Discount Facilities	351.20	8.80%	Upto 3 years	NIL	213.80
128	Caja Sur	Elsamex	Credit Facilities and Discount Facilities	393.34	euribor + 0.75%	Upto 2 years	NIL	27.24
129	Banco pastor (grusamar)	Elsamex	Credit Facilities and Discount Facilities	35.12	6.00%	Upto 2 years	NIL	26.86
130	Caja Canarias	Elsamex	Credit Facilities and Discount Facilities	193.16	euribor + 1%	Upto 2 years	NIL	30.66
131	Caja Segovia	Elsamex	Credit Facilities	140.48	euribor +	Upto 2 years	NIL	-

Sr. No.	Lender and date of agreement	Company	Nature of Borrowing &lender status (FI/Bank/ Other)	Amount Sanctioned (Rs. in Million)	Rate of Interest	Repayment	Security (in case of Secured Loans)	Amount outstanding as at 30-Sep-09 (Rs. in Million)
			and Discount Facilities		1%			
132	Caja Rioja	Elsamex	Credit Facilities and Discount Facilities	63.22	euribor + 1.50%	Upto 2 years	NIL	35.02
133	UNICAJA	Elsamex	Credit Facilities and Discount Facilities	119.41	euribor + 1.75%	Upto 2 years	NIL	4.92
134	Caixa Tarragona	Elsamex	Credit Facilities and Discount Facilities	91.31	euribor + 1.25%	Upto 2 years	NIL	-
135	Pastor (sevimagen)	Elsamex	Credit Facilities and Discount Facilities	70.24	6.50%	Upto 2 years	NIL	12.80
136	Milleniun BCP (elsamex portugal)	Elsamex	Credit Facilities and Discount Facilities	56.19	6.93%	Upto 3 years	NIL	0.83
137	Banco Pastor (internacional)	Elsamex	Credit Facilities and Discount Facilities	56.19	6.50%	Upto 3 years	NIL	-
138	EB.Espiritu Santo	Elsamex	Credit Facilities and Discount Facilities	42.14	8.20%	Upto 3 years	NIL	46.01
139	CDTI CIESM	Elsamex	Credit Facilities and Discount Facilities	0.00	euribor + 1.00%	Upto 3 years	NIL	53.16
140	BES	Elsamex	Credit Facilities and Discount Facilities	105.36	euribor + 1.25%	Upto 3 years	NIL	4.45
141	C. Cataluya	Elsamex	Credit Facilities and Discount Facilities	42.14	euribor + 1.00%	Upto 3 years	NIL	23.10
142	Bankinter	Elsamex	Credit Facilities and Discount Facilities	56.19	euribor + 1.00%	Upto 3 years	NIL	-
143	Caja Astur	Elsamex	Credit Facilities and Discount Facilities	52.68	euribor + 1.50%	Upto 3 years	NIL	-
144	Banif (Intevial)	Elsamex	Credit Facilities and Discount Facilities	35.12	6.93%	Upto 3 years	NIL	27.97
145	Caja Castilla	Elsamex	Credit Facilities and Discount Facilities	52.68	euribor + 1.50%	Upto 2 years	NIL	-
146	Banesto(Control 7)	Elsamex	Credit Facilities and Discount Facilities	35.12	euribor + 1.00%	Upto 2 years	NIL	6.83
147	BSCH	Elsamex	Credit Facilities and Discount Facilities	52.68	euribor + 1.25%	Upto 2 years	NIL	31.66
148	B.BPN (Intevial)	Elsamex	Credit Facilities and Discount Facilities	24.58	5.15%	Upto 3 years	NIL	18.63
149	C. Cantabria	Elsamex	Credit Facilities and Discount Facilities	49.17	euribor + 1%	Upto 2 years	NIL	3.88
150	Sa Nostra	Elsamex	Credit Facilities and Discount Facilities	42.14	euribor + 1%	Upto 2 years	NIL	-
151	Banco Gallego	Elsamex	Credit Facilities	52.68	euribor +	Upto 2 years	NIL	-

Sr. No.	Lender and date of agreement	Company	Nature of Borrowing &lender status (FI/Bank/ Other)	Amount Sanctioned (Rs. in Million)	Rate of Interest	Repayment	Security (in case of Secured Loans)	Amount outstanding as at 30-Sep-09 (Rs. in Million)
			and Discount Facilities		1.00%			
152	B. Simeon	Elsamex	Credit Facilities and Discount Facilities	17.56	euribor + 1.00%	Upto 2 years	NIL	25.30
153	DEUTSCHE Internacional	Elsamex	Credit Facilities and Discount Facilities	10.54	euribor + 1.00%	Upto 2 years	NIL	11.06
154	Caja Murcia	Elsamex	Credit Facilities and Discount Facilities	35.12	6.50%	Upto 2 years	NIL	15.60
155	Caixa Nova	Elsamex	Credit Facilities and Discount Facilities	21.07	euribor + 1.50%	Upto 2 years	NIL	-
156	Oth Unse	Elsamex	Credit Facilities and Discount Facilities	0.00	euribor + 1.50%	Upto 2 years	NIL	7.06
157	B. Popular (Intevial)	Elsamex	Credit Facilities and Discount Facilities	14.05	5.15%	Upto 3 years	NIL	14.05
158	Caja Avila	Elsamex	Credit Facilities and Discount Facilities	35.12	euribor + 1%	Upto 2 years	NIL	8.83
159	BBVA	Elsamex	Credit Facilities and Discount Facilities	35.12	8.15%	Upto 2 years	NIL	3.29
160	Laboral (sevimagen)	Elsamex	Credit Facilities and Discount Facilities	14.05	euribor + 1.00%	Upto 2 years	NIL	-
161	Credito Balear	Elsamex	Credit Facilities and Discount Facilities	24.58	euribor + 1.50%	Upto 2 years	NIL	-
162	B. Galicia	Elsamex	Credit Facilities and Discount Facilities	17.56	euribor + 1.50%	Upto 2 years	NIL	-
163	Caja Madrid (grusamar)	Elsamex	Credit Facilities and Discount Facilities	14.05	6.00%	Upto 2 years	NIL	-
164	BanCantabria	Elsamex	Credit Facilities and Discount Facilities	70.24	euribor + 1%	Upto 2 years	NIL	5.42
165	CIESM Caja Laboral	Elsamex	Credit Facilities and Discount Facilities	10.54	euribor + 1.00%	Upto 2 years	NIL	9.12
166	Caja rioja Sevimagen	Elsamex	Credit Facilities and Discount Facilities	14.05	euribor +1.25%	Upto 2 years	NIL	12.35
167	Banco BBVA Colombia	Elsamex	Credit Facilities and Discount Facilities	28.10	5.60%	Upto 3 years	NIL	23.53
168	F. Veneta (atenea)	Elsamex	Credit Facilities and Discount Facilities	14.05	euribor + 0.90%	Upto 2 years	NIL	10.59
169	Banesto	Elsamex	Credit Facilities and Discount Facilities	21.07	euribor + 1.00%	Upto 2 years	NIL	16.01
170	B. Popular	Elsamex	Credit Facilities and Discount Facilities	17.56	euribor + 1.00%	Upto 2 years	NIL	-
171	Caja Madrid	Elsamex	Credit Facilities	21.07	euribor +	Upto 2 years	NIL	6.40

Sr. No.	Lender and date of agreement	Company	Nature of Borrowing &lender status (FI/Bank/ Other)	Amount Sanctioned (Rs. in Million)	Rate of Interest	Repayment	Security (in case of Secured Loans)	Amount outstanding as at 30-Sep-09 (Rs. in Million)
			and Discount Facilities		1%			
172	Caja Badajoz	Elsamex	Credit Facilities and Discount Facilities	7.02	6.93%	Upto 2 years	NIL	0.01
173	B. Sabadell Atalantico (Intevia)	Elsamex	Credit Facilities and Discount Facilities	7.02	6.50%	Upto 2 years	NIL	1.33
174	Caja Badajoz	Elsamex	Credit Facilities and Discount Facilities	17.56	euribor + 1%	Upto 2 years	NIL	1.56
175	CIESM Caja Badajoz	Elsamex	Credit Facilities and Discount Facilities	7.02	euribor + 1.00%	Upto 2 years	NIL	4.53
176	CIESM Caja Murcia	Elsamex	Credit Facilities and Discount Facilities	3.51	euribor + 1.00%	Upto 2 years	NIL	1.05
177	CDTI Intevia	Elsamex	Credit Facilities and Discount Facilities	0.00	euribor + 1.00%	Upto 2 years	NIL	2.72
178	B Pastor (progescan)	Elsamex	Credit Facilities and Discount Facilities	0.00	6.50%	Upto 2 years	NIL	1.20
179	BBVA Bancomer (EMIC)	Elsamex	Credit Facilities and Discount Facilities	0.00	6.50%	Upto 3 years	NIL	-
180	Visa (SMI)	Elsamex	Credit Cards	0.00	13.00%	Upto 2 years	NIL	0.13
181	Caja España	Elsamex	Credit Facilities and Discount Facilities	70.24	euribor + 1.25%	Upto 2 years	NIL	0.81
182	Caixa Galicia	Elsamex	Credit Facilities and Discount Facilities	21.07	euribor + 1.25%	Upto 2 years	NIL	6.62
183	CDTI Elsamex Internacional	Elsamex	Credit Facilities and Discount Facilities	0.00	euribor + 1.00%	Upto 2 years	NIL	3.13
184	CDTI Control 7	Elsamex	Credit Facilities and Discount Facilities	0.00	euribor + 1.00%	Upto 2 years	NIL	9.12
185	CDTI Progescan	Elsamex	Credit Facilities and Discount Facilities	0.00	euribor + 1.00%	Upto 2 years	NIL	3.20
186	Banco da Vivienda Colombia	Elsamex	Credit Facilities and Discount Facilities	7.02	5.60%	Upto 3 years	NIL	3.88
187	Bancos BHD Dominicana	Elsamex	Credit Facilities and Discount Facilities	7.02	26.00%	Upto 3 years	NIL	8.80
188	Caixa Cataluña (grusamar)	Elsamex	Credit Facilities and Discount Facilities	18.26	euribor + 1.00%	Upto 2 years	NIL	1.49
189	Caixa General de Depositos	Elsamex	Credit Facilities and Discount Facilities	7.02	7.76%	Upto 2 years	NIL	3.50
190	Barclays Portugal	Elsamex	Credit Facilities and Discount Facilities	14.05	5.15%	Upto 3 years	NIL	10.77
191	ICICI Bank (EIPL)	Elsamex	Credit Facilities and Discount Facilities	0.00	13.00%	Upto 3 years	NIL	1.46

Sr. No.	Lender and date of agreement	Company	Nature of Borrowing &lender status (FI/Bank/ Other)	Amount Sanctioned (Rs. in Million)	Rate of Interest	Repayment	Security (in case of Secured Loans)	Amount outstanding as at 30-Sep-09 (Rs. in Million)
192	Citi Bank (Yala India)	Elsamex	Credit Facilities and Discount Facilities	0.00	13.00%	Upto 3 years	NIL	0.13
193	CIESM Banesto	Elsamex	Credit Facilities and Discount Facilities	14.05	euribor + 1.00%	Upto 2 years	NIL	1.46
194	Visa Elsamex	Elsamex	Credit Cards	0.00	13.00%	Upto 2 years	NIL	7.75
195	London Bank	Elsamex	Term loan	3,336.40	euribor + 5.50%	Upto 3 years	Current Assets & Fixed assets	1,726.15
196	PUNJAB NATIONAL BANK	WGEL	Term loan (Bank)	362.00	12.75%	Repayable in structured 40 unequal installments commencing from 12 months after March 17, 2008	Secured by hypothecation of: (i) All tangible and intangible moveable assets, both present and future and all right, title, interest, property, claims and demands whatsoever unto and upon the same (ii) All right, title, interest, benefits, claims and demands whatsoever in respect of all moneys including Fees (toll collections), insurance proceeds under Insurance Contracts, Termination payments and investments lying to the credit of or liable to be credited to their Escrow account and other accounts including balances in Debt Service Reserve together with interest thereon (iii) All rights, title and interest pursuant to and in accordance with the Substitution Agreement providing for step in rights of the lenders in accordance with	352.94
197	CORPORATIO N BANK	WGEL	Term loan (Bank)	170.00	12.75%	Repayable in structured 40 unequal installments commencing from 12 months after March 17, 2008		165.75
198	INDIAN OVERSEAS BANK	WGEL	Term loan (Bank)	215.00	12.75%	Repayable in structured 40 unequal installments commencing from 12 months after March 17, 2008		209.62
199	UCO BANK	WGEL	Term loan (Bank)	215.00	12.75%	Repayable in structured 40 unequal installments commencing from 12 months after March 17, 2008		209.61
200	ORIENTAL BANK OF COMM	WGEL	Term loan (Bank)	215.00	12.75%	Repayable in structured 40 unequal installments commencing from 12 months after March 17, 2008		209.62
201	UNITED BANK OF INDIA	WGEL	Term loan (Bank)	170.00	12.75%	Repayable in structured 40 unequal installments commencing from 12 months after March 17, 2008		165.75
202	INDIAN BANK	WGEL	Term loan (Bank)	100.00	12.75%	Repayable in structured 40 unequal installments commencing from 12 months after March 17, 2008		97.50
203	UNION BANK OF INDIA	WGEL	Term loan (Bank)	215.00	12.75%	Repayable in structured 40		209.62

Sr. No.	Lender and date of agreement	Company	Nature of Borrowing &lender status (FI/Bank/ Other)	Amount Sanctioned (Rs. in Million)	Rate of Interest	Repayment	Security (in case of Secured Loans)	Amount outstanding as at 30-Sep-09 (Rs. in Million)
						unequal installments commencing from 12 months after March 17, 2008	the Concession Agreement)	
204	Infrastructure Leasing & Financial Services Limited	WGEL	Sub-ordinate Non-convertible Debentures	360.00	12.50%	The first installment of redemption/ repayment of Rs.36.00 million shall be repaid on 31st March 2011. Balance outstanding Sub-ordinate Non-Convertible Debentures of Rs.324.00 million shall be repaid in 36 equated quarterly installments of Rs.9.00 million each with the first quarterly repayment installment commencing on 30th June 2011.	Unsecured	360.00
	TOTAL							**24,171.27**

Notes:

1 Under the order dated June 17, 2004 and June 24, 2004 of Corporate Debt Restructuring Cell (CDR) of Industrial Development Bank of India Ltd. (IDBI), the rate of interest is linked to Basic Prime Lending Rate (BPLR). Under the said order applicable rate of interest is BPLR Less 1.75 basis points. The rate of interest mentioned above is as applicable as on September 30, 2009.

2 Subject to reset at the end of 5th year and 10th year from the Disbursement Date.

3 The balance outstanding against Deep Discount Bonds (DDBs) includes interest accrued till the balance sheet date as follows:

Deep Discount Bonds held by Infrastructure Leasing & Financial Services Ltd.	Rs. 96.34 mn
Deep Discount Bonds held by others	Rs. 454.99 mn

4 The repayment terms mentioned above are as per the CDR order dated June 17, 2004 and June 23, 2007 which revised the interest and repayment terms of all the loans and debt instruments except loan from Infrastructure Development Finance Corporation

ANNEXURE XXIII: DETAILS OF CONSOLIDATED SUNDRY DEBTORS

(Rs. in Million)

Particulars	As at			
	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
Sundry debtors				

Particulars	As at			
	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
(Unsecured, considered good)				
Outstanding for a period exceeding six months	289.16	8,187.50	8,232.41	8,222.36
Others	417.75	403.79	117.51	4.45
	706.91	8,591.29	8,349.92	8,226.81
Less: Provisions for doubtful debts	(0.32)	(414.18)	(476.87)	(496.86)
Sundry Debtors	**706.59**	**8,177.11**	**7,873.05**	**7,729.95**

ANNEXURE XXIV: DETAILS OF CONSOLIDATED LOANS AND ADVANCES

(Rs. in Million)

Particulars	As at			
	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
Advances recoverable in cash or in kind or for value to be received (Refer note 23 of annexure XXI-B)	225.41	930.02	1,109.56	1,522.62
Deposits	5.88	29.21	229.63	1,263.26
Advance payment of taxes (net of provision)	117.44	431.16	588.71	501.84
Fringe benefit tax (net of provision)	0.13	0.29	1.67	3.43
Long term loans	-	-	-	956.47
Short term loans	119.00	1,089.11	1,245.93	981.24
Advance towards investments	151.92	40.30	40.30	40.30
Investment in Call Money	-	22.58	220.00	249.93
Grant receivable from NHAI	-	-	-	30.00
Grand Total	**619.78**	**2,542.67**	**3,435.80**	**5,549.09**

ANNEXURE XXV: DETAILS OF CONSOLIDATED INVESTMENTS

(Rs. in Million)

Particulars	As At			
	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
Long Term Investment				
(at cost less provision for diminution in value)				
Investments in associates (Refer note 12 of annexure XXI-B)	984.88	1,612.07	1,539.54	1,380.87
Less: Unrealised gain on transactions between the Company and its associates	(34.50)	(47.11)	-	(6.67)
Add: Post-acquisition share of profit/ (loss) of associates	36.81	110.09	83.32	(35.82)
Add: Post-acquisition share of movement in the capital reserves of an associate	48.99	73.49	88.18	10.11
Add: Cash Flow Hedge Reserve of an associate	-	-	(176.92)	(184.74)
Less: Included as a part of net share in the Joint Venture	-	(0.06)	-	(0.06)
Non-Trade investments				
- In Unquoted Equity Shares	179.00	184.27	200.47	200.82
	-	-	-	-
Investment in covered warrants (Refer note 11 of annexure XXI-B)	250.00	250.00	500.00	500.00
Investment in shares of co-operative bank	-	-	0.44	-
Short term investments				
In mutual funds	43.40	37.10	75.12	97.42
Total Investments	1,508.58	2,219.84	2,310.15	1,961.93

Particulars	As At			
	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
Less: Provision for diminution	(100.00)	(200.00)	(300.00)	(300.00)
Grand Total	**1,408.58**	**2,019.84**	**2,010.15**	**1,661.93**

ANNEXURE XXVI: DETAILS OF CONSOLIDATED CURRENT LIABILITIES AND PROVISIONS

(Rs. in Million)

Particulars	As at			
	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
CURRENT LIABILITIES				
Sundry creditors (Refer note 14 & 15 of annexure XXI-B)	378.51	6,624.35	4,706.40	4,220.84
Advance received	47.64	640.90	851.65	932.24
Interest accrued but not due	2.29	8.09	0.18	69.21
Income received in advance	-	205.44	116.96	117.99
Other liabilities	159.37	213.18	889.78	1,250.05
Total current liabilities	**587.81**	**7,691.96**	**6,564.97**	**6,590.33**
PROVISIONS				
Provision for fringe benefit tax (net of advance)	0.11	4.23	0.32	-
Provision for tax (net of advance tax)	8.40	1.99	-	385.05
Provision for compensated absences	3.19	12.96	17.34	17.10
Provision for gratuity (Refer note 16 of annexure XXI-B)	0.12	0.27	-	-
Proposed dividend on equity shares	189.57	325.32	214.27	-
Provision for dividend on preference shares of subsidiary	5.15	5.15	5.15	5.15
Provision for tax on preference dividend of subsidiary	0.88	0.88	0.88	0.88
Provision for premium on preference shares of subsidiary	72.19	88.37	104.51	112.61
Provision for tax on proposed dividend on equity shares	32.22	55.29	36.41	-
Provision for tax on preference share premium of subsidiary	12.27	15.02	17.76	19.14
Provision for overlay (Refer note 21 of annexure XXI-B)	149.54	242.14	280.81	393.97
Provision for contingencies	7.49	7.49	7.49	7.49
Total provisions	**481.13**	**759.11**	**684.94**	**941.39**
Total current liabilities and provisions	**1,068.94**	**8,451.07**	**7,249.91**	**7,531.72**

ANNEXURE XXVII: DETAILS OF CONSOLIDATED OTHER INCOME

(Rs. in Million)

Particulars	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
Interest Income				
on Bank Deposits	17.79	24.68	21.15	20.02
on Debentures (Long Term trade investments)	15.68	29.20	39.32	19.71
on Call Money	29.64	29.44	22.75	9.75
on loans granted	21.70	113.75	162.48	98.29
on Short Term Deposit	-	0.40	0.26	-
Profit on sale of unquoted investments (see note below)	-	523.80	387.76	-
Income from Material Testing	-	2.55	2.01	-
Profit on sale of investment (net)	3.30	-	-	0.21
Advertisement income	-	11.74	4.00	1.52
Profit on sale of fixed assets (net)	0.03	0.02	53.75	-

Particulars	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
Excess provisions written back	0.05	1.59	0.50	-
Miscellaneous income	5.85	21.45	100.22	44.23
Operation and Maintenance Grant from NHAI	-	-	-	18.52
Total	**94.04**	**758.62**	**794.20**	**212.25**

Note: These represent profit on sale of investments which are non-recurring in nature

ANNEXURE XXVIII: DETAILS OF CONSOLIDATED DIVIDEND PAID

Particulars	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
Class of Shares	**Equity**	**Equity**	**Equity**	**Equity**
Equity Share Capital (Rs. in Million)	1,624.90	1,714.15	1,714.15	1,714.15
Face Value – (Rs.)	10	10	10	10
Rate of dividend (%)	20.00	20.00	12.50	-
Total Dividend paid (Rs. in Million)	189.57	325.32	214.27	-
Tax on Dividend (Rs. in Million)	32.22	55.29	36.41	-

ANNEXURE XXIX: STATEMENT OF CONSOLIDATED ACCOUNTING RATIOS

Particulars	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
Face Value per Equity share as restated (Rs.)	10.00	10.00	10.00	10.00
Basic Earnings per share (Rs.)	5.35	5.62	1.52	6.84
Diluted Earnings per share (Rs.)	5.35	5.62	1.52	6.84
Return on Net worth (%)	6.88%	9.98%	2.93%	11.62%
Net Asset Value per Equity share (Rs.)	45.42	53.42	51.69	59.33
Net Worth (Rs. in Million)	7,380.85	9,156.66	8,860.97	10,170.58
Net Restated Profit After Tax for Basic & Diluted Earnings per share (Rs. in Million)	507.55	913.61	259.88	1,172.80
No. of weighted average Equity Shares for calculating basic EPS (Nos. in Million)	94.78	162.66	171.41	171.41
Total weighted average No. of Equity Shares including Potential no. of Equity Shares for calculating diluted EPS (Nos. in Million)	94.78	162.66	171.41	171.41
Total No. of Equity Shares including Potential no. of Equity Shares for calculating Net Asset Value per Equity Shares (Nos. in Million)	162.49	171.41	171.41	171.41

Notes:-

1) The ratios have been computed as per the following formulae:

Basic Earnings per share (Rs.) $\dfrac{\text{Net Profit attributable to Equity Shareholders}}{\text{Total No. of weighted average Equity shares outstanding at the end of the year}}$

Diluted Earnings per share (Rs.) $\dfrac{\text{Net Profit attributable to Equity Shareholders after adjustments related to dilutive potential Equity shares}}{\text{Total no. of weighted average Equity shares plus no. of weighted average potential Equity shares}}$

Return on Net Worth (%) $\dfrac{\text{Net Profit after Tax}}{\text{Net worth}}$

Net Asset Value per Equity share (Rs.) $\dfrac{\text{Net worth}}{\text{Total No. of Equity shares outstanding at the end of the year plus potential no. of Equity shares}}$

2) Net Profit, as restated and appearing in the statement of Profit and losses has been considered for the purpose of computing the above ratios.

These ratios are computed on the basis of the restated financial statements of the group.

3) Earnings per share have been calculated in accordance with Accounting Standard 20 - "Earning Per Share" notified under Section 211 (3C) of the Companies Act, 1956.

4) In the absence of clarity as to the terms of issue against advance towards capital, no adjustment has been made for potential dilution in computing diluted earnings per share

ANNEXURE XXX: CAPITAL COMMITMENT AND CONTINGENT LIABILITIES

(Rs in Million)

Particulars	As at			
	March 31, 2007	**March 31, 2008**	**March 31, 2009**	**September 30, 2009**
(1) Capital Commitments:				
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	3,082.47	10,766.09	6,594.18	5,767.29
(against which advances paid aggregate)	104.52	1,870.29	1,522.62	2,101.95
(b) Exercise price payable in respect of call option contracts	25.31	25.31	25.31	15.11
(2) Contingent Liabilities:				
(a) In respect of performance guarantees issued on behalf of the Company by banks	50.01	1,789.01	3,129.43	3,277.11
(b) Income tax demands contested by Group	0.99	27.66	9.94	7.84
(c) Claims against the Group not acknowledged as debt	10.90	869.38	169.53	674.21
(d) In respect of guarantee issued to Foreign Banks	-	-	204.89	551.68
(e) In respect of corporate guarantee issued to Foreign Banks	-	-	-	3,843.90
(f) In respect of letter of comfort issued to Foreign Bank	-	-	398.13	-
(g) Counter guarantee issued to Infrastructure Leasing & Financial Services Limited (IL&FS) against guarantees furnished by IL&FS	-	-	1,102.62	2,147.72
(h) 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	Not Ascertainable	Not Ascertainable

(i)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 its 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. The Group does not expect any outflow of economic resources for the above and therefore, no provisions is made in respect thereof.

ANNEXURE-XXXI: LIST OF RELATED PARTY TRANSACTIONS

Nature of Relationship	Name of Entity	Acronym used	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
Holding Company :	Infrastructure Leasing & Financial Services Limited	IL&FS	✔	✔	✔	✔
Fellow Subsidiaries :	IL&FS Energy Development Co Limited	IEDCL	✕	✕	✔	✔
	IL&FS Financial Services Limited (Erstwhile 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	IIEL	✔	✔	✔	✔
	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 Insurance Distribution Pvt. Limited	IIDPL	✕	✔	✕	✕
	IL&FS Cluster Development Initiatives Co Limited	ICDICL	✔	✔	✔	✔
Associates :	Andhra Pradesh Expressway Limited	APEL	✔	✔	✔	✔
	West Gujarat Expressway Limited (Upto June 09, 2009)	WGEL	✔	✔	✔	✕
	Thiruvananthapuram Road Development Company Limited	TRDCL	✔	✔	✔	✔
	Kohinoor CTNL Infrastructure Company Limited (up to September 25, 2008)	KCICL	✔	✔	✔	✕
	ITNL Toll Management Services Limited	ITMSL	✕	✔	✔	✔
	CIEM	CIEM	✕	✕	✕	✔
	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	✕	✕	✔	✔

Nature of Relationship	Name of Entity	Acronym used	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
		CONCESSION				
	Ateb	Ateb	✘	✘	✔	✘
	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	✘	✘	✔	✔
	North Karnataka Expressway Limited (up to 21st March 2007)	NKEL	✔	✘	✘	✘
Co - Venture :	Tamil Nadu Road Development Company Limited (up to 30th September 2008)	TNRDCL	✔	✔	✔	✘
	Noida Toll Bridge Company Limited	NTBCL	✔	✔	✔	✔
	EPTISA Elsamex CIESM	EPTISA Elsamex CIESM	✘	✘	✔	✔
	Jvs. Atenea	Jvs. Atenea	✘	✘	✔	✔
	Jvs. Grusamar	Jvs. Grusamar	✘	✘	✔	✔
	JVs. Intevia	JVs. Intevia	✘	✘	✔	✔
	JVs Control 7	JVs Control 7	✘	✘	✘	✔
	JVs Progescan	JVs Progescan	✘	✘	✘	✔
	JVs Colombia	JVs Colombia	✘	✘	✘	✔
	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)		✘	✘	✔	✔
	Mr Ajay Menon-Manager (up to 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. Mukund Sapre - Chief Executive Officer of a Subsidiary		✘	✔	✔	✔
	Mr. Vikram Joshi - Manager & Company Secretary (up to 15th July 2008) of a Subsidiary		✔	✔	✔	✘
	Mr. Ankit Sheth - Manager & Company Secretary (from 6th December, 2008) of a Subsidiary		✘	✘	✔	✔
	Mr. Ajay Dhawangale - Director of a Subsidiary (Upto October 07,		✘	✘	✔	✘

Nature of Relationship	Name of Entity	Acronym used	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
	2008)					
	Mr. Neeraj Kapadia - Director of a Subsidiary (Upto October 07, 2008)		✗	✗	✓	✗
	Mr. Jayesh Somaya - Director of a Subsidiary (Upto October 07, 2008)		✗	✗	✓	✗
	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		✓	✓	✓	✓

Legend: ✓ = Related Party
✗ = Not Related Party

a. Transactions with above mentioned related parties as at/for the year ended 31st March 2007: (mentioned in Annexure-XXXI above)

(Rs. in Million)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Associates	Co - Venturers	Key Management Personnel
Advance received			39.94		
Advance towards capital work in progress		0.79			
Advance towards investment refunded			0.25		
Advance towards investments	150.00		151.92		
Commitment charges	1.73				
Commitment charges payable	25.64				
Consumer Durable Loan					0.23
Equity stock option premium	189.95				
Funded Interest				10.57	
Guarantee Commission	0.64				
House Renovation Loan					0.02
Income towards construction			284.95		
Interest expense	99.66		0.65	17.17	
Interest income	29.64		26.91		
Interest payable	0.10				
Interest receivable			20.87		
Investments			984.88		
Investments in call money	1,751.00				
Lease hold improvements		2.12			
Loans granted			39.00		
Loans payable	1,361.50			282.66	
Loans repaid	823.55				

(Rs. in Million)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Associates	Co - Venturers	Key Management Personnel
Loans taken	171.00				
Loans taken				13.61	
Misc Expense written off				2.74	
Payable on account of service		0.01			
Payable on current account	8.25		6.94	0.17	
Purchase of fixed assets			0.07		
Purchase of shares / units	2,086.07				
Receivable on account of service income	57.74		563.55		
Receivable on current account		0.10	62.42	0.18	
Redemption of call money	1,751.00				

Nature of Transaction	Holding Company	Fellow Subsidiaries	Associates	Co - Venturers	Key Management Personnel
Remuneration					27.11
Sale of fixed assets			0.10		
Sale of shares / units	8.30				
Services received	13.42	3.74			
Services rendered	78.29		978.42	0.35	
Share application money received	3,490.07				
Takeout Assistance Fees	0.72				
Takeout Assistance Fees payable	0.73				
Zero Coupon Bonds issued				41.52	

b. Balances and Transactions with related parties as at/for the year ended 31st March 2008: (mentioned in Annexure-XXXI above)

(Rs. In Million)

Nature of Transaction	Holding Company	Fellow Subsidiary	Associate	Co-Venture	Key Management Personnel
Balances					
Advance		1.08	62.05		
Advance Towards Capital		150.00			
Advance Towards Investments			40.30		
Call Option Premium (Receivable)	235.21	55.68			
Commitment Charges payable	28.73				
Debtors	47.23	12.58	359.85		
Fixed Assets		1.64			
Interest Accrued & Due		0.66	0.05		
Interest Accrued but not due	0.37	7.86	20.93		
Investment	250.00		1,510.02		
Investment in Call Money	22.58				
Loans Given			707.24		0.21
Loans Payable	905.23	640.00			
Loans Payable (Unsecured)	38.02				
Payable on Account of Service received		0.11	3.97		
Payable on Current Account	6.12	0.10			
Receivable on Account of Service rendered		13.02	49.81		
Receivable on Current Account	0.13	16.92	50.80	0.32	
Sundry Creditors		0.39			
Zero coupon Bonds Series B	36.84				

(Rs. in Million)

Nature of Transaction	Holding Company	Fellow Subsidiary	Associate	Co-Venture	Key Management Personnel
Transactions					
Advance Given			20.27		
Advance Towards Investments made			102.06		
Commitment Charges	3.49				
DDB Trusteeship fees		0.22			
Debt Syndication Fees		36.05			
Deputation Cost Recovered		7.81	17.71		
Dividend Amount	171.98				
Equity premium	189.95				
Guarantee Commission	21.23				
Interest Expense	131.98	50.81			
Interest Income	29.44		75.87		
Investment in Call Money - Matured	3,167.42				
Investment in Call Money made	3,190.00				
Loans Advances		245.00	668.24		
Loans Repaid	99.69	305.00			
Loans taken	2.00	700.00			
Non Convertible Debentures	200.00				

Nature of Transaction	Holding Company	Fellow Subsidiary	Associate	Co-Venture	Key Management Personnel
Purchase of bonds	100.00				
Purchase of Line of Credit	286.00				
Receivable on Account of Service rendered		0.01			
Remuneration					35.03
Rent paid	36.76				
Sale of Construction Material			348.92		
Security Agent Fees	1.12	0.73			
Service rendered		11.42	801.23		
Services Received	1.15	4.17			
Take out Assistance Fee	3.64				
Trusteeship Fees		0.20			

c. **Balances and Transactions with related parties as at/for 31st March 2009: (mentioned in Annexure-XXXI above)**

(Rs. in Million)

Nature of Transaction	Holding Company	Fellow Subsidiary	Associate	Co-Venture	Key Management Personnel
Balances					
Advance Towards Capital		150.00			
Advance Towards Investments			40.30		
Call Option Premium (Receivable)	235.21	55.68			
Commitment Charges payable	28.73				
Credits with Associates			9.95		
Current Assets - Client			182.43	162.63	
Debtors	18.50	11.67	136.53		
Interest Accrued but not due	0.12		56.98		
Investment	500.00		1,278.03		
Investment Equity Instrument			75.49		
Investment in Call Money	210.00				
Loans Given			270.00		0.16
Loans Payable	2,385.18				
Long Term Liability			0.42		
Option premium	189.95				
Other Financial Assets			0.02	0.06	
Payable on Account of Service received		51.39			
Payable on Current Account	23.59	3.13			
Purchase of Fixed Assets			0.45		
Receivable on Account of Service rendered		0.34	125.76		
Receivable on Current Account		3.35	67.50	0.28	
Remuneration					0.09
Short Term Financial Investment			287.38	367.22	
Short Term Liability			46.97		
Short Term Liability - Creditors			0.15	222.62	
Zero coupon Bonds Series B	32.51				

Nature of Transaction	Holding Company	Fellow Subsidiary	Associate	Co-Venture	Key Management Personnel
Transactions					
Advance Towards Investments made			98.00		
Annual Fee		0.04			
Commitment Charges	0.55				
DDB Trusteeship fees		0.11			
Deputation Cost Paid	20.12				
Deputation Cost Recovered		13.23	24.59		
Dividend Amount	270.00				
Guarantee Commission	19.81				

Nature of Transaction	Holding Company	Fellow Subsidiary	Associate	Co-Venture	Key Management Personnel
Interest Expense	235.62	59.05			
Interest Income	20.91		97.42		
Investment in Call Money - Matured	4,580.08				
Investment in Call Money made	4,767.50				
Investment made	250.00		-		
Investment sold	300.00	198.79			
Loans Given			545.00		
Loans Received back			120.00		
Loans Repaid	4,249.69	1,280.00	352.24		
Loans taken	5,300.00	640.00			
Payable on Current Account			0.25		
Processing Fees		0.45			
Receivable on Account of Service rendered		0.01			
Remuneration					50.60
Rent paid	33.14				
Sale of Construction Material			7.14		
Security Agent Fees	1.29	1.54			
Service rendered	0.05	1.26	466.40		
Services Received	17.60	73.64			
Take out Assistance Fee	1.65				
Upfront fees	0.10	3.32			

d. Balances and Transactions with related parties as at/for 30th September 2009: (mentioned in Annexure-XXXI above)

(Rs. in Million)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Associate	Co-Ventures	Key Management Personnel
Balances					
Advance Towards Capital	-	150.00	-	-	-
Advance Towards Investments made	-	-	40.30	-	-
Commitment Charges payable	28.73	-	-	-	-
Corporate Deposit Placed	32.43	-	-	-	-
Credits With Associates	-	-	177.71	-	-
Current Assets- Client	-	-	80.19	166.31	-
Debtors	18.50	569.37	65.98	-	-
Option premium	1.25	-	-	-	-
Guarantees given to the lender of the Company	760.00	-	-	-	-
Interest Accrued but not due	0.83	-	86.38	-	-
Interest Payable but not due	43.06	13.06	-	-	-
Investments	735.21	-	408.41	1,397.19	-
Investment in Call Money	217.50	-	-	-	-
Loan Given	-	-	594.60	-	-
Loan Taken	2,726.31	1,350.00	-	-	-
Managerial Remuneration	-	-	-	-	2.89
Non Convertible Debentures	-	-	786.40	-	-
Other Financial Assets	-	-	17.64	244.53	-
Payable on Current Account	7.08	0.42	5.99	0.27	-
Prepaid Expenses Receivable	-	0.17	-	-	-
Receivable on Current Account	-	10.72	16.36	-	-
Security Agent Fees	-	0.95	-	-	-
Short Term Financial Investment	-	-	85.60	-	-
Short Term Liability	-	-	1.90	(0.04)	-
Short Term Liability-Creditors	-	-	7.23	427.84	-
Syndication Fees Payable	-	20.32	-	-	-
Zero Coupon Bonds	32.51	-	-	-	-
Transactions					
Asset Management Fees	-	0.73	-	-	-

Nature of Transaction	Holding Company	Fellow Subsidiaries	Associate	Co-Ventures	Key Management Personnel
Corporate Deposit Placed	55.43	-	-	-	-
Corporate Deposit Received Back	33.00	-	-	-	-
DDB Trusteeship fees	-	0.06	-	-	-
Dividend payment	168.75	-	-	-	-
Guarantee Commission	9.61	-	-	-	-
Interest Expense- Short Term Loan	215.29	14.51	-	-	-
Interest Income	10.91	-	42.39	-	-
Call Money – Repaid	1,962.50	-	-	-	-
Investment in Call Money made	1,970.00	-	-	-	-
Investment in Redeemable Optionally Convertible Cumulative Preference Shares	198.90	-	-		
Loan Given	-	-	374.60	-	-
Loan Received Back	-	-	15.00	-	-
Loan Repaid	2,549.85	-	-	-	-
Loan Taken	2,527.20	1,350.00	-	-	-
Managerial Remuneration	-	-	-	-	7.56
Receivable on Current Account	-	-	5.99	-	-
Rent Expenses	12.85	-	-	-	-
Sale	-	-	35.15	-	-
Security Agent Fees	0.55	2.70	-	-	-
Service Rendered	-	562.43	27.77	-	-
Services Received	22.67	0.85	-	-	-
Syndication Fees	-	28.09	-	-	-
Take out Assistance Fee	0.89	-	-	-	-

ANNEXURE XXX II: Details of the Policy Changes Difference and Prior Period Items

(Rs. in Million)

Particulars	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
Profit after tax as per audited statements - (A)	301.29	959.64	262.63	1,181.11
Adjustments on account of:				
I) Change in accounting policies				
a) Adjustments on account of adoption of guidance note on Service Concession Arrangements	164.69	(11.88)	-	-
b) Change in Profit/Loss on Sale of Assets	0.05	0.05	(0.04)	-
c) Change in Depreciation Policy	(2.21)	(0.14)	(0.45)	1.31
d) Adjustments for prior period items	4.05	0.72	-	-
e) Employee Benefits	4.90	(4.73)	0.17	-
f) Tax relating to previous years	3.78	(12.83)	16.47	-
g) Tax impact on adjustments - Deferred Tax	(3.38)	1.49	-	
h) Other Expenditure	-	-	-	(0.15)
Total Adjustments net of tax impact – (B)	171.88	(27.32)	16.15	1.16
II) Others				
a) Share of loss transferred to minority interest	(1.55)	0.19	-	-
b) Share of profit of associates	42.20	0.04	-	-
Sub Total - (C)	40.65	0.23	-	-
Total of Adjustments - Net of tax impact – D = (B+C)	212.53	(27.09)	16.15	1.16
Adjusted Profit (A+D)	513.82	932.55	278.78	1,182.27

ANNEXURE XXX III: CAPITALISATION STATEMENT

(Rs. in Million)

Particulars	Pre Issue As at 30th September 2009	Post Issue (Refer Note 3 below)
Short Term Debt	6,229.29	
Long Term Debt	17,941.98	

Particulars	Pre Issue As at 30th September 2009	Post Issue (Refer Note 3 below)
Total Debt	24,171.27	
Shareholder's Funds		
Equity Share Capital	1,714.15	
Reserves / (Profit & Loss Account)	8,456.43	
Miscellaneous Expenses	-	
Total Shareholder's Fund	10,170.58	
Long Term Debt / Shareholders Funds	**1.76**	

Notes:

1) The above has been computed based on restated consolidated financial information.

2) Short term debts are debts due within next one year as on 30th September 2009.

3) Share Capital and Reserves, Post-Issue can be ascertained only after the conclusion of the book building process.

4) Long Term debt/Equity = $\frac{\text{Long Term debt}}{\text{Shareholders' funds}}$

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is based on and should be read in conjunction with our restated consolidated financial statements, as of and for (i) the six months ended September 30, 2009 and (ii) the fiscal years ended March 31, 2009, 2008 and 2007, together with the related notes thereto and other financial information, which are included elsewhere in this document. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this document, particularly in "Risk Factors". Our consolidated financial statements have been presented in Indian Rupees and prepared in accordance with Indian GAAP for all periods presented. Indian GAAP differs in certain material respects from U.S. GAAP. Unless otherwise indicated, references in this discussion and analysis to our results of operations or financial condition for a specified year are to our fiscal year ended March 31 of such year. In this section, any reference to "we", "us" or "our" refers to our Company on a consolidated basis.

Overview

We are an established surface transportation infrastructure company and we believe we are one of the largest private sector BOT road operators in India. We are a developer, operator and facilitator of surface transportation infrastructure projects, taking projects from conceptualization through commissioning to operations and maintenance. We were incorporated in 2000 by IL&FS, an infrastructure development and finance company, in order to consolidate their existing road infrastructure projects and to pursue various new project initiatives in the area of surface transportation infrastructure. In March 2008, we commenced our international operations through the acquisition of Elsamex S.A. ("**Elsamex**"), a provider of maintenance services primarily for highways and roads in Spain and other countries.

Since inception, we have been involved in the development, operation and maintenance of national and state highways, roads (including urban roads), flyovers and bridges in Andhra Pradesh, Delhi, Gujarat, Maharashtra, Karnataka, Uttar Pradesh, Kerala and Rajasthan. We have a pan-India presence in the BOT road sector and have interests in a diverse project portfolio consisting of 17 road projects, comprising approximately 9,397 Lane kms, which includes 4,086 Lane kms under operation and maintenance and 5,311 Lane kms under development (of which 1,244 Lane kms under construction). We believe that we are the lowest/preferred bidder for a project comprising 2100 Lane kms. Our projects are designed and developed with regard to international standards in terms of technology and facilities.

Since our incorporation, we have created a geographically widespread presence in India. Eight of our projects have commenced operations — the North Karnataka Expressway (from Belgaum in the States of Karnataka to Maharashtra Border), the West Gujarat Expressway (connecting Jetpur to Rajkot in the State of Gujarat), the NOIDA Toll Bridge (connecting Delhi to NOIDA, in the States of Delhi and Uttar Pradesh), the Vadodara Halol Toll Road (connecting Vadodara to Halol in the State of Gujarat), the Ahmedabad Mehsana Toll Road (connecting Ahmedabad to Mehsana in the State of Gujarat), Andhra Pradesh Expressway (Kotakatta to Kurnool in the state of Andhra Pradesh) and Ramky Elsamex Hyderabad Ring Road (Tukkugudu to Shamshabad section of the Hyderabad Outer Ring Road), as well as the Mega Highways (comprising five stretches of road from "Phalodi to Ramji-ki-Gol", "Hanumangarh to Kishangarh", "Alwar to Sikandra", "Baran to Jhalawar" and "Lalsot to Kota" all in the State of Rajasthan) and Thiruvananthapuram City Roads projects which have both operational and developmental phases. Notably, NOIDA Toll Bridge Company Limited, which is our associate and also the implementing company for the NOIDA Toll Bridge project, was the first Indian toll road company to have been listed both on the national and international stock exchanges; and the Vadodara Halol Toll Road was designated by the World Bank as a 'best practices' example for its environment risk mitigation and social rehabilitation plan in India. (*Source: India – Review of the Effectiveness of Environmental Assessments in World Bank-Assisted Projects, Fiscal 1990-97, Name of Publication: Environment Sector Management Unit, South Asia Region, the World Bank, Authors: L. Paneer Selnam, Sonia Kapoor, Prasad Modak and Radha Gopalan, Date of Publication: September 1999, Hyperlink:* http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2003/01/17/000094946_03010704154241/Rendered/PDF/multi0page.pdf). In addition, we are currently developing 11 road projects (including the Mega Highways and Thiruvananthapuram City Roads projects) in the States of Andhra

Pradesh, Chhattisgarh, Jharkhand, Kerala, Rajasthan, Uttar Pradesh and Maharashtra in India and Madrid in Spain. Out of these 11 projects, five projects are currently in the construction phase and the remaining six projects are in the pre-construction phase of development.

We are also developing capabilities in other transportation infrastructure sub-sectors such as mass rapid transport systems and urban transportation infrastructure systems. We have been selected for the development of the 4.9 km track of elevated metro rail link project in Gurgaon (Haryana) and are also operating and maintaining the Nagpur city bus services on a BOT basis.

With respect to our international operations, we acquired Elsamex in order to (i) complement our BOT road operations with Elsamex's maintenance capabilities and (ii) to facilitate our entry into international markets such as Spain, Portugal and Latin America. Elsamex's primary business is the maintenance of roads, buildings and petrol stations, mainly in Spain, with additional operations in Portugal in Europe and Columbia and Mexico in South America. Elsamex also provides consulting services for roads and water supply projects in the areas of quality control, safety, health and environment. Additionally, Elsamex conducts research and development for road maintenance projects, with particular focus on bitumen technology.

We believe we benefit significantly from our affiliation with IL&FS, which has an established track record in promoting and financing a range of public infrastructure projects in India for over 22 years. IL&FS was incorporated in 1987 and its shareholders include Life Insurance Corporation of India, Central Bank of India, State Bank of India, Housing and Development Finance Corporation Limited, Abu Dhabi Investment Authority and Orix Corporation of Japan.

We believe that in view of our strong parentage, experience gained in implementing the abovementioned projects and the capabilities being developed by us, we are well positioned to benefit from expected growth in vehicular traffic in India and demand for additional surface transportation infrastructure in India and other countries where we have presence.

We generate revenues primarily from Elsamex's maintenance business and from, annuity receipts, toll collection, operation and maintenance activities and advisory and project management fees from BOT road projects. In addition, we auction the toll receipts for certain of our toll road projects to third parties for twelve-month periods in exchange for a fixed fee in order to mitigate the risk of volatility of toll revenues. For the six months ended September 30, 2009, our consolidated revenue and total profit after tax amounted to Rs. 9,795.55 million and Rs. 1,182.27 million, respectively. For the year ended March 31, 2009, our consolidated revenue and total profit after tax amounted to Rs. 13,320.08 million and Rs. 278.78 million, respectively, compared to consolidated revenue and total profit after tax of Rs. 4,374.54 million and Rs. 932.55 million, respectively, for the year ended March 31, 2008.

Basis of Preparation of Financial Statements

We prepare our consolidated financial statements in accordance with the requirements of Accounting Standard 21 – Consolidated Financial Statements ("AS–21"), Accounting Standard 23 – Accounting for Investments in Associates in Consolidated Financial Statements ("AS–23"), and Accounting Standard 27 – Financial Reporting of Interests in Joint Ventures ("AS–27") issued by the Institute of Chartered Accountants of India ("ICAI").

The financial statements of the Company and its subsidiary companies have been combined on a line – by – line basis by adding together book values of similar items such as assets, liabilities, income and expenses, after eliminating intra-group balances and transaction in accordance with AS–21. Investments in associate companies have been accounted in accordance with the equity method as per AS–23.

Interests in joint ventures have been accounted for in accordance with the proportionate consolidation method as per AS–27. This standard is applied in accounting for interests in joint ventures and the reporting of joint venture assets, liabilities, income and expenses in the financial statements of the investing company. The investing company in its consolidated financial statements is required to report its interest in a joint venture using proportionate consolidation. The proportionate consolidation method under AS–27 requires the investing company to include its share of assets and liabilities as well as income and expenses in the joint venture in its financial statements.

There are certain projects in which we have a "beneficial interest" as a result of certain call option agreements our Promoter and third parties have entered into, as well as covered warrants to which we have subscribed. As a result of these agreements, we have an effective beneficial interest in such projects whereby, for example, if the project company declares and pays a dividend, we would receive a payment equivalent to our beneficial interest. Such payments would be recognized as other income. We record the value of the covered warrants in our balance sheet as investments, and record the value of the call options as current assets. To date, we have not generated any income from these arrangements and we are not entitled to any rights and privileges of shareholders pursuant to these arrangements. For additional details of these arrangements, see the section titled "History and Certain Corporate Matters" on page 188.

Lack of Comparability of Periods under Review

We have made acquisitions during the periods under review. As a result of these acquisitions, it may not be possible to compare our results of operations on a period-to-period basis. In March 2008, we acquired Elsamex. As of March 2008, only the assets and liabilities of Elsamex were included in our results of operations. In Fiscal 2007 and Fiscal 2008, we acquired interests in several projects that, in the aggregate, had a significant impact on our results of operations. For details of our acquisitions during Fiscal 2007, 2008 and 2009, see Note 3 to our consolidated financial statements appearing as part of the section titled "Financial Statements" on page F-58.

Principal Factors Affecting Our Results of Operations

Our business, results of operations and financial condition are affected by a number of factors, including:

- *Our acquisition of Elsamex.* We acquired Elsamex in March 2008 for a purchase price of Rs. 766.54 million. Commencing in Fiscal 2009, a majority of our revenues have been attributable to our interest in Elsamex. Elsamex's maintenance revenues may fluctuate depending on the economic conditions in the locations where it operates, changes in governmental policies or budgetary allocations for spending on maintenance of roads or the non-renewal of contracts.

  Elsamex has incurred losses in the past and may have losses in future. Elsamex's maintenance business has very thin profit margins as a result of (1) relatively high interest expenses and (2) a relatively high percentage of fixed costs.

  As a result, our acquisition of Elsamex in March 2008 has had a more significant impact on our revenues and expenses than on our profits. We expect our operations and maintenance business to continue to generate the majority of our revenues and expenses, although the percentage contribution of Elsamex's maintenance revenues may decrease in the long-term as our BOT projects in development are completed and we generate increased toll revenues and revenues from annuity receipts (finance income) and advisory and project management fees.

  In addition, we acquired a significant amount of indebtedness as a result of the acquisition of Elsamex. Since our acquisition of Elsamex, we have invested additional equity to fund its operations, and may continue to do so in the future.

- *Asset mix and revenue streams.* We generate revenues from annuity receipts and toll revenues from BOT road projects. While our annuity contracts provide us with relatively stable revenues during the concession period, our toll revenues are subject to fluctuations. In the future, we intend to expand our business in other surface transportation infrastructure sectors such as rail, urban mass-rapid transport and airport sub-sectors. Our ability to diversify our asset and revenue mix in line with the growth opportunities in the Indian surface transportation infrastructure sector will have a significant impact on our revenues and financial condition.

  In addition, our projects are at various stages of completion and our contracts to operate toll roads and annuities contracts may vary from year to year. As a result, our revenues from toll or annuity may vary from period to period. Our projects have a long gestation period before they become operational or generate profit. Our projects are typically required to achieve financial closure (such that we obtain all required financing) no later than the scheduled commercial operations date specified under the relevant concession agreement. If our projects do not achieve financial closure within the time specified or any other pre-construction conditions are not satisfied, then we may lose the right to such projects. The completion targets for our projects are based on our estimates and are subject to various risks, including, among other things, contractor performance shortfalls, unforeseen engineering problems, force majeure events, unanticipated cost increases or changes in scope and delays in obtaining certain property rights and government approvals, any of which could give rise to delays, cost overruns or the termination of a project's development.

Our financial performance also depends significantly on the performance of our SPV projects which we do not consolidate in our financial statements. We recognize income from these SPVs as our share in associate companies included in minority interest. In addition we generate project development and/or operations and maintenance or other agreed fees from contracts with these SPVs. If such SPVs are unable to pay these fees to us, our business condition and results of operations could be adversely affected.

- *Economic conditions in the countries where we operate.* Our performance and growth are dependent on the health and sustained growth of the economies of the countries in which we operate. Our operations are primarily in India, Spain and Portugal, but we also have operations in countries such as Mexico, the Dominican Republic and Columbia. Any slowdown or perceived slowdown in these economies due to external or internal reasons, could adversely affect our revenues and our results of operations.

- *Dependence on support from governmental entities.* We generate revenues largely from customers in the public sector, including Central and State governments and government-owned entities. Accordingly, our business is largely dependent on the establishment of stable government policies and regulation, particularly in India, Spain and Portugal where most of our operations are conducted. Any significant changes in a particular government's policy for the surface transportation infrastructure and urban infrastructure sectors could have a significant effect on our revenues, expenditure or growth prospects.

  Our results of operations are also significantly affected by budgetary allocations made by the governments for the infrastructure sector as well as funding provided by international and multilateral development finance institutions for road infrastructure projects. Investment by the private sector in road infrastructure projects depends on the potential returns from such projects and is therefore linked to government policies relating to private sector participation and sharing of risks and returns from such projects.

- *Bidding and execution capability.* Surface transportation infrastructure project developments on a public private partnership basis in India involve pre-qualifying interested companies based on their technical and financial strengths. The nature of the BOT road tender process in India is such that the pre-qualifications obtained in the past play an important role in allowing companies to bid for new projects. Further, from time to time our ability to strategically partner with other companies will also determine our success in being awarded projects for which we bid. Our project management capability and our ability to maintain execution and operating costs at competitive rates will also affect our financial condition and results of operations.

- *Changes in tax laws.* Presently, road infrastructure development projects, including BOT projects, enjoy certain benefits under Section 80IA of the Income Tax Act, 1961. As a result of these incentives, a number of our projects are subject to relatively low tax liabilities. If the laws relating to such minimum tax liabilities are changed, it may have an adverse impact on our financial condition and results of operations. The income tax exemptions for various BOT projects expire at various points of time. Alterations, expiry or termination of these tax incentives may reduce our profitability and materially increase our tax expenses.

- *Competition.* We expect competition in both the surface transportation infrastructure sector and the maintenance sector (with respect to Elsamex) to increase in the future. This competition may cause us to fail to win projects for which we submit tenders or reduce our margins for projects, which would adversely affect our revenues.

- *Project development, acquisition and management.* We plan to make significant investments in new projects over the next several years. If we spend substantially less than what we have budgeted to develop these projects, or if we are able to complete these projects ahead of schedule, our financial condition and earnings could improve. Conversely, if we are unable to complete these projects in accordance with our budgets, or if these projects, once built, do not operate profitably, our financial condition and earnings could be adversely affected. For a more detailed discussion of our plans with respect to these investments and the factors which may affect their timing and amounts, see the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources – Fixed Assets" on page 315.

- *Fluctuating traffic volumes.* Our revenues from BOT toll projects are dependent significantly on traffic volumes for higher collection of the user fees, which can vary significantly due to a number of factors. Moreover, the volumes of traffic may not be uniform throughout the year or between two years. Any significant decrease in traffic volume on our BOT toll roads or collection of lower toll fees from these roads could have a material adverse on our business and results of operations.

- *Ability to borrow funds at competitive rates.* Infrastructure projects, by their nature, are typically capital intensive and may require high levels of debt financing. We have in the past been able to raise debt financing on terms acceptable to us. We believe that, with the continued growth of our businesses and reputation in the surface transportation infrastructure sector, we may be able to obtain debt financing on competitive terms. However, if for any reason we are unable to obtain adequate finances in a timely manner and on acceptable terms, or at all, our financial condition and results of operations could be adversely affected. Our interest expenses increased significantly in Fiscal 2009 which adversely affected our profit margins.

- *Cost of raw materials.* To the extent we enter into item-based contracts for the construction of our projects, we are subject to fluctuations in costs of raw materials such as steel, cement and bitumen. Our ability to pass on increases in the purchase price of raw materials may be limited in case of fixed-price contracts or contracts with limited or no price escalation provisions. Our actual expense in executing a fixed-price contract may also vary substantially from the assumptions underlying our bid for several reasons, including unanticipated increases in the cost of raw materials, fuel and labor. Unanticipated increases in the price of raw materials, fuel costs, labor or other inputs not taken into account in our bid and delays in performing parts of the contracts, can have compounding effects by increasing the costs of performing other parts of the contract. These variations and the risks generally inherent in surface transportation infrastructure development may materially and adversely affect our results of operations and financial condition.

Key Components of Our Income Statement

Income

Our income consists of income from operations, construction contract revenue, other income and income from foreign exchange fluctuation. Our total income is broken down as follows:

	For the year ended March 31,						**For the six months ended September 30,**	
	2007		**2008**		**2009**		**2009**	
	(Rs. million)	**%**	**(Rs. million)**	**%**	**(Rs. million)**	**%**	**(Rs. million)**	**%**
Income from Operations	1,833.31	92.52%	2,965.87	67.80%	10,587.23	79.48%	5,462.77	55.77%
Advisory and project management fees	1,073.37	54.17%	621.52	14.21%	776.98	5.83%	551.73	5.63%
Lenders' engineer and supervision fees	89.43	4.51%	129.95	2.97%	148.80	1.12%	19.12	0.20%
Operation and maintenance income	117.02	5.91%	429.34	9.81%	7,918.66	59.45%	3,812.10	38.92%
Toll Revenue	227.39	11.48%	806.67	18.44%	860.24	6.46%	685.46	7.00%
Finance Income	18.47	0.93%	591.93	13.53%	656.40	4.93%	379.19	3.87%
License fees	16.61	0.84%	29.00	0.66%	31.29	0.23%	15.17	0.15%
Other Operating Income	2.06	0.10%	-	0.00%	-	0.00%	-	0.00%

	For the year ended March 31,						For the six months ended September 30,	
	2007		2008		2009		2009	
	(Rs. million)	%	(Rs. million)	%	(Rs. million)	%	(Rs. million)	%
Income from securities	4.01	0.20%	8.53	0.19%	-	0.00%	-	0.00%
Traded products-sales	284.95	14.38%	348.93	7.98%	194.86	1.46%	-	0.00%
Other Income	94.04	4.75%	758.62	17.34%	794.20	5.96%	212.25	2.17%
Interest on loans granted	21.70	1.10%	113.75	2.60%	162.48	1.22%	98.29	1.00%
Profit on sale of investment	3.30	0.17%	523.80	11.97%	387.76	2.91%	0.21	0.00%
Profit on Sale of Fixed Assets	0.03	0.00%	0.02	0.00%	53.75	0.40%	-	0.00%
Interest on bank deposits	17.79	0.90%	24.68	0.56%	21.15	0.16%	20.02	0.20%
Interest on call money	29.64	1.50%	29.44	0.67%	22.75	0.17%	9.75	0.10%
Excess provisions written back	0.05	0.00%	1.59	0.04%	0.50	0.00%	-	0.00%
Interest on debenture	15.68	0.79%	29.20	0.67%	39.32	0.30%	19.71	0.20%
Income from Material Testing	-	0.00%	2.55	0.06%	2.01	0.02%	-	0.00%
Interest on Short Term Deposit	-	0.00%	0.40	0.01%	0.26	0.00%	-	0.00%
Advertisement income	-	0.00%	11.74	0.27%	4.00	0.03%	1.52	0.02%
Operation and Maintenance Grant from NHAI	-	0.00%	-	0.00%	-	0.00%	18.52	0.19%
Other income	5.85	0.30%	21.45	0.49%	100.22	0.75%	44.23	0.45%
Construction Contract Revenue	53.83	2.72%	650.05	14.86%	1,666.47	12.51%	4,111.26	41.97%
Foreign exchange fluctuation	0.31	0.02%	-	0.00%	272.18	2.04%	9.27	0.09%
Total Income	1,981.49	100.00%	4,374.54	100.0%	13,320.08	100.00%	9,795.55	100.00%

Income from Operations

Our income from operations comprises of income from advisory and management fees, lenders' engineer and supervision fees, operation and maintenance income, toll revenue, finance income, license fees, other operating income, income from securities and traded products-sales.

Our income from advisory and management fees comprises fees charged to projects for our project development activities, including pre-bid and pre-construction activities.

Our toll revenue consists of income from collection of tolls from the users of roads and bridges for which we have a concession, including revenue generated from the auction of toll receipts.

Our finance income consists of revenue from financial assets (roads or bridges for which we have entered into an annuity contract). The majority of the annuity received for these roads or bridges is not recognized as revenue but instead used to offset the cost of the original assets which was capitalized. The finance income is calculated using the effective interest method from the year in which construction activities are started. When we construct a road or bridge for which we have entered into an annuity contract, we capitalize all expenses other than interest expenses incurred during construction. Our finance income increases as a result of increases in construction expenses that we capitalize.

Our income from operation and maintenance consists of income earned for (1) Elsamex's maintenance activities such as upkeep of road and other assets, (2) operation and maintenance start-up fees we generate in India and (3) recurring operation and maintenance fees we receive for upkeep of road assets in India. Beginning in Fiscal 2009, a substantial majority of our operation and maintenance income has been generated by Elsamex and its subsidiaries.
Our income from lenders' engineering and supervision fees consists of fees charged to lenders for technical certification of the progress of projects developed by third parties and supervision fees charged to the projects during the construction period.

Our income from license fees consists of revenue generated from providing space for advertisement on bridges and from providing office space.

Our income from traded product sales consists of sales of road construction material such as bitumen and steel.

Other Income

Other income comprises interest on loans granted, profit on sale of investments, profit on sale of fixed assets, interest on bank deposits, interest on call money, excess provisions written back, interest on debentures, income from material testing, interest on short term deposits, advertisement income and other miscellaneous income.

Construction Contract Revenue

Our revenue from construction contracts consists of billing for construction of projects under service concession arrangements.

Foreign Exchange Fluctuations

Our net income from foreign exchange fluctuation for Fiscal 2009 consists primarily of the exchange rate difference realized on repayment of a foreign currency loan given by us to an overseas subsidiary.

Expenses

The following table shows our expenses for six months ended September 30, 2009 and fiscal years ended March 31, 2009, 2008 and 2007.

	For the year ended March 31,			**For the six months ended September 30,**
	2007	**2008**	**2009**	**2009**
	(Rs. million)			
Material consumption	-	-	1,036.69	315.03
Staff costs	128.16	203.73	2,994.63	1,775.79
Administrative & general expenses	383.51	660.13	1,874.36	1,008.24
Operation and maintenance expenses	72.09	106.20	2,644.63	1,127.69
Construction contracts costs	49.12	419.99	1,495.20	1,945.45
Interest and finance charges	214.58	1069.52	1,742.98	1,278.62
Cost of traded products	273.81	335.77	220.65	-
Depreciation/amortization	32.91	76.09	353.44	277.14
Provision for overlay expenses	12.02	59.73	54.04	41.36
Preliminary expenses written off	2.92	0.05	–	0.32
Total Expenses	1,169.12	2,931.21	12,416.62	7,769.64

Material Consumption

Our material consumption expenses represent the cost of materials used for maintenance of roads and buildings such as bitumen and steel. Substantially all of these expenses were recognized by Elsamex and its subsidiaries for Fiscal 2009 and the six months ended September 30, 2009.

Staff costs

Staff costs include costs of salaries and allowances paid to employees, contribution to provident and retirement funds and staff welfare expenses.

Administrative and general expenses

Administrative and general expenses include expenses incurred towards establishment overhead, professional fees, legal and consultation fees, travelling and conveyance, rent rates and taxes, repairs and maintenance (other than for project assets), bank commissions, registration expenses, communication expenses, insurance charges, printing and stationary, bad debts and provision for doubtful debts, diesel and fuel expenses and miscellaneous expenses.

Operation and maintenance expenses

Operation and maintenance expenses include expenses incurred for the upkeep of project roads and bridges after commencement of commercial operations. Beginning in Fiscal 2009, a substantial majority of these expenses has been recognized by Elsamex and its subsidiaries.

Construction contracts costs

Construction contracts costs include cost of construction of projects, such as material, labor costs and sub-contractor costs, undertaken by us under service concession arrangements, as well as interest charges incurred during construction in respect of toll roads.

Cost of traded products

Cost of traded products includes the cost of material purchased for which revenue has been recognized under income from traded product sales.

Provision for overlay expenses

Provision for overlay expenses represents costs that have been recognized in the profit and loss account which are to be incurred at the time of resurfacing, overlaying or renewal of toll roads or bridges to restore the infrastructure to a specified level of serviceability.

Interest and finance charges

Interest and finance charges includes interest paid on loans for fixed periods, debentures, bonds, commissions for guarantees provided by banks, syndication and upfront fees.

Depreciation/amortization

Depreciation/amortization expenses consist of amounts charged towards wear and tear of our fixed assets and intangible assets.

Preliminary expenses written off

Preliminary expenses written off consist of amounts paid towards stamp duty and registration fees for increases in share capital.

Provision for Tax

Tax expenses include current taxes payable, including wealth and fringe benefit taxes, taxes payable for earlier years and deferred taxes.

Minority interest

Minority interest constitutes minority shareholders' share in the profits or losses of companies in which we have a majority interest.

Overview of Our Results of Operations

The following table sets forth certain information with respect to our revenues, expenses and profits on a restated consolidated basis, for the periods indicated.

	For the year ended March 31,						For the six months ended September 30,	
	2007		2008		2009		2009	
	(Rs.	% of	(Rs.	% of	(Rs.	% of	(Rs.	% of

	million)	Total Income	million)	Total Income	million)	Total Income	million)	Total Income
Income	1,981.49	100.00%	4,374.54	100.00%	13,320.08	100.00%	9,795.55	100.00%
Expenses	1,169.12	59.00%	2,931.21	67.01%	12,416.62	93.22%	7,769.64	79.32%
Provision for diminution	100.00	5.05%	100.00	2.29%	100.00	0.75%	-	0.00%
Profit before tax	712.37	35.95%	1,343.33	30.71%	803.46	6.03%	2,025.91	20.68%
Provision for tax	254.59	12.85%	470.58	10.76%	466.11	3.50%	791.39	8.08%
Profit after tax (before adjustment of minority interest)	457.78	23.10%	872.75	19.95%	337.35	2.53%	1,234.52	12.60%
Adjustment of minority interest	1.03	0.05%	(13.48)	(0.31)%	(31.80)	(0.24)%	(8.12)	(0.08%)
Profit after tax (after adjustment of minority interest)	458.81	23.15%	859.27	19.64%	305.55	2.29%	1,226.40	12.52%
Share in profit/(loss) of associate	55.01	2.78%	73.28	1.68%	(26.77)	(0.20)%	(44.13)	(0.45%)
Total profit after tax	513.82	25.93%	932.55	21.32%	278.78	2.09%	1,182.27	12.07%

Six months ended September 30, 2009

Income

Our income for the six months ended September 30, 2009 was Rs. 9,795.55 million. Advisory and project management fees were Rs. 551.73 million. Lenders' engineering and supervision fees were Rs. 19.12 million. Operation and maintenance income was Rs. 3,812.10 million. Toll revenue was Rs. 685.46 million. Finance income was Rs. 379.19 million. License fees were Rs. 15.17 million.

Construction contract revenue was Rs. 4,111.26 million due to commencement of new projects during six months ended September 30, 2009. Foreign exchange fluctuations (net) were Rs. 9.27 million, due to the difference in the exchange rate on the date of accounting receivable/payables vis-à-vis exchange rate on the date of realization/discharge of receivables/payables.

Other Income

Other income for the six months ended September 30, 2009 was Rs. 212.25 million. The largest component of other income was interest on loans granted in the amount of Rs. 98.29 million.

Expenses

Our expenditure for the six months ended September 30, 2009 was Rs. 7,769.64 million. Material consumption was Rs. 315.03 million. Construction contract cost was Rs. 1,945.45 million. Staff costs were Rs. 1,775.79 million. Operation and maintenance costs were Rs. 1,127.69 million. Provision for overlay was Rs. 41.36 million. Administrative and general expenses were Rs. 1,008.24 million. Interest and finance charges were Rs. 1,278.62 million. Depreciation/amortisation was Rs. 277.14 million. Preliminary expenses written off were Rs. 0.32 million. Due to the commencement of new projects and the Company having been awarded contracts for construction in respect of these projects, there is an increase in construction income together with a corresponding increase in the construction cost contract.

Profit before tax

As a result of the foregoing, our profit before tax for the six months ended September 30, 2009 was Rs. 2,025.91 million.

Provision for tax

Provision for tax for the six months ended September 30, 2009 was Rs. 791.39 million.

Profit after tax (before adjustment of minority interest and share in profit/(loss) of associates)

As a result of the foregoing, our profit after tax (before adjustment of minority interest) was Rs. 1,234.52 million.

Minority interest

Our net adjustment for minority interest was a loss of Rs. 8.12 million.

Profit after tax (after adjustment of minority interest and before adjustment for share in profit/(loss)of associates)

As a result of the foregoing, profit after tax (after adjustment of minority interest and before adjustment for share in profit/loss of associates) was Rs. 1,226.40 million.

Share in profit/(loss) of associates

In the six months ended September 30, 2009, we recognised a loss of our share of associates of Rs. 44.13 million.

Total profit after tax

As a result of the foregoing, total profit after tax was Rs. 1,182.27 million for the six months ended September 30, 2009.

Year Ended March 31, 2009 Compared to Year Ended March 31, 2008

Income

Our income increased by 204.49% from Rs. 4,374.54 million in Fiscal 2008 to Rs. 13,320.08 million in Fiscal 2009. Income from operations (net of service tax) increased by Rs. 7,621.36 million, or 256.97%, from Rs. 2,965.87 million in Fiscal 2008 to Rs. 10,587.23 million in Fiscal 2009, primarily due to the inclusion of the operations of Elsamex in Fiscal 2009 after its acquisition in March 2008. Advisory and project management fees increased by 25.01% from Rs. 621.52 million to Rs. 776.98 million due to an increase in the number of projects in India which we managed and in our project management rates. Lenders' engineering and supervision fees increased by 14.51% from Rs. 129.95 million to Rs. 148.80 million due to supervision fees charged for a part of the year from one project in India. Operation and maintenance income increased significantly from Rs. 429.34 million to Rs. 7,918.66 million due to our acquisition of Elsamex in March 2008. Toll revenue increased by 6.64% from Rs. 806.67 million to Rs. 860.24 million due to an increase in vehicular traffic. Finance income increased by 10.89% from Rs. 591.93 million to Rs. 656.40 million due to increased construction expenses. However, traded products sales decreased by 44.15% from Rs. 348.93 million to Rs. 194.86 million due to the completion of the construction activity at a project to which we sell materials.

Construction contract revenue increased by Rs. 1,016.42 million, or 156.36%, from Rs. 650.05 million in Fiscal 2008 to Rs. 1,666.47 million in Fiscal 2009, primarily due to our acquisition of Elsamex in March 2008 and revenue generated from a full year of construction activity at a project in India. Foreign exchange fluctuations (net) increased from nil in Fiscal 2008 to Rs. 272.18 million in Fiscal 2009, primarily due to our realization of a net foreign exchange gain as a result of repayment of a foreign currency loan.

Other Income

Other income increased by Rs.35.58 million, or 4.69%, in Fiscal 2009 primarily due to an increase in the profit on sale of fixed assets.

Expenses

Expenses increased by Rs. 9,485.41 million, or 323.60%, from Rs. 2,931.21 million in Fiscal 2008 to Rs. 12,416.62 million in Fiscal 2009. Our material consumption expenses increased from nil in Fiscal 2008 to Rs. 1,036.69 million in 2009, primarily due to our acquisition of Elsamex in March 2008. This acquisition was also the primary reason that our operations and maintenance expenses increased by Rs.

2,538.43 million, or 2,390.24%, from Rs. 106.20 million in Fiscal 2008 to Rs. 2,644.63 million in Fiscal 2009; our staff cost expenses increased by Rs. 2,790.90 million, or 1,369.90%, from Rs. 203.73 million in Fiscal 2008 to Rs. 2,994.63 million in Fiscal 2009; our administrative and general expenses increased by Rs. 1,214.23 million, or 183.94%, from Rs. 660.13 million in Fiscal 2008 to Rs. 1,874.36 million in Fiscal 2009; and our depreciation/amortization expenses increased by Rs. 277.35 million, or 364.50%, from Rs. 76.09 million in Fiscal 2008 to Rs. 353.44 million in Fiscal 2009.

In addition, construction contract costs increased by Rs. 1,075.21 million, or 256.01%, from Rs. 419.99 million in Fiscal 2008 to Rs. 1,495.20 million in Fiscal 2009, primarily due to our acquisition of Elsamex as well as recognition of construction costs for the full year in respect of a project in India. Our interest and finance charges increased by Rs. 673.46 million, or 62.97%, from Rs. 1,069.52 million in Fiscal 2008 to Rs. 1,742.98 million in Fiscal 2009, primarily due to additional borrowings, including additional borrowings for new projects and investments, as well as the interest expenses of Elsamex. These increases were partially offset by a decrease in cost of traded products expenses by Rs. 115.12 million, or 34.29%, from Rs. 335.77 million in year 2008 to Rs. 220.65 million in Fiscal 2009, primarily due to the completion of the construction activity at the project to which we sell materials. Provision for overlay expenses also decreased by Rs. 5.69 million, or 9.53%, from Rs. 59.73 million in Fiscal 2008 to Rs. 54.04 million in Fiscal 2009, primarily due to the one project company ceasing to be a part of the Group from September 2008.

Profit before tax

As a result of the foregoing, profit before tax decreased by Rs. 539.87 million, or 40.19%, from Rs. 1,343.33 million in Fiscal 2008 to Rs. 803.46 million in Fiscal 2009.

Provision for tax

Provision for tax decreased by Rs. 4.47 million, or 0.95%, from Rs. 470.58 million in Fiscal 2008 to Rs. 466.11 million in Fiscal 2009. This decrease was primarily due a decrease in the profitability for Fiscal 2009 and the deferred tax adjustments relating to the year.

Profit after tax (before adjustment of minority interest and share in profit/(loss) of associates)

As a result of the foregoing, profit after tax (before adjustment of minority interest and share in profit/loss of associates) decreased from Rs. 872.75 million in Fiscal 2008 to Rs. 337.35 million in Fiscal 2009.

Minority interest

Our net adjustment for minority interest was a loss of Rs. 13.48 million in Fiscal 2008 compared to a loss of Rs. 31.80 million in Fiscal 2009.

Profit after tax (after adjustment of minority interest and before adjustment for share in profit/(loss) of associates)

As a result of the foregoing, profit after tax (after adjustment of minority interest and before adjustment for share in profit/loss of associates) decreased from Rs. 859.27 million in Fiscal 2008 to Rs. 305.55 million in Fiscal 2009.

Share in profit/(loss) of associates

In Fiscal 2008, we recognized a profit of our share of associates of Rs. 73.28 million compared to a loss of Rs. 26.77 million in Fiscal 2009.

Total profit after tax

As a result of the foregoing, total profit after tax decreased by 70.11% from Rs. 932.55 million in Fiscal 2008 to Rs. 278.78 million in Fiscal 2009.

Year Ended March 31, 2008 Compared to Year Ended March 31, 2007

Our income increased by 120.77% from Rs. 1,981.49 million in Fiscal 2007 to Rs. 4,374.54 million in Fiscal 2008. Income from operations (net of service tax) increased by Rs. 1,132.56 million, or 61.78%, from Rs. 1,833.31 million in Fiscal 2007 to Rs. 2,965.87 million in Fiscal 2008, primarily due to increases in our toll revenue and finance income. Toll revenue increased by 254.75% from Rs. 227.39 million to Rs. 806.67 million as income for the full fiscal was recognized during 2008 for several subsidiaries that were consolidated during Fiscal 2007. Finance income increased by 3,104.82% from Rs. 18.47 million to Rs. 591.93 million also because income for the full fiscal was recognized during 2008 for various subsidiaries that were consolidated during Fiscal 2007. Operation and maintenance income increased by 266.89% from Rs. 117.02 million to Rs. 429.34 million due to the levy of start-up fees for one project and the recognition of maintenance income for the full fiscal for another project. Traded products sales increased by 22.45% from Rs. 284.95 million to Rs. 348.93 million largely due to increase in cost of traded products and the level of activity.

These increases were partially offset by a decrease of 42.10% in advisory and project management fees from Rs. 1,073.37 million to Rs. 621.52 million due to a decrease in the number of projects in respect of which a project management fee was charged in Fiscal 2008. Lenders' engineering and supervision fees increased by 45.31% from Rs. 89.43 million to Rs. 129.95 million due to supervision fees charged for two domestic projects under construction.

Construction contract revenue increased by Rs. 596.22 million, or 1,107.60%, from Rs. 53.83 million in Fiscal 2007 to Rs. 650.05 million in Fiscal 2008, primarily due to recognition of contract revenue for a domestic project which had commenced construction activity in Fiscal 2008. Foreign exchange fluctuations (net) decreased from a gain of Rs. 0.31 million in Fiscal 2007 to a loss of Rs. 18.44 million in Fiscal 2008, primarily due to the recognition of foreign exchange losses on loans due from foreign subsidiary based on the exchange rates on the last day of the fiscal.

Other Income

Other income increased by Rs. 664.58 million, or by 706.7%, in Fiscal 2008 primarily due to an increase in the profit on sale of investments.

Expenses

Expenses increased by Rs. 1,762.09 million, or 150.72%, from Rs. 1,169.12 million in Fiscal 2007 to Rs. 2,931.21 million in Fiscal 2008. Our cost of traded products expenses increased by Rs. 61.96 million, or 22.63%, from Rs. 273.81 million in Fiscal 2007 to Rs. 335.77 million in Fiscal 2008, primarily due to increased requirements for materials from the projects to which we sold materials and due to the increased cost of traded materials. Our construction contract costs increased by Rs. 370.87 million, or 755.03%, from Rs. 49.12 million in Fiscal 2007 to Rs. 419.99 million in Fiscal 2008, primarily due to recognition of costs on commencement of construction for one domestic project. Our staff cost increased by Rs. 75.57 million, or 58.97%, from Rs. 128.16 million in Fiscal 2007 to Rs. 203.73 million in Fiscal 2008, primarily due to the full year's costs relating to subsidiaries having been recognized as well as a general increase in headcount. Our operation and maintenance expenses increased by Rs. 34.11 million, or 47.32%, from Rs. 72.09 million in Fiscal 2007 to Rs. 106.20 million in Fiscal 2008, primarily due to the recognition of operation and maintenance costs for the full year in respect of one subsidiary. Our provision for overlay expenses increased by Rs. 47.71 million, or 396.92%, from Rs. 12.02 million in Fiscal 2007 to Rs. 59.73 million in Fiscal 2008, primarily due to recognition of overlay costs for the full year in respect of one of the subsidiary companies. Our administrative and general expenses increased by Rs. 276.62 million, or 72.13%, from Rs. 383.51 million in Fiscal 2007 to Rs. 660.13 million in Fiscal 2008, primarily due to recognition of costs for the full year for all subsidiaries and on account of general increase in head count. Our interest and finance charges increased by Rs. 854.94 million, or 398.42%, from Rs. 214.58 million in Fiscal 2007 to Rs. 1,069.52 million in Fiscal 2008, primarily due to an increase in borrowings and the recognition of costs for the full year for the subsidiaries and also due to borrowings for investments in projects. Our depreciation/amortization expenses increased by Rs. 43.18 million, or 131.21%, from Rs. 32.91 million in Fiscal 2007 to Rs. 76.09 million in Fiscal 2008, primarily due to recognition of depreciation/amortization for a full year for the subsidiaries we acquired.

These increases were partially offset by a decrease in preliminary expenses written off of Rs. 2.87 million, or 98.29%, from Rs. 2.92 million in Fiscal 2007 to Rs. 0.05 million in Fiscal 2008, primarily due to the lower costs in 2008 incurred for incorporation of new project companies.

Profit before tax

As a result of the foregoing, profit before tax increased by Rs. 630.96 million, or 88.57%, from Rs. 712.37 million in Fiscal 2007 to Rs. 1,343.33 million in Fiscal 2008.

Provision for tax

Provision for tax increased by Rs. 215.99 million or 84.84%, from Rs. 254.59 million in Fiscal 2007 to Rs. 470.58 million in Fiscal 2008. This increase was primarily due an increase in current and deferred taxes as a result of increased income.

Profit after tax (after adjustment of minority interest and before adjustment for share in profit/(loss) of associates)

As a result of the foregoing, profit after tax (before adjustment of minority interest and share in profit/loss of associates) increased from Rs. 457.78 million in Fiscal 2007 to Rs. 872.75 million in Fiscal 2008.

Minority interest

Our net adjustment for minority interest was a gain of Rs. 1.03 million in Fiscal 2007 compared to a loss of Rs. 13.48 million in Fiscal 2008.

Profit after tax (after adjustment of minority interest and before adjustment for share in profit/(loss) of associates)

As a result of the foregoing, profit after tax (before adjustment of minority interest) increased from Rs. 458.81 million in Fiscal 2007 to Rs. 859.27 million in Fiscal 2008.

Share in profit/(loss) of associates

In Fiscal 2007, we recognized a profit in our share of associates of Rs. 55.01 million, compared to a profit of Rs. 73.28 million in Fiscal 2008.

Total profit after tax

As a result of the foregoing, total profit after tax increased by 81.49% from Rs. 513.82 million in Fiscal 2007 to Rs. 932.55 million in Fiscal 2008.

Liquidity and Capital Resources

We operate in capital-intensive industries and have historically financed the development of our projects and other capital expenditures through a combination of cash generated from operations, sale of equity interests, and borrowings from commercial banks and financial institutions. Our liquidity requirements relate to servicing our debt, funding investments in new projects, funding our working capital requirements and maintaining cash reserves against fluctuations in operating cash flows. Our funding and treasury activities are conducted within corporate policies designed to enhance investment returns while maintaining appropriate liquidity for our requirements. We currently hold our cash and cash equivalents in Indian Rupees as well as foreign currencies in the countries where we operate such as Spain, Portugal Singapore and Columbia.

Our short-term liquidity requirements relate to servicing our debt and funding working capital requirements. Sources of short-term liquidity include cash balances, internal accruals from our operations and short term funding from banks and financial institutions.

Our long-term liquidity requirements include partial funding of our investments in new projects, funding our investments in the special purpose vehicles and repayment of long-term debt under our credit facilities. Sources of funding our long-term liquidity requirements include new loans, equity or debt issues and internal accruals.

As at September 30, 2009, we had cash and cash equivalents of Rs. 1,224.23 million. We believe that the cash flows we are entitled to receive pursuant to our agreements with third parties are sufficient to fund our scheduled debt service requirements. To date we have funded our growth principally from internal cash flow and other funds (including proceeds from equity offerings and debt), affiliate loans and bank borrowings. Our principal uses of cash have been, and are expected to continue to be, construction, development and maintenance costs of our projects. The following table presents our cash flow data for the periods indicated:

Cash Flow Data

The following table sets forth certain information about our consolidated cash flows for the periods indicated.

	For the year ended March 31,			**For the six months ended September 30,**
	2007	**2008**	**2009**	**2009**
	(Rs. million)			
Net cash (used in)/generated from operating activities	331.38	2,064.88	175.37	1,885.36
Cash (used in) investing activities	(3,895.40)	(2,562.93)	(183.91)	(3,946.86)
Cash (used in)/generated from financing activities	3,755.16	1,725.95	(299.56)	2,129.63
Cash and cash equivalents at end of period	236.29	1,464.19	1,156.10	1,224.23

Six months ended September 30, 2009

As at September 30, 2009, we had cash and cash equivalents of Rs. 1,224.23 million.

Our adjusted net profit before tax and extraordinary items was Rs. 2,025.91 million. We adjusted this amount for non-cash items including Rs. 1,278.62 million for accrual of interest and finance charges, Rs. 0.84 million for foreign exchange fluctuations and Rs. 277.14 million for depreciation. This was partially offset by negative adjustments for interest in loans granted of Rs. 98.29 million and interest on debentures of Rs. 19.71 million. Our operating cash profit before working capital changes was Rs. 3,703.32 million. This amount was partially offset due to tax payments of Rs. 260.02 million, increases in loans and advances of Rs. 1,307.04 million and working capital changes for decreases in current liabilities and provisions of Rs. 373.84 million. However, we also generated cash from working capital changes including Rs. 124.29 million due to a decrease in debtors. As a result of the foregoing, net cash generated from operations was Rs. 1,885.36 million.

During the six months ended September 30, 2009, net cash used in investing activities was Rs. 3,946.86 million. This was primarily due to Rs. 1,843.94 million towards purchase of fixed assets, Rs. 1,198.18 million used as a result of increases in receivables under service concession arrangements (in connection with the capitalization of assets with respect to which we generated finance income) Rs. 717.54 million towards loans given and Rs. 56.41 million towards the purchase of/advance towards investment. The cash used was partially offset by Rs. 63.51 million towards interest received.

Net cash generated from financing activities was Rs. 2,129.63 million. This was mainly due to Rs. 8,206.94 million received as proceeds from borrowings. The cash generated was partially offset by Rs. 4,634.60 million used to repay borrowings and Rs. 1,209.59 million towards interest paid.

Year ended March 31, 2009

As at March 31, 2009, we had cash and cash equivalents of Rs. 1,156.10 million (excluding fixed deposits which are placed for periods exceeding three months).

Our adjusted net profit before tax and extraordinary items was Rs. 803.46 million. We adjusted this amount for non-cash items including Rs. 1,742.98 million for accrual of interest and finance charges, Rs. 353.44 million for depreciation and Rs. 100.00 million for provisions for general contingencies. This was partially offset by negative adjustments for profits on the sale of investments of Rs. 387.76 million, foreign exchange differences of Rs. 272.18 million and interest on loans granted of Rs. 162.48 million. Our operating cash profit before working capital changes was Rs. 2,068.61 million. This amount was partially offset due to tax payments of Rs. 572.27 million and working capital changes for decreases in current liabilities and provisions of Rs. 1,144.13 million and increases in loans and advances of Rs. 372.94 million. However, we also generated cash from working capital changes including Rs. 241.36 million due to a decrease in debtors. As a result of the foregoing, net cash generated from operations was Rs. 175.37 million.

During the year, net cash used in investing activities was Rs. 183.91 million. This was primarily due to Rs. 848.36 million used as a result of increases in receivables under certain concession arrangements (in connection with the capitalization of assets with respect to which we generated finance income) and Rs. 730.86 million used for the purchase of investments, Rs. 214.28 million towards purchase of fixed assets and Rs. 197.42 million in inter–corporate deposits. The cash used was partially offset by Rs. 1,111.30 million generated from the sale of investments and Rs. 552.24 million generated from the sale of fixed assets, Rs. 158.71 million towards refund of loans and Rs. 140.39 million towards interest received.

Net cash used in financing activities was Rs. 299.56 million. This was mainly due to Rs. 8,875.60 million used to repay borrowings to group companies and banks and Rs. 1,750.88 million for the payment of interest and finance charges. The cash used was partially offset by Rs. 10,779.08 million of borrowings from group companies and banks.

Year ended March 31, 2008

As at March 31, 2008, we had cash and cash equivalents of Rs. 1,464.19 million (excluding fixed deposits which are placed for periods exceeding three months).

Our adjusted net profit before tax and extraordinary items was Rs. 1,343.33 million. We adjusted this amount for non-cash items including Rs. 1,069.52 million for accrual of interest and finance charges and Rs. 100.00 million for provisions for general contingencies. This was partially offset by negative adjustments for profits on the sale of investments of Rs. 523.80 million and interest on loans granted of Rs. 113.75 million. Our operating cash profit before working capital changes was Rs. 1,971.78 million. This amount was partially offset due to tax payments of Rs. 529.08 million and working capital changes for increases in loans and advances of Rs. 198.49 million. However, we also generated cash from working capital changes including Rs. 437.60 million due to a decrease in inventories and Rs. 208.83 million due to decrease in debtors and Rs.174.24 million due to an increase in current liabilities. As a result of the foregoing, net cash generated from operations was Rs. 2,064.88 million.

During the year, net cash used in investing activities was Rs. 2,562.93 million. This was due to Rs. 985.48 million used to repay short-term loans, Rs. 766.54 million to acquire Elsamex, Rs. 506.46 million for fresh investments and Rs. 630.76 million used to purchase fixed assets. The cash used was partially offset by Rs. 304.29 million of cash generated from fixed deposits and Rs. 194.76 million from interest received.

Net cash generated from financing activities was Rs. 1,725.95 million. This was mainly due to Rs. 3,795.10 million generated from new borrowings from group companies and banks, Rs. 1,097.75 million generated from share premiums received. The cash generated was partially offset by Rs. 2,139.43 million for repayment of group companies and bank borrowings and Rs. 1,071.85 million used to pay interest and finance charges.

Year ended March 31, 2007

As at March 31, 2007, we had cash and cash equivalents of Rs. 236.29 million (excluding fixed deposits which are placed for periods exceeding three months).

Our adjusted net profit before tax and extraordinary items was Rs. 712.37 million. We adjusted this amount for non-cash items including Rs. 214.58 million for accrual of interest and finance charges, and Rs. 100.00 million for provisions for general contingencies. Our operating cash profit before working capital changes was Rs. 988.71 million. However, this amount was offset primarily due to working capital changes. The net decrease in cash flow from working capital changes resulted primarily from an increase in debtors of Rs. 539.49 million and an increase in inventories of Rs. 438.00 million, which was partially offset by a decrease in loans and advances of Rs. 426.82 million and increase in current liabilities and provisions of Rs. 189.95 million. In addition, we used Rs. 296.61 million for tax payments. As a result of the foregoing, net cash used in operations was Rs. 331.38 million.

During the year, net cash used in investing activities was Rs. 3,895.40 million. This was due to Rs. 2,580.44 million used to acquire new subsidiaries, Rs. 627.21 million used for fresh investments, Rs. 555.53 million for purchase of fixed assets and Rs. 537.50 million for investments in fixed deposits. The cash used was partially offset by Rs. 409.78 million of cash generated from the sale of associate companies.

Net cash generated from financing activities was Rs. 3,755.16 million. This was mainly due to Rs. 3,842.79 million generated from share premium received, Rs. 1,043.17 million from the increase in equity and Rs. 1,306.04 million from borrowings from group companies and banks. The cash generated was partially offset by Rs. 450.00 million used for advances toward capital, Rs. 1,716.82 million for repayment of borrowings from group companies and banks and Rs. 271.05 million for interest payments.

Fixed Assets

The table below sets forth the gross block of fixed assets as at the end of each year by class of assets.

Gross Block

(Rs. million)

	As at March 31,			As at September 30, 2009
Tangible assets	**2007**	**2008**	**2009**	
Land	-	24.52	26.22	27.29
Building & Structures	7.72	78.05	77.98	82.49
Vehicles	23.70	379.28	604.69	799.28
Data processing equipments	22.66	61.30	67.40	79.48
Office premises	8.58	8.58	8.58	11.53
Office equipments	13.22	24.94	31.16	37.55
Leasehold improvements	7.24	10.99	16.37	16.37
Furniture & fixtures	7.53	116.90	129.55	139.30
Electrical installations	1.00	13.64	13.61	14.67
Plant & Machinery	-	1,097.92	1,191.96	1,251.78
Advertisement Structures	7.97	8.32	12.41	12.41
Leased Assets				
Plant & Machinery	-	1,216.60	1,301.26	1,354.48
Vehicles	1.36	15.87	16.79	21.26
Furniture & fixtures	-	10.47	11.20	11.66
Building & Structures	-	146.09	167.96	172.43
Land	-	26.67	28.53	29.70
Intangible assets				
Softwares	3.09	138.56	148.43	157.35
Commercial rights acquired	65.04	65.04	60.00	60.00
Right Under Service Concession Arrangements	6,397.25	6,852.23	7,144.29	11,672.50
Trademarks & Licenses	-	1.77	1.90	1.97
R&D Expenses	-	95.81	103.49	107.72
Total	6,566.36	10,393.55	11,163.79	16,061.22

The increase in the gross block of the fixed assets at the year-end over the last three financial years consisted mainly of toll road assets classified under intangible assets. We have in the past relied principally on cash flow from operations, borrowings from banks and equity funding as our main sources of funds for acquisition/construction of fixed assets.

We anticipate that our expenditure on fixed assets will increase significantly in the next 24 months in line with our plans to develop and fund our new projects awarded to us and for those which are likely to materialize in the future. For details, see the section titled "Our Business" on page 76 for a description of our projects under development.

The following table shows our planned expenditures on fixed assets for the year ending March 31, 2010. These are budgeted expenditures, and some of these amounts have not been committed and may change in the future as our business grows.

Planned expenditure on Fixed Assets	Year ending March 31, 2010 (Rs. million)
Plant and machinery	284.00
Furniture and fixtures	7.00
Office equipment	7.00
Land and buildings	4.00
Data processing equipment	23.00
Vehicles	220.00
Capital expenditure on construction of roads	16,126.00
Total	16,671.00

Liabilities and Provisions

Borrowings

As of September 30, 2009, we had total borrowings of Rs. 24,171.27 million. The majority of our borrowings are denominated in Indian Rupees. As of September 30, 2009, all of our borrowings will mature within 11 years, with approximately 41% being due or repayable within 12 months.

The following table shows our borrowings as of September 30, 2009:

	As of September 30, 2009 (Rs. million)
Secured Loans	
From banks	11,259.52
From financial institutions	348.61
From others	671.67
Non convertible debentures	200.00
Deep discount bonds	903.76
Zero Coupon Bonds	105.59
Lease Finance	567.66
Unsecured Loans	
From entities other than banks and subsidiaries	
Short term loans	2,565.45
Other than short term loans	25.17
From Banks	
Short term loans	3,663.84
Other than Short term	3,500.00
Subordinate non-Convertible Debentures	360.00
Total borrowings	24,171.27

For further details regarding our indebtedness, see the section titled "Financial Indebtedness" on page 324.

Contractual Obligations, Commitments and Off-Balance Sheet Arrangements

The table below sets out the details of our off-balance sheet items and contingent liabilities as of September 30, 2009:

	As of September 30, 2009 (Rs. million)
Capital Commitments:	

Estimated amount of contracts remaining to be executed on capital account and not provided for	5,767.29
(against which advances paid aggregate)	2,101.95
Exercise price payable in respect of call option contracts	15.11
Contingent Liabilities:	
In respect of performance guarantees issued on behalf of our Company by banks	3,277.11
Income tax demands contested by group	7.84
Claims against the group not acknowledged as debt	674.21
In respect of a guarantee issued to foreign banks	551.68
In respect of corporate guarantee issued by foreign banks	3,843.90
In respect of a letter of comfort issued to a foreign bank	Nil
Counter guarantee issued to Infrastructure Leasing & Financial Services Limited (IL&FS) against guarantees furnished by it	2,147.72
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
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 its 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. The Group does not expect any outflow of economic resources for the above and therefore no provisions is made in respect thereof.	

In addition, we have certain off-balance sheet items that for which the value is either not ascertainable or nil. For details, see "Annexure XXX" to our consolidated financial statements as part of the section titled "Financial Statements" on page F-120.

Except as disclosed above, there are no other off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material in nature.

Future Investments

- In Fiscal 2009, the Company subscribed to covered warrants aggregating Rs. 250 million issued by IL&FS. These covered warrants are equity linked debt instruments under which the holder is entitled to a proportionate share of the dividend, if any, declared by Road Investment Company of Rajasthan ("**RIDCOR**") on 50.00 million equity shares of Rs. 10 each (25.00 million for Fiscal 2007 and Fiscal 2008, respectively) held by IL&FS and any further rights entitlements and bonus declarations in respect thereof. However, the Company 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).

- In Fiscal 2008, the Company invested in preference shares, carrying a coupon of 2% per annum, accrued annually in arrears (the "**Coupon**"), issued by an associate, West Gujarat Expressway Limited ("**WGEL**") (the "**WGEL Preference Shares**"). Each WGEL Preference Share is convertible, at the option of the investor, into one equity share of the face value of Rs.10 each. An additional coupon consisting of 95% (the "**Additional Coupon**") of the balance of distributable profits would accrue on the WGEL Preference Shares.

  Accordingly, in addition to the coupon rate of 2% per annum on the WGEL Preference Shares, the holder of the preference shares would be entitled to an additional amount equivalent to 95%

of the balance of distributable profits that may be available with WGEL, after it has met all its other obligations.

The Coupon and the Additional Coupon are payable annually only if WGEL has surplus cash after servicing its lenders and meeting plough back requirements towards capital expenditure as may be decided by its Board of Directors. The unpaid Coupon would accumulate annually. The unpaid Additional Coupon would accumulate in a year in which there are distributable profits which are not distributed. The unpaid Coupon and unpaid Additional Coupon carry a special coupon at 10% per annum compounded with annual rests and shall accrue as special coupon the Investor in addition to the Coupon and Additional Coupon (the "**Special Coupon**").

- Pursuant to the restructuring package approved by the Corporate Debt Restructuring Cell on June 17, 2004, the Company, as one of the promoters of Gujarat Road and Infrastructure Company Limited ("**GRICL**"), has advanced Rs. 600.00 million towards Preference Share Capital to be issued by GRICL. Out of this advance, Rs. 150.00 million was to be applied against issue of 1% Non Cumulative Convertible Preference Shares and Rs. 450.00 million against issue of 8% Redeemable Convertible Preference Shares. GRICL now proposes to convert the advance into subordinated debt. Pending completion of the process for the conversion, the Company has classified the amount as "Advance towards Capital/Debt".

- During Fiscal 2006, North Karnataka Expressway Limited ("**NKEL**") invested a sum of Rs. 450.00 million as an "Advance towards Capital" with the Company. The Company invested a sum of Rs. 412.00 million with NKEL over Fiscal 2006 and Fiscal 2007, respectively, as "Share Application Money". During Fiscal 2007, both entities had set off set the amounts owing to one another in respect of the Rs. 412.00 million and the remaining Rs. 38.00 million was treated as "Short Term Loan" from NKEL by the Company, and a corresponding treatment was recorded in the NKEL books of account. During Fiscal 2008, NKEL's consortium of lenders raised concerns with regard to the offset, and, as a result, the offset was reversed, and the original position was restored in the books of account of both entities. Accordingly, the restated financial statements of Fiscal 2007, have been drawn up on the basis that no offsetting occurred.

Quantitative and Qualitative Disclosure about Market Risk

Market risk is the risk of loss related to adverse changes in market prices, including interest rate and foreign exchange rates of financial instruments. We are exposed to various types of market risks, in the normal course of business. For instance, we are exposed to market interest rates and exchange rate movements on foreign currency denominated borrowings and operating expenses. We have from time to time entered into derivative transactions for the purpose of minimizing our exposure to interest rate and foreign exchange risks. The following discussion and analysis, which constitute "forward-looking statements" that involve risk and uncertainties, summarize our exposure to different market risks.

Credit Risk

We currently generate a majority of our operating revenues from customers in the public sector and state governments in case of projects under which fixed annual payments are guaranteed by the respective concession granting authorities. The payment obligations of these customers are secured by collateral and, in certain cases, are supported by guarantees issued by the relevant governments.

Interest Rate Risk

We are subject to market risks due to fluctuations in interest rates and refinancing of short-term debt. Our net profit is affected by changes in interest rates due to the impact such changes have on interest income and interest expense from short-term deposits and other interest-bearing financial assets and liabilities. In addition, an increase in interest rate may adversely affect our ability to service long-term debt and to finance development of new projects, all of which in turn may adversely affect our results of operations.

Foreign Currency Exchange Rate Risk

Because of the geographic diversity of our business, we receive revenue and incur expenses in a variety of currencies, primarily Euro, US Dollars and Indian Rupees but also Mexican Pesos. Because of the narrow profit margins of our maintenance business, the proportion of our expenses denominated in currencies other than the Indian Rupee is greater than the proportion of our revenues denominated in Indian Rupees. In addition, our financial statements are presented in Indian Rupees. Changes in the value of non-Rupee currencies can cause fluctuations in our results of operations and could have a material adverse effect on our reported financial results.

Our financial statements are impacted by foreign exchange fluctuations through both:

- translation risk, which is the risk that our financial statements for a particular period or as of a certain date depend on the prevailing exchange rates of the currencies discussed above against the Indian Rupee; and
- transaction risk, which is the risk that the currencies of our costs and liabilities fluctuate in relation to the currencies of our revenue and assets.

With respect to translation risk, even though the fluctuations of currencies against the Indian Rupee can be substantial and therefore significantly impact comparisons with prior periods, the translation impact is a reporting consideration and does not affect the underlying results of operations, as transaction risk does. We believe that there is no reasonable way to hedge against translation risk.

Commodities Risk

We typically enter into fixed price or item based construction contracts with construction companies. In fixed price contracts, the construction price is fixed at the time of agreement and the contractor bears the risk of any subsequent increase in costs and delays (other than increased costs or delays attributable to the concessioning authority) in connection with construction. In item based contracts, we agree the construction cost per unit with the contractor based on reference rates for various components of construction, including steel, cement and bitumen at the time of the construction agreement. These contracts generally contain construction price escalation provisions linked to increases in raw material costs relative to the agreed reference rates in accordance with a pre-determined formula. Accordingly, we bear the risk of increased costs of raw materials to the extent we outsource construction activities pursuant to item based contracts.

Seasonality

Our business and operations are affected by seasonal factors, which may require the evacuation of personnel, suspension or curtailment of operations, result in damage to construction sites or delays in the delivery of materials. In particular, the monsoon season in the second quarter of each Fiscal Year may restrict our ability to carry on activities related to our projects and fully utilize our resources. This may result in delays to our contract schedules and reduce our productivity. During periods of curtailed activity due to adverse weather conditions, we may continue to incur operating expenses but our project related activities may be delayed or reduced. Additionally, traffic volumes witness a decrease during the monsoon. Such fluctuations may adversely affect our cash flows and business operations related to the toll roads operated and managed by us.

Inflation

Inflation is relevant with respect to our cost of raw materials. As inflation increases, our raw material costs may also increase and we may not be able to increase our revenues accordingly, particularly with respect to our operations and maintenance business.

Significant Accounting Policies

Our consolidated financial statements have been prepared in accordance with Indian GAAP. Our significant accounting policies are set forth in note Annexure XXI to our restated consolidated financial statements included in the Auditors' Report as part of the section titled "Financial Statements" on page F-57. Indian GAAP requires that we adopt accounting policies and make estimates that our directors believe are most appropriate in the circumstances for the purposes of giving a true and fair view of our results of operations and the understanding of our financial condition and results of operations. The impact and any associated risks related to these policies on our business operations is discussed throughout the "Management's Discussion and Analysis of Financial Condition and Results of Operations" where such policies affect our reported financial results. The preparation of our financial statements requires us to make difficult, complex and subjective judgments in selecting the appropriate estimates and assumptions that affect the amounts reported in our financial statements. By their nature, these judgments are subject to an inherent degree of uncertainty. These judgments are based on our historical experience, terms of existing contracts, our observance of trends in the industry, information provided by our customers and information available from other outside sources, as appropriate. There can be no assurance that our judgments will prove correct or that actual results reported in future periods will not differ from our expectations reflected in our accounting treatment of certain items.

While we believe that all aspects of our financial statements should be studied and understood in assessing our current and expected financial condition and results, we believe that the following critical accounting policies warrant additional attention:

Accounting for Rights under Service Concession Arrangements

Recognition and measurement

We build roads under public-to-private service concession arrangements ("SCAs") which we operate and maintain for periods specified in the SCAs.

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

Under the SCAs, where we have acquired contractual rights to receive specified determinable amounts (annuity contracts), such rights are recognized and classified as "Financial Assets", even though payments are contingent on our ensuring that the infrastructure meets the specified quality or efficiency requirements. Such financial assets are classified as "Receivables against Service Concession Arrangement". Revenue generated from these annuity contracts is recognized as finance income. Revenue for various services (such as 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.

Contractual obligation to restore infrastructure to a specified level of serviceability

We have contractual obligations under our SCAs to maintain the infrastructure facility (a road or bridge) at a specified level of serviceability or restore the infrastructure facility to a specified condition before it is handed over to the grantor of the SCA. Such obligations are measured (and recognized as an expense) 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 (a road or bridge for which we have a right to collect toll receipts), the timing and amount of such costs are estimated and recognized on an undiscounted basis by charging such costs to the profit and loss account on the units of usage method (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. In case of financial assets (a road or bridge for which we have an annuity contract), such costs are recognized in the year in which the costs are actually incurred.

Revenue recognition

Revenue from construction services is recognized according to the stage of completion of the contract, which depends on the proportion of costs incurred for the work performed at the measurement date to the total estimated contract costs, provided the outcome (completion and timing of the project) 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 recognized to the extent of recoverable costs. Any expected loss on a contract is recognized as an expense immediately. Revenue is not recognized when the concerns about collection are significant.

Revenue from financial assets (roads or bridges for which we have entered into an annuity contract) is recognized in the profit and loss account as finance income. The majority of the annuity received for these roads or bridges is not recognized as revenue but instead used to offset the cost of the original assets which was capitalized. The finance income is calculated using the effective interest method from the year in which construction activities are started. When we construct a road or bridge for which we have entered into an annuity contract, we capitalize all expenses other than interest expenses incurred during construction.

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

Revenue from intangible assets, including roads for which we generate toll income) is recognized during the period of collection (the time at which the toll is paid) or during the contract period for which the toll receipts have been auctioned.

Borrowing cost

In respect of a financial asset, borrowing costs attributable to construction of a road are charged to the profit and loss account in the period in which such costs are incurred.

In respect of an intangible asset, borrowing costs attributable to construction of a road are capitalized up to the date of completion of construction. All borrowing costs subsequent to construction are charged to the profit and loss account during the period in which such costs are incurred.

Amortization of Intangible Assets

A right to collect toll receipts from the users of a road or bridge is recognized as an intangible asset. Such rights are amortized on the units of usage method (the number of vehicles expected to use the project facility over the concession period as estimated by our management).

A review of the estimated useful life/concession period of the right and number of vehicles expected to use the project facility over the balance period is undertaken by our management at periodic intervals to assess the additional charge for amortization, if any.

Gains/Losses on intra-group transactions

As financial assets and intangible assets are acquired in exchange for infrastructure construction or upgrading services, gains or losses on intra-group transactions are treated as realized and not eliminated on consolidation.

Government Grants

Government grants are recognized only when it is reasonably certain that the related entity will comply with the prescribed conditions and the ultimate collection is not in doubt. Grants received as compensation for expenses or losses are recognized in the profit and loss account as an extraordinary item. Grants in the nature of promoter's contribution are treated as capital reserves. Grants related to specific fixed assets are treated as deferred income, which is recognized in our profit and loss account in proportion to the depreciation charge over the useful life of the asset.

Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when (1) we have a present legal or constructive obligation as a result of a past event and (2) it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Provisions (excluding 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. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized but are disclosed in the notes to the financial information. A contingent asset is neither recognized nor disclosed.

Effect of Restatement

Our restated consolidated financial information for the Fiscals 2009, 2008, 2007, 2006 and 2005 have been presented in compliance with Paragraph B(1) of Part II of Schedule II to the Companies Act, Indian GAAP and the SEBI Guidelines. The effect of such restatement is that our financial statements included in this Red Herring Prospectus have been restated to conform to methods used in preparing our latest financial statements, as well as to conform to any changes in accounting policies and estimates. The principal adjustments to our financial statements, including on account of changes in accounting policies and estimates, are described below.

The summary of results of restatements made in the audited accounts for the respective years and its impact on our profits/ (losses) is set forth below.

Summary Statement of Adjustments

(Rs. million)

Particulars	**March 31, 2007**	**March 31, 2008**	**March 31, 2009**	**September 30, 2009**
Profit after tax as per audited statements - (A)	301.29	959.64	262.63	1,181.11
Adjustments on account of:				
I) Change in accounting policies				
a) Adjustments on account of adoption of guidance note on Service Concession Arrangements	164.69	(11.88)	–	-
b) Change in Profit/Loss on Sale of Assets	0.05	0.05	(0.04)	-
c) Change in Depreciation Policy	(2.21)	(0.14)	(0.45)	1.31
d) Adjustments for prior period items	4.05	0.72	–	-
e) Employee Benefits	4.90	(4.73)	0.17	-
f) Tax relating to previous years	3.78	(12.83)	16.47	-
g) Tax impact on adjustments - Deferred Tax	(3.38)	1.49	-	-
h) Other Expenditure	-	-	-	(0.15)
Total Adjustments net of tax impact – (B)	171.88	(27.32)	16.15	1.16
II) Others				
a) Share of loss transferred to minority interest	(1.55)	0.19	–	-
b) Share of profit of associates	42.20	0.04	–	-
Sub Total - (C)	40.65	0.23	–	-
Total of Adjustments - Net of tax impact – D = (B+C)	212.53	(27.09)	16.15	1.16
Adjusted Profit (A+D)	513.82	932.55	278.78	1,182.27

Related Party Transactions

For details in relation to the related party transactions, see the section titled "Financial Statements" on page F-120.

Significant Developments after September 30, 2009, that may affect our Future Results of Operations

No circumstances have arisen since the date of the last financial statements as disclosed in this Red Herring Prospectus, which materially and adversely affect or are likely to affect, the revenues and profitability of our Company, or the value of our consolidated assets or our ability to pay our material liabilities within the next 12 months.

Our Company has been awarded the following projects in Fiscal 2010:

a. 'Chandrapur-Warora-Bamni Road' project;
b. 'Pune-Sholapur Road' project;
c. 'Gurgaon Metro Rail Link' project;
d. 'Hazaribagh Ranchi Expressway' project; and
e. 'Mordabad Bareilly Expressway' project.

Our Company has subscribed to the equity share capital of Pune Sholapur Road Development Company Limited, Hazaribagh Ranchi Expressway Limited, Warora Chandrapur Ballarpur Tollroad Company Limited and Moradabad Bareilly Expressway Limited to the extent of 100%, 74%, 35% and 100%, respectively. Our Company holds beneficial interest to the extent of 70% in Rapid MetroRail Gurgaon Limited, through ITNL Enso Rail Systems Limited, one of our subsidiaries.

Unusual or Infrequent Events or Transactions

To our knowledge there have been no events or transactions that may be described as "unusual" or "infrequent" that may have taken place during the last three years, except as disclosed in this Red Herring Prospectus.

Future Relationship between Costs and Income

Other than as described in this section and the sections titled "Risk Factors", "Our Business" on pages xii and 70, respectively, to our knowledge, there are no known factors which will materially impact the future relationship between our operations and revenues.

Significant Regulatory Changes

Except as described in the section titled "Regulations and Policies" on page 133, there have been no significant regulatory changes that could affect our income from continuing operations.

Known trends or uncertainties

Except as described in this Red Herring Prospectus in general and the section titled "Risk Factors" on page xii and this section in particular, to the best of our knowledge and belief, there are no known trends or uncertainties that have or had or are expected to have any material adverse impact on our revenues or income from continuing operations.

New products or business segments

There are currently no publicly announced new products or business segments. For further details on our business strategy, see the section titled "Our Business – Business Strategy" on page 75.

Dependence on a few clients

We do not depend on any particular client or group of clients.

Total Turnover of Each Major Industry Segment

We report industry segments under our financial statements prepared in accordance with Indian GAAP.

Competitive Conditions

We operate in a competitive environment. As a surface infrastructure development company, we face competition from both domestic and international entities operating in the surface transportation infrastructure sector, as most of the contracts are awarded on a competitive bidding basis and satisfaction of other prescribed pre-qualification criteria. In addition, we face competition from companies operating and developing National and State Highways on a 'build-own-transfer' or 'build-own-operate' basis. For further details, please refer to the discussions of our competition in the sections titled "Risk Factors" and "Our Business" on pages xxii and 88, respectively.

FINANCIAL INDEBTEDNESS

As on January 21, 2010, our Company did not have any outstanding secured borrowings.

Set forth below is a brief summary of our Company's significant outstanding unsecured borrowings of Rs. 15,890.00 million as of January 21, 2010 together with a brief description of certain significant terms of such financing arrangements.

Name of lender	Loan Documentation	Facility (Rs. million)	Amount drawn down as on January 21, 2010 (Rs. million)	Outstanding amount as on January 21, 2010 (Rs. million)	Interest Rate (%, p.a., unless otherwise specified)	Repayment schedule
Allahabad Bank	• Sanction letter dated December 8, 2009 for meeting any mismatch in the operating cash requirements of the Company, including payment of advance taxes, bid security, retirement of exiting short term loans and statutory payments and for investing in capital requirements of the SPVs for undertaking various road projects; and • 'Agreement for Short Term Loan' dated December 22, 2009 between our Company and Allahabad Bank.	2,000.00	2,000.00	2,000.00	Prime lending rate of the lender (12.00% p.a.) - 1%, with reset of spread with cap and floor of (+/-) 1.00% at the end of one year from the date of first disbursement.	In two equal tranches of Rs. 1,000 million each at the end of first and second year from the date of first disbursement.
Allahabad Bank	• Sanction letter dated December 18, 2008 for investments by our Company in infrastructure development projects; • Sanction letter dated December 29, 2008 amending the purpose as stated in the letter dated December 18, 2008, to permit investments by our Company in infrastructure development projects/other corporate purpose/working capital requirements and to meet temporary cash-flow mismatches; • 'Agreement for Short Term Loan' dated December 30, 2008 between our Company and Allahabad Bank.	1,000.00	1,000.00	500.00	Prime lending rate of the lender (12.00% p.a.) + 1.75%, which rate will be floating with the prime lending rate of the lender, with annual reset and a cap of (+/-) 1.00% at each reset.	In two equal tranches of Rs. 500 million each at the end of first and second year from the date of first disbursement.

Name of lender	Loan Documentation	Facility (Rs. million)	Amount drawn down as on January 21, 2010 (Rs. million)	Outstanding amount as on January 21, 2010 (Rs. million)	Interest Rate (%, p.a., unless otherwise specified)	Repayment schedule
United Bank of India	• Sanction letter dated March 25, 2009 for refinancing of existing debts; • 'Agreement for Term Loan' dated March 30, 2009 between our Company and United Bank of India.	1,000.00	1,000.00	1,000.00	• 12.00%, which rate shall be renegotiated with a variation of (+/-) 1.00%. • The interest rate shall be reset at the end of six months from the date of first disbursement and every six months thereafter.	Two annual equal instalments from the date of disbursement
United Bank of India	• Sanction letter dated November 17, 2009 for funding the cash flow mismatch arising out of the Company's funding liabilities in infrastructure projects; and • 'Demand Promissory Note' dated November 18, 2009 between our Company and United Bank of India.	1500.00	1500.00	1500.00	10.50% at monthly rest (floating linked with the banks prime lending rate effective on the disbursement date).	Bullet repayment at the end of one year from disbursement.
Canara Bank	• Sanction Letter dated December 5, 2007 for investment in subordinate debt of APEL; • On Demand Promissory Note dated March 28, 2008; • Letter dated May 21, 2008 issued by Canara Bank for availing the balance short term loan of Rs. 800 million for (a) repayment of temporary borrowings from IL&FS Securities Services Limited, and (b) to meet the working capital requirements for servicing ongoing O&M operations; • Letter dated March 28, 2009 issued by Canara Bank.	1,000.00	1,000.00	1,000.00	• As per Sanction Letter dated December 5, 2007, 10.00% (fixed) with a reset option at the end of six months, which amount shall be paid on the last day of the respective month; • Pursuant to the letter dated March 28, 2009 issued by Canara Bank, the rate of interest at which the roll-over of the loan facility was permitted, was revised to 13.50%.	Bullet payment at the end of one year from the date of disbursement.

Name of lender	Loan Documentation	Facility (Rs. million)	Amount drawn down as on January 21, 2010 (Rs. million)	Outstanding amount as on January 21, 2010 (Rs. million)	Interest Rate (%, p.a., unless otherwise specified)	Repayment schedule
South Indian Bank	• Sanction letter dated September 24, 2009 for investments in existing and new projects and for general corporate purposes.	1,000.00	1,000.00	1,000.00	10.50% (fixed) with monthly rest for one year with reset of rate of interest at the end of one year from the date of disbursement.	In two equal tranches at the end of first and second year from the date of first disbursement
The Karur Vysya Bank Limited	• 'Agreement for Short Term Loan' dated October 28, 2009 between our Company and Karur Vysya Bank; and • Demand Promissory Note dated October 28, 2009.	500.00	500.00	500.00	3.50% below the bench mark prime lending rate of the bank (currently 10.00% p.a);	Bullet payment at the end of one year from disbursement
Bank of India	• Sanction letter dated November 11, 2009 for business purposes; • 'Credit Facility Agreement for Short Term Loan' dated November 30, 2009 between our Company and Bank of India; and • Demand Promissory Note dated November 11, 2009.	1,000.00	1,000.00	1,000.00	9.50% (fixed)	Four monthly installments of of Rs. 250 million commencing nine months from the date of first disbursement. Door to Door tenor would be 12 months.
Indian Overseas Bank	• Sanction letter dated Decemberr 3, 2009 for investment in existing and new projects, general corporate purposes including repayment of the existing loan; • 'Agreement for Short Term Loan' dated December 14, 2009 between our Company and Indian Overseas Bank; and • Demand Promissory Note dated December 14, 2009.	1,000.00	1,000.00	1,000.00	Prime lending rate of the lender – 2.50% (currently 9.5% p.a.) payable monthly in arrears, which shall be reset at the end of six months from the date of the first disbursement and every six months thereafter till the repayment of the facility.	In bullet tranch at the end of first year from the date of the first disbursement.

Name of lender	Loan Documentation	Facility (Rs. million)	Amount drawn down as on January 21, 2010 (Rs. million)	Outstanding amount as on January 21, 2010 (Rs. million)	Interest Rate (%, p.a., unless otherwise specified)	Repayment schedule
Bank of Maharashtra	• Sanction letter dated Decemberr 21, 2009 for working Capital and capital expenditure on road projects; • 'Agreement for Term Loan' dated December 29, 2009 between our Company and Bank of Maharashtra; and • Demand Promissory Note dated December 29, 2009.	1,000.00	1,000.00	1,000.00	Prime lending rate of the lender – 2.50% (currently 9.75% p.a.)	Bullet repayment at the end of first year from the date of first disbursement.
IL&FS	• Sanction letter dated March 10, 2009; • 'Agreement for Short Term Loan' dated March 26, 2009 between our Company and IL&FS to meet our working capital requirements.	1,750.00	850.00	150.00	• 16.00%, which rate shall be paid in arrears at the end of each calendar quarter and on the loan repayment date and the first interest shall be accrued immediately after the date of first disbursement; • If the IL&FS interest rate prevailing on the date of disbursement is higher than 16.00%, then such higher rate shall be applicable.	Within 12 months from the date of first disbursement.
IL&FS	• Sanction letter dated July 31, 2009 for grant of 'revolving line of credit'; • Agreement dated August 10, 2009 for grant of 'revolving line of credit' for onward lending to RIDCOR for meeting project related expenses and operational expenses of RIDCOR.	500.00	500.00	500.00	• NSE MIBOR plus spread of 500 basis points with a minimum of 9.50% p.a., which interest shall be compounded at daily rests till the letter of credit facility repayment date and paid alongwith the letter of credit facility on maturity.	Within 12 months from the date of first disbursement.

Name of lender	Loan Documentation	Facility (Rs. million)	Amount drawn down as on January 21, 2010 (Rs. million)	Outstanding amount as on January 21, 2010 (Rs. million)	Interest Rate (%, p.a., unless otherwise specified)	Repayment schedule
IL&FS	• Sanction letter dated July 15, 2009 for grant of a letter of credit facility of Rs. 1000 million; • Sanction letter dated September 10, 2009 for modification of the previous sanction letter dated July 15, 2009.	1,000.00	500.00	40.00	• 16%, which interest rate shall be paid in arrears at the end of each calendar quarter and on the loan repayment date and the first interest shall be accrued immediately after the date of first disbursement	Facility to be repaid with all accrued interest within 12 months from the date of first disbursement.
North Karnataka Expressway Limited	• Letter dated May 31, 2006 issued by North Karnataka Expressway Limited	750.00	750.00	750.00	Nil	Facility to be repaid at the end of the conclusion of the concession period as provided for in the NKEL Concession Agreement
North Karnataka Expressway Limited	• Letter dated March 18, 2009 issued by North Karnataka Expressway Limited.	290.00	290.00	290.00	6.00%	Facility to be repaid along with interest within one year from the renewal date, that is March 18, 2009.
North Karnataka Expressway Limited	• Letter dated May 31, 2009 issued by North Karnataka Expressway Limited.	450.00	450.00	450.00	6.00%	Facility to be repaid along with interest within one year from the renewal date, that is May 31, 2009
Lakshmi Vilas Bank	• Letter dated June 17, 2009 issued by Laksmi Vilas Bank; • Term loan agreement dated June 22, 2009 between our Company and Lakshmi Vilas Bank.	500.00	500.00	500.00	11.50%	Facility to be repaid within one year from the date of drawdown
IL&FS Securities Services Limited	• Letter dated August 31, 2009 issued by IL&FS Securities Services Limited.	1,000.00	1,000.00	1,000.00	16.00%	Facility to be repaid along with interest within one year from the date of drawdown

Name of lender	Loan Documentation	Facility (Rs. million)	Amount drawn down as on January 21, 2010 (Rs. million)	Outstanding amount as on January 21, 2010 (Rs. million)	Interest Rate (%, p.a., unless otherwise specified)	Repayment schedule
IL&FS Securities Services Limited	• Letter dated September 24, 2009 issued by IL&FS Securities Services Limited	350.00	350.00	350.00	16.00%	Facility to be repaid along with interest within six months from the date of drawdown
IL&FS Securities Services Limited	• Letter dated October 6, 2009 issued by IL&FS Securities Services Limited	1,000.00	1,000.00	1,000.00	16.00%	Facility to be repaid along with interest within six months from the date of drawdown
IL&FS Financial Services Limited	• Sanction letter dated September 23, 2009 for general corporate purposes; and • Demand Promissory Note dated September 29, 2009.	360.00	360.00	360.00	14.50% payable monthly in arrears	Bullet repayment at the end of 12 months from the date of first disbursement

Under the terms of the above mentioned loan facilities, our Company is subject to certain restrictive covenants as listed below:

- Our Company cannot, without the prior consent of the lenders, undertake, *inter alia,* any of the following:
  a. Effect a change in its capital structure;
  b. Effect any scheme of amalgamation or reconstruction;
  c. Implement a new scheme of expansion or take up any allied line of business or manufacture;
  d. Enlarge the scope of its trading activities, if any;
  e. Divert the funds for any purpose other than for which the loan facility has been extended; and
  f. Utilise the facility amount towards any investments in the capital markets or for any speculative activities.
- In terms of the sanction letters dated December 18, 2008 and December 8, 2009 issued by Allahabad Bank, and in terms of the sanction letters dated March 25, 2009 and November 17, 2009 issued by United Bank of India, our Promoter would not dispose of its shareholding in our Company below 51% without the prior consent of the respective lenders;
- In terms of the sanction letters dated December 18, 2008 and December 8, 2009, facility agreements dated December 30, 2008 and December 22, 2009 issued by Allahabad Bank, in terms of the facility agreement dated March 30, 2009 issued by United Bank of India, in terms of the sanction letter dated November 18, 2009, facility agreement dated November 30, 2009 issued by the Bank of India and in terms of the sanction letter dated December 3, 2009 issued by the Indian Overseas Bank, our Company shall not induct on its Board, any person identified as a 'wilful defaulter' by the RBI and shall remove any such person, if any, from its Board;
- In terms of the sanction letters dated December 18, 2008 and December 8, 2009 issued by Allahabad Bank and in terms of the sanction letter dated March 25, 2009 and facility agreement dated March 30, 2009 issued by United Bank of India, and in terms of the sanction letter dated December 3, 2009 issued by the Indian Overseas Bank, our Company shall not permit any transfer of controlling interest or make any drastic changes in its management set up.
- In terms of the facility agreement dated June 22, 2009 with Lakshmi Vilas Bank, our Company is required to maintain such debt to equity ratio as may be stipulated by Lakshmi Vilas Bank.

- In terms of the facility agreements dated March 26, 2009 and August 10, 2009 issued by IL&FS, our Company cannot, without the prior consent of IL&FS, undertake, *inter alia,* any of the following:
  a. Avail parallel or double finance or any alternate additional finance in respect of the cost/ expenses for which the said facility is being availed, from any other lenders or banks;
  b. Amend our Memorandum and Articles of Association;
  c. Undertake guarantee obligations on behalf of any third party or any other company, firm, organisation unless such transactions take place at arm's length basis at fair market value and on transparent basis;
  d. Enter into any borrowing arrangements, either secured or secured, with any other bank or financial institution;
  e. Acquire (whether by formation, purchase, subscription or otherwise) any subsidiary or effect the disposal or dilution of our interest in any subsidiary, create any subsidiary or permit any company to become our subsidiary; and
  f. Assign or transfer, all or any of the rights, benefits and obligations which IL&FS shall not in any circumstances be obliged to grant.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below there are no outstanding litigation, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, show cause notices or legal notices pending against our Company and our Subsidiaries, Directors, IL&FS and Group Companies, and there are no defaults including non-payment of statutory dues, over-dues to banks/financial institutions, defaults against banks/financial institutions, defaults in dues payable to holders of any debenture, bonds and fixed deposits issued by our Company, defaults in creation of full security as per the terms of issue/other liabilities, proceedings initiated for economic / civil / any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act) other than unclaimed liabilities of our Company or our Subsidiaries except as stated below, and no disciplinary action has been taken by SEBI or any stock exchange against our Company, IL&FS or Directors. Unless stated to the contrary, the information provided below is as of the date of this Red Herring Prospectus.

Neither our Company nor IL&FS, our Group Companies, our Subsidiaries, associates and Directors or ventures with which IL&FS was associated in the past, have been declared as wilful defaulters by the RBI or any other Governmental authority and, except as disclosed in this section in relation to litigation, there are no violations of securities laws committed by them in the past or pending against them.

I. Contingent liabilities not provided for as of September 30, 2009:

The table below sets out the details of our off-balance sheet items and contingent liabilities on a consolidated basis

	As of September 30, 2009 (Rs. million)
Capital Commitments:	
Estimated amount of contracts remaining to be executed on capital account and not provided for	5,767.29
(against which advances paid aggregate)	2,101.95
Exercise price payable in respect of call option contracts	15.11
Contingent Liabilities:	
In respect of performance guarantees issued on behalf of our Company by banks	3,277.11
Income tax demands contested by group	7.84
Claims against the group not acknowledged as debt	674.21
In respect of a guarantee issued to foreign banks	551.68
In respect of corporate guarantee issued by foreign banks	3,843.90
In respect of a letter of comfort issued to a foreign bank	-
Counter guarantee issued to Infrastructure Leasing & Financial Services Limited (IL&FS) against guarantees furnished by it	2,147.72
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
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 its 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. The Group does not expect any outflow of economic resources for the above and therefore no provisions is made in respect thereof.	

II. Litigation involving our Company

Outstanding Litigation and Material Developments/Proceedings involving our Company

A. Pending litigation against our Company

Nil

Pending litigation by our Company

Our Company has filed an appeal dated January 29, 2009 against the Assistant Commissioner of Income Tax before the Commissioner of Income Tax (Appeals) in relation to certain disallowances of expenses, professional charges, travelling expenses and interest aggregating to Rs. 12.30 million relating to the assessment year 2006-2007. The original assessment has been completed and the matter is currently pending. The next date of hearing shall be intimated in due course.

B. Proceedings initiated against our Company for economic offences

There are no proceedings initiated against our Company for any economic offences.

C. Details of past penalties imposed on our Company by the authorities concerned

There are no past penalties imposed on our Company by the authorities concerned.

D. Potential Litigation against our Company

There are no potential litigations against our Company that we are currently aware of or in connection with which, we have received notice.

E. Adverse findings against our Company as regards compliance with the securities laws

There are no adverse findings against our Company as regards compliance with the securities laws.

F. Material Developments since the Last Balance Sheet Date

Except as disclosed in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 300, in the opinion of our Board, there have not arisen, since the date of the last financial statements disclosed in this Red Herring Prospectus, any circumstances that materially or adversely affect or are likely to affect our profitability taken as a whole or the value of our consolidated assets or our ability to pay material liabilities within the next 12 months.

G. Outstanding dues to small scale undertaking(s) or any other creditors

There are no outstanding dues above Rs. 0.1 million to small scale undertaking(s) or any other creditors by our Company, for more than 30 days.

H. Outstanding Litigation against other companies whose outcome could have an adverse effect on our Company

Except as disclosed in this section, there are no outstanding litigation, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, show cause notices or legal notices pending against any company whose outcome could have a material adverse effect on the position of our Company.

III. Litigation against the Directors of our Company

A. Outstanding Litigation and Material Developments/Proceedings against our Directors

Except as disclosed in this section, there is no outstanding litigation involving our Directors including criminal prosecutions or civil proceedings involving our Directors, and there are no material defaults, non-payment of statutory dues, over dues to banks/financial institutions or defaults against banks/financial institutions by our Directors (including disputed tax liabilties, past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of part 1 of Schedule XIII of the Companies Act).

B. Outstanding Litigation and Material Developments/Proceedings filed by our Directors

There are no pending litigations, including disputed outstanding litigations and material developments/proceeding filed by the Directors.

C. Proceedings initiated against the Directors for economic offences

There are no proceedings initiated against the Directors for any economic offences.

D. Details of past penalties imposed on our Directors by the authorities concerned

There are no past penalties imposed on the Directors by the authorities concerned.

E. Litigations against the Directors involving violation of statutory regulations or alleging criminal offence

There are no litigations against the Directors involving violation of statutory regulations or alleging criminal offence.

F. Criminal/ civil cases against the directors towards tax liabilities

There are no criminal/ civil cases against the Directors towards tax liabilities.

G. Disciplinary action taken by SEBI or the Stock Exchanges against our Company

No disciplinary action has been taken by SEBI or the Stock Exchanges against our Company.

IV. Litigation involving our Subsidiaries, Associates and Joint Venture Companies

Except as stated hereinbelow, there are no outstanding litigation involving our Subsidiaries, including criminal prosecutions or civil proceedings involving our Subsidiaries, and there are no defaults, non-payment of statutory dues, over dues to banks/financial institutions or defaults against banks/financial institutions by our Subsidiaries, pertaining to matters likely to affect its operations, including disputed tax liabilities, prosecutions under any enactment in respect to Schedule XIII of the Companies Act, 1956.

1. ITNL Road Infrastructure Development Company Limited

Nil

2. Gujarat Road and Infrastructure Company Limited ("GRICL")

GRICL has instituted certain appeals at the Income Tax Appellate Tribunal in relation to, *inter alia*, disallowance of the interest on 'Deep Discount Bonds', claim of depreciation of toll road and for allowing carry forward business loss and unabsorbed depreciation. These appeals are currently pending. Further, herein below, are the legal proceedings instituted against GRICL.

1. Jagrut Nagrik Trust, Vadodara has filed a suit (Complaint no. 43 of 2006) on July 14, 2004 against GRICL before the Consumer Redressal Forum, Patan, Gujarat. The complainant has alleged that a particular stretch of road was defective due to the negligence of GRICL in maintaining it. GRICL has submitted its para-wise reply in respect of averments of complainant justifying there is no deficiency of services on part of the company. GRICL has filed its reply on May 22, 2004. The Consumer Redressal Forum, Patan, Gujarat had appointed a commissioner to conduct 'panchnama' on the said road. The Commissioner conducted the 'panchnama' on August 21, 2004. GRICL has filed its affidavit on October 29, 2004. The matter was last placed before the forum on November 17, 2008 and it was adjourned. The matter has been transferred to the forum at Mehsana and the next date of hearing is yet to be notified.

2. M/s Murlidhar Ratanlal Exports Limited and others have filed a civil suit (Miscellaneous Civil Application no. 23 of 2008) on March 11, 2008 against GRICL before the High Court of Gujarat. The applicant who is a holder of 'Deep Discount Bonds' of GRICL, has filed the suit seeking modification to the scheme of compromise sanctioned by the High Court of Gujarat on September 19, 2005 alleging that, they were not informed about the scheme and that they had to suffer losses since the scheme was published only in the local newspapers and the interest rates for bonds had reduced significantly. GRICL had filed its affidavit in reply to the application on April 17, 2008. The applicant has filed its rejoinder to the same. The matter had been listed in the month of June 2008. Further, the matter was listed in the month of September 2009 lastly but not heard. The next date of hearing is yet to be notified by the court.

3. GRICL has received a notice under Section 143(2) of the IT Act for the assessment year 2007-2008. The matter is still pending and the next date of hearing shall be notified in due course.

4. GRICL has received a notice under Section 143(2) of the IT Act for the assessment year 2008-2009. The matter is still pending and the next date of hearing shall be notified in due course.

3. East Hyderabad Expressway Limited

Nil

4. ITNL International Pte Limited

Nil

5. Elsamex S.A

Elsamex S.A has instituted certain legal proceedings in relation to, *inter alia*, unpaid works and interests for delay of these works, non payment of contract price and invoices raised for works done, claims for recovery of plant, dishonour of promissory notes and certain arbitration proceedings. These cases are currently pending. Further, herein below, are the legal proceedings instituted against Elsamex S.A.

1. Termisol has filed a suit (no. 1547 of 2007) on February 15, 2008 against Elsamex SA before the Juzgado De Primera Instancia No. 10, C/Capitan Haya 66, Madrid claiming compensation against Elsamex SA for poor execution of certain tasks undertaken by it for the applicant. Elsamex S.A has filed a counterclaim. The matter is currently pending and the next date of hearing is yet to be notified.

2. Banesto Factoring has filed a suit (1930 of 2007) on July 27, 2006 before the Juzgado Primera Insancia No. 44, Madrid against Elsamex S.A alleging that certain bills of Elsamex S.A were incorrect and has claimed the suspension of the billings. The court, pursuant to its order dated November 10, 2008 has directed Elsamex S.A to pay an amount of Rs. 10.96 million (€ 162,371.98, being converted at the rate of 1 € = Rs. 67.48, as on March 31, 2009) to Banesto Factoring. The decision has been challenged by Elsamex S.A and the next date of hearing is yet to be notified.

3. Pacadar has filed a counter claim (no. 1485 of 2006) on March 28, 2007 against Elsamex S.A before the Juzgado Primera Instancia No. 71, Madrid against a claim filed for poor execution of contracted works. The matter is currently pending and the next date of hearing is yet to be notified.

4. Construcciones Navarro y Obras de la Aldea has filed a suit (no. 1005 of 2008) against Elsamex S.A before the Juzgado Primera Instancia No. 9, Canary Islands alleging diverse unpaid works performed by it. The matter is currently pending and the next date of hearing is yet to be notified.

5. Ourthouse Cnes SL has filed a suit (no. 61 of 2007) on December 12, 2006 against Elsamex S.A before the Juzgado Primera Instancia No. 4, Canary Islands claiming unpaid bills of certain works performed by it. The matter is currently pending and the next date of hearing is yet to be notified.

6. Natalio Sanchez Garcia has filed a suit (no. 207 of 2008) on May 26, 2008 against Elsamex S.A before the Juzgado Primera Instancia, La Baneza claiming monetary compensation caused due to a road accident and the damage caused to a car owned by the claimant. The matter is currently pending and the next date of hearing is yet to be notified.

7. Rafael Arana has filed a suit (no. 345 of 2008) on January 20, 2008 against Elsamex S.A before the Juzgado 1 Instancia No 24, Sevilla in relation to contract entered into with Elsamex S.A for the possession of an appartment. The Mater is currently pending and the next date of hearing is yet to be notified.

8. Climontaje, S.L. has filed a suit (no. 935 of 2009) on February 11, 2009 against Elsamex S.A before the Juzgado Primera Instancia No 5, Madrid claiming compensation for non payment of contractual dues for air-conditioning works. The matter is currently pending and the next date of hearing is yet to be notified.

9. Gardens Aeca has filed a suit (no. 471 of 2008) on March 10, 2008 against Elsamex S.A before the Juzgado Primera Instancia No 9, Las Palmas de Gran Canaria claiming compensation for non payment of contractual dues for conditioning and rehabilitation works of a cinema hall. The matter is currently pending and the next date of hearing is yet to be notified.

10. Alpidesa has filed a suit (no. 3306 of 2006) on July 11, 2008 against Elsamex S.A before the Juzgado Mercantil No 1, Alicante claiming compensation for non payment of contractual dues for different works of swimming pools, football and rugby squares. The matter is currently pending and the next date of hearing is yet to be notified.

11. Gobierno de Navarra has filed a suit (no. 516 of 2008) on September 3, 2008 against Elsamex S.A before the Tribunal Superior de Justicia de Navarra, Sala Contencioso –Administrativo claiming damages for faulty execution of certain works. The matter is currently pending and the next date of hearing is yet to be notified.

12. Emvicesa has filed a suit (no. 937 of 2007) against Elsamex S.A. before the Juzgado Cortencioso Administrative No. 1, Ceuta alleging delay in the execution of works by Elsamex S.A. The matter is currently pending and the next date of hearing is yet to be notified.

13. Agencia Tributaria (taxation authority) has filed a suit (no. 28852r0803384684001/ 2885R0803384684002) on October 17, 2008 against Elsamex S.A before the Tribunal Económico-Adminsitrativo Central imposing a sanction of Rs. 1.24 million for late payment of Value Added Tax for the years 2007 and 2008. Elsamex S.A has filed a statement before the taxation authority in April 2008. The matter is currently pending and the next date of hearing shall be intimated by the tribunal in due course.

6. ITNL Enso Rail Systems Limited

Nil

7. Vansh Nimay Infraprojects Limited

Nil

8. Elsamex India Private Limited

Nil

9. Elsamex Internacional SL ("EISL")

EISL has instituted certain legal proceedings in relation to non payment pursuant to execution of construction works and lifting of retention seizure for extraction of materials from certain plots. These cases are currently pending. Further, herein below, is the legal proceeding instituted against EISL:

Mrs. Arelys Veloz De Lopez (a former employee of EISL) has filed a claim (962/2009) on December 21, 2009 against EISL for unpaid holidays amounting to 3.873,59 US$, unpaid bonus for the year 2008 amounting to 12.589,17 US$, proportionate part of the bonus for the year 2009 amounting to 3.873,59 US$, proportionate part holidays compensation for the year 2009 amounting to 2.051,18 US$. The applicant has made a total claim of 22.387,53 US$. The matter is currently pending and the next date of hearing shal be intimated by the court in due course.

10. Elsamex Portugal S.A

Nil

11. Grusamar Ingenieria Y Consulting SL ("GICSL")

GICSL has instituted certain legal proceedings in relation to unpaid invoices for works against Cabildo de Gram Canaria (Obra 7 Palmas) and Ayuntamiento de Olias del Rey. The cases are currently pending.

12. Inversiones Tyndrum, S.A.

Nil

13. Intevial-Gestao Integral Rodoviaria S.A. ("Intevial")

Intevial has instituted certain legal proceedings in relation to, *inter alia*, unpaid invoices for renting of asphalt plant against Dinfrex and for unpaid debts against Paviabrasil – Pavimentos e Vias, S.A. These cases are currently pending.

14. Mantenimiento Y Conservacion De Vialidades, S.A. de C.V

Nil

15. Proyectos de Gestion, Sistemas, Calculo y Analisis, S.A.

Nil

16. Sanchez Marcos Senalizacion E Imagen, S.A

Nil

17. Senalizacion Viales E Imagen, S.A

Nil

18. Centro De Investigacion Elpidio Sanchez Marco SA ("CIESM")

CIESM has instituted a legal proceeding in relation to non payment of invoices for works done against Urbages. This case is currently pending.

19. Control 7, S.A. ("CSA")

Banco de Castilla, S.A. has filed a suit (no 32 of 2009) on February 2, 2009 against CSA and another entity before the Juzgado Primera Instancia No. 63, Madrid claiming unpaid promissory note and dues in relation to certain works. CSA has filed an opposition to the aforesaid claim. The matter is currently pending and the next date of hearing is yet to be notified.

20. Geotecnia 7, SA

Nil

21. ESM Mantenimiento Integral S.A. de C.V

Nil

22. Grusamar Albania SHPK

Nil

23. Atenea Seguridad y Medio Ambiente, S.A. ("Atenea")

Agencia Tributaria (the taxation authority) has filed a suit (00/4705/2009) on October 28, 2008 against Atenea imposing a sanction of Rs. 0.05 million on the company for late payment of Value Added Tax for the year 2007. Atenea has filed a request on December 16, 2009 to complete the administrative file and for temporary suspension of the time limit for filing the statements.

24. Ecoasfalt Construction Company Private Limited

Nil

25. Proyectos y Promociones Inmobiliarias Sanchez Marcos, S.L. ("Propinsa")

Propinsa has instituted a legal proceeding in relation to claim of a deposit amount against Gomez Tejedo, S.L. This case is currently pending. Further, herein below, is the legal proceedings instituted against Propinsa.

Gomez Tejedo, S.L has filed a suit (1981 of 2008) on March 11, 2009 against Propinsa before Juzgado de Primera Instancia, No. 19, Sevilla seeking compensation in relation to the financial costs from the sale of a part of a land parcel. The Mater is currently pending and the next date of hearing is yet to be notified.

26. Instituto Tecnico De La Vialidad Y Del Transporte, S.A

Nil

27. Yala Construction Company Private Limited

Nil

28. Hazaribagh Ranchi Expressway Limited

Nil

29. Pune Sholapur Road Development Company Limited

Nil

30. Rapid MetroRail Gurgaon Limited

Nil

31. North Karnataka Expressway Limited ("NKEL")

NKEL has instituted legal proceedings in relation to wrongful dedudctions and disallowance of depreciation claims. These matters are currently pending.

32. West Gujarat Expressway Limited

Nil

33. Moradabad Bareilly Expressway Limited

Nil

B. Details of past penalties imposed on our Subsidiaries

Except as stated in this section, there are no past penalties imposed on our Subsidiaries.

C. Outstanding legal proceedings involving Associates

1. Thiruvananthapuram Road Development Company Limited ("TRDCL")

Nil

2. Andhra Pradesh Expressway Limited ("APEL")

Nil

3. ITNL Toll Management Services Limited

Nil

4. Narketpally Addanki Expressway Limited

Nil

5. Warora Chandrapur Ballarpur Toll Road Limited

Nil

D. Outstanding legal proceedings involving Joint Ventures

1. Noida Toll Bridge Company Limited ("NTBCL")

NTBCL has instituted certain legal proceedings in relation to, *inter alia*, criminal defamation, encroachments and removal and demolition of advertisements. The cases are currently pending. Further, herein below, are the legal proceedings instituted against NTBCL.

1. Klassic Ad Mod has filed a suit (no. 324 of 2004) on March 23, 2004, against NTBCL, before the Delhi High Court, to restrain NTBCL from issuing notices to advertisers and permit the installation of the unipoles. NTBCL has filed its written statement on April 19, 2004 and no injunction has been granted till date. The matter was last listed on January 21, 2009, on which date it was pleaded that the matter may be taken up with other connected matters, namely, suit numbers 1352/03 and 1536/03. The case is currently pending and the next date of hearing is scheduled on May 10, 2010.

2. Mr. Inderjeet has filed a writ petition (no. 4582 of 1998) on September 9, 1998 against the Union of India, NTBCL and others, before the High Court of Delhi, challenging the acquisition of the petitioner's land at Kilokiri village, Delhi for construction of 'Delhi NOIDA Delhi Bridge' project by the respondents, alleging that the said notifications for acquisition of their land are void and illegal. NTBCL has filed a counter affidavit on February 22, 2008. The case is currently pending and the next date of hearing is yet to be notified.

3. Col. T. Prasad has filed a petition for special leave to appeal (I No. 35922 of 2009) before the Supreme Court of India seeking to challenge the dismissal of the Letter Patent Appeal (L.P.A. No. 255 of 2007) filed by him before the Delhi High Court. The Letter Patent Appeal was filed by Col. T. Prasad against the order of the court dated March 6, 2007 dismissing the writ petition filed by him against the Union of India and NTBCL alleging that personnel from the armed forces are exempt from paying toll while using the DND toll way by virtue of the Indian Tolls (Army and Air Force) Act, 1901. The Delhi High Court had dismissed the Letter Patent Appeal pursuant to order dated May 27, 2009. The petition for special leave to appeal is currently pending and the next date of hearing shall be notified in due course.

4. AFCONS Limited has initiated arbitration proceedings on May 27, 2006, against NTBCL before the arbitration tribunal at Delhi comprising of three arbitrators, claiming recovery of a sum of Rs. 19.81 million alongwith an interest at 18% plus the cost of adjudication and arbitration. The applicant has alleged that they had been appointed by NTBCL for carrying out various improvement works at the Ring Road and Mathura Road at Ashram pursuant to an agreement dated February 23, 2000, however NTBCL failed to make any payment after completion of the work. The arbitration tribunal at Delhi, pursuant to an order dated May 16, 2008, had rejected the claims of the applicant seeking payment of an amount of Rs. 8.20 million. The issues were framed by the arbitration tribunal on November 11, 2008. Accordingly, the matter has now been fixed for evidence of NTBCL, or in the event NTBCL chooses not to lead evidence, then for final arguments on March 7, 2009 and March 9, 2009. The case is currently pending and the next date of hearing is scheduled on March 19, 2010.

5. The Allahabad High Court had, on October 24, 2005 (in company petition number 35 of 2005 with company application number 9 of 2004) passed an order sanctioning a scheme of arrangement of NTBCL with its creditors. Osmanabad Janata Sahakari Bank Limited (the "**Bank**") had in the year 2007, filed a special appeal against the order dated October 24, 2005 seeking a stay of the same, in relation to which NTBCL had filed its objections. While the matter is pending adjudication before the Allahabad High Court, an application was served on NTBCL on January 12, 2009, by the Bank against *inter alia*, seeking directions for prosecuting NTBCL and others for misleading the Bank for the purchase of 4,400 'Deep Discount Bonds' and the loss suffered by the Bank due to the same. The case is currently pending and the next date of hearing is yet to be notified.

V. Outstanding Litigation and Material Developments/Proceedings against our Promoter, IL&FS

Except as stated below, there is no outstanding litigation involving the IL&FS, including criminal prosecutions or civil proceedings involving IL&FS, and there are no material defaults, non-payment of statutory dues, over dues to banks/financial institutions or defaults against banks/financial institutions by IL&FS (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of part 1 of Schedule XIII of the Companies Act).

A. Litigation involving IL&FS

Outstanding Litigation and Material Developments/Proceedings against IL&FS

Criminal proceedings against IL&FS

1. The Security Guard Board has filed a criminal complaint (CC. No 180/SS/2006) before the Chief Metropolitan Magistrate, Mumbai against IL&FS and three of its officers alleging that IL&FS and the officers have violated the provisions of the Maharashtra Private Security Guards (Regulation of Employment) Amendment Scheme, 2005 by engaging non exempted security guards. Pursuant to the complaint, IL&FS has complied with the provisions of the Maharashtra Private Security Guards (Regulation of Employment) Amendment Scheme, 2005 and has got itself registered under the said scheme with the Security Guards Board, Maharashtra, consequent to which the Security Guards Board has assured withdrawal of the complaint. The matter is currently pending for withdrawal.

Civil suits against IL&FS

1. Mr. Sandeep Raheja has filed a suit (no. 2135 of 2001) seeking injunction to restrain IL&FS from enforcing the mortgage created by Raj Trust in favour of IL&FS alleging that Raj Trust has wrongfully mortgaged the property in favour of IL&FS. The High Court of Mumbai has however declined to grant injunction in favour of the plaintiff. IL&FS thereafter, enforced the mortgage by selling the mortgaged property for Rs. 85.00 million. The plaintiff has impleaded the purchaser of the property seeking a restraint order against them. The plaintiff has further filed an appeal before the division bench of the High Court against the order of the High Court of Mumbai. The division bench disposed off the appeal. However, the original suit is still pending before the High Court of Mumbai.

2. IL&FS had initiated arbitration proceedings against 'MPAKVN' and 'MPSIDC' for recovery of the amounts spent by IL&FS in construction and maintenance of the Rau Pithampur bridge and the approach road. The arbitral tribunal on September 16, 2008 awarded IL&FS a total sum of Rs 129.40 million with interest on the said amount from September 1, 2003 and with future interest from the date until payment at the rate of 6% p.a on the respective principal sum. 'MPSIDC' and 'MPAKVN' have challenged the award by filing an appeal in the District Court, Indore. The said appeal is currently pending.

3. A suit (S.S. no. 283 of 2008) has been filed by the Mr. Kapil M. Bhatt, an executor of the will of Mr. Suresh D. Bhatt. The said suit is for release of 'F.D.R' for Rs. 0.02 million along with interest, not mentioned in the schedule of the probate obtained in the matter by the executors. IL&FS has filed its affidavit in reply. The matter is currently and the next date of hearing shall be intimated in due course.

4. R. Gomathi and others have filed suits (C.S. No. 1041 of 2008, 1067 of 2008, 1068 of 2008, 1069 of 2008, 487 of 2009) before the High Court of Madras against Indian Bank, the recovery officer of the Debt Recovery Tribunal in Ravishakar Industries Limited (Gemini group) in which IL&FS has been included as one of the defendants. No relief has been sought against IL&FS. The matter is currently and the next date of hearing shall be intimated in due course.

5. Mr. Ajith Tekchand Vasvani has filed a civil suit (O.S. No. 2579 of 2002) dated April 16, 2002 against IL&FS and others before the Additional City Civil Judge, Bangalore, seeking a declaration from the court that he owns a fixed deposit for Rs. 0.2 million maintained with IL&FS. The matter is currently pending and the next date of hearing shall be intimated in due course.

6. Reliance Infrastructure Limited and others have filed a writ petition (no. 1542 of 2009) before the High Court of Bombay against IL&FS and Maharashtra State Development Corporation ("**MSDC**") seeking to restrain MSDC from awarding a particular contract on the ground that it was not invited to participate in the second stage of the bidding process and were not intimated of opening of the financial bid in relation thereto, on August 10, 2009. The matter is currently pending and the next date of hearing shall be intimated in due course.

7. Mr. Shahul Hameed has filed a civil suit before the Madras High Court against Indian Bank, the Recovery Officer of the Debt Recovery Tribunal in the matter of Ravishankar Industries Limited and IL&FS has been included as a defendant in the matter, as IL&FS had advanced certain loans to Gemini group, which includes Ravishankar Industries Limited. The matter is currently pending and the next date of hearing shall be intimated in due course.

Consumer cases against IL&FS

1. Jamil Ahmed has filed a consumer complaint (bearing number 153 of 2007) before the District Consumer Disputes Redressal Forum, Behraich, pertaining to the sale of a tractor which was financed by IL&FS. The tractor was financed through M/s Eicher Motors Limited on April 20, 1996 at Agra, UP. The complainant has alleged that IL&FS is the finance division of M/s Eicher Motors and has received all the 22 installments (paid to M/s Eicher Motors Limited, Indore) and has not issued the no objection certificate to this effect. He has alleged deficiency in services on the part of IL&FS and has claimed compensation amounting to Rs. 0.1 million as well as the no objection certificate. The matter is currently pending and the next date of hearing will be intimated in due course.

Debt recovery proceedings against IL&FS

1. Oman International Bank S.A.O.G. has filed a suit in the High Court of Bombay against IL&FS and Iridium India Telecom Limited bearing suit no. 3618 of 2004 *inter alia* claiming from IL&FS a sum of Rs.109.11 million together with interest @15.81% p.a. from August 1, 2000 till payment and/or realisation. Both IL&FS and Iridium have filed their written statements of defence in the said suit whereupon the same has been transferred to the list of commercial causes.

Arbitration proceedings against IL&FS

1. Mr. Praveen Arora has initiated an arbitration proceeding on against IL&FS before a sole arbitrator, Mr. G.P. Thareja. The proceedings have arisen as the petitioner had purchased a vehicle from Canter Leasing and Finance Private Limited on an nstalment basis and had been unable to pay the nstalments as agreed, as the vehicle had met with an accident and he had had to incur huge costs for its repair. The vehicle had thereafter been seized by IL&FS. The petitioner has thus initiated arbitration proceedings seeking the return of the seized vehicle and the sum of Rs. 0.67 million paid by him towards repairs and other charges. IL&FS filed its reply on September 10, 2007 stating that no specific claim had been made against it and that therefore the complaint ought to be dismissed. The next date of hearing is yet to be notified by the arbitrators.

Income Tax related litigation against IL&FS

1. The assessing officer has issued a notice dated November 30, 1992 against IL&FS stating that it is required to pay tax on disallowance of Rs. 4.32 million for assessment year 1990-1991. IL&FS filed an appeal before the CIT(A), Mumbai contended that it is entitled to deductions on lease rentals on sum of digit method basis versus billed basis and hence is not entitled to make payment of aforesaid amount as demanded by the assessing officer in the notice. CIT(A) by an order dated March 31, 1994 directed IL&FS to pay such amount. IL&FS then filed an appeal before the ITAT. Consequently, ITAT passed an order dated March 30, 2002 in favour of the Income Tax Department. IL&FS has filed an appeal (no. 950 of 2006) dated October 16, 2007 before the High Court of Mumbai challenging the order passed by ITAT. The matter is currently pending and the next date of hearing shall be notified in due course.

2. The assessing officer has issued a notice dated January 19, 1994 against IL&FS stating that it is required to pay tax on disallowance of Rs. 54.00 million for assessment year 1991-1992. IL&FS filed an appeal before the CIT(A), Mumbai contending that it is entitled to deduction on lease rentals on sum of digit method basis versus billed basis and hence is not entitled to make payment of aforesaid amount as demanded by the assessing officer in the notice. CIT(A) by an order dated October 15, 1994 directed IL&FS to pay such amount. IL&FS filed an appeal before the ITAT. Consequently, ITAT passed an order dated August 7, 2003 in favour of the Income Tax Department. IL&FS has filed an appeal (no. 967 of 2004) dated September 24, 2007 before the High Court of Mumbai challenging the order passed by ITAT. The matter is currently pending and the next date of hearing shall be notified in due course.

3. The assessing officer has issued a notice dated October 13, 1994 against IL&FS stating that it required to pay tax on disallowance of Rs. 112.00 million for assessment year 1992-1993. IL&FS filed an appeal before the CIT(A), Mumbai contending that it is entitled to deduction for depreciation on sum of digits method basis versus billed basis and hence is not entitled to make payment of aforesaid amount as demanded by the assessing officer in the notice. CIT(A) by an order dated October 16, 1995 passed an order against IL&FS directing IL&FS to pay such amount. IL&FS filed an appeal before the ITAT. Consequently, ITAT passed an order dated October 10, 2003 in favour of the Income Tax Department. IL&FS has filed an appeal (no. 584 of 2004) dated September 24, 2009 before the High Court of Mumbai challenging the order passed by ITAT. The matter is currently pending and the next date of hearing shall be notified in due course.

4. The assessing officer has issued a notice dated March 27, 1998 against IL&FS for payment of tax on disallowance of Rs. 74.00 million for the assessment year 1995-1996. The assessing officer in the notice has alleged that the company has followed the sum of digit method of accounting with respect to taxability of lease rentals as against the billing basis. IL&FS had filed an appeal before the CIT(A) challenging the notice issued by the assessing officer. CIT(A) on by an order dated February 12, 1999 confirmed the decision of the assessing officer. Aggrieved by the order of CIT(A), IL&FS has filed an appeal before the ITAT, Mumbai. ITAT, by an order dated December 20, 2006 upheld the decision of IL&FS which has been challenged by the Income Tax Department before the High Court of Mumbai. The matter is currently pending and the next date of hearing shall be notified in due course.

5. The assessing officer has issued a notice dated March 14, 1999 against IL&FS for payment of tax on disallowance of Rs. 447.00 million for the assessment year 1996-1997. The assessing officer in the notice had alleged that IL&FS is not entitled to claim depreciation on leased assets. IL&FS filed an appeal before the CIT (A), Mumbai on April 26, 1999 contending that IL&FS as lessor is entitled to depreciation on the asset as per the circular issued by CBDT in 2001. The CIT(A), Mumbai on April 26, 1999 passed an order in favour of IL&FS and directed for deletion of the addition made in the assessing officers notice. The department of income tax has filed an appeal before the ITAT challenging the order of CIT(A). The matter is currently pending and the next date of hearing shall be notified in due course.

6. The assessing officer has issued a notice dated March 24, 2000 against IL&FS for payment of tax on disallowance of Rs. 833.00 million for the assessment year 1997-1998. The assessing officer in the notice had alleged that IL&FS is not entitled to claim depreciation on leased assets. IL&FS filed an appeal before the CIT (A), Mumbai on March 24, 2000 contending that IL&FS as lessor is entitled to depreciation on the asset as per the circular issued by CBDT 2001. CIT(A) on March 30, 2001 passed an order in favour of IL&FS and directed for deletion of the addition made in the assessing officers notice. The department of income tax has filed an appeal before the ITAT challenging the order of the CIT(A). The matter is currently pending and the next date of hearing shall be notified in due course.

7. The assessing officer has issued a notice dated March 14, 2001 against IL&FS for payment of tax on disallowance of Rs. 1,078.00 million for the assessment year 1998-1999. The assessing officer in the notice had stated that IL&FS is not entitled to claim depreciation on leased assets. IL&FS filed an appeal before the CIT (A), Mumbai on March 29, 2001 contending that IL&FS as lessor is entitled to depreciation on the asset as per the circular issued by CBDT in 2001. CIT(A) on May 14, 2001 passed an order in favour of IL&FS and directed for deletion of the addition made in the assessing officers notice. The department of income tax has filed an appeal before the ITAT challenging the order of CIT(A). The matter is currently pending and the next date of hearing shall be notified in due course.

8. The assessing officer has issued a notice dated March 19, 2003 against IL&FS for payment of tax on disallowance of Rs. 855.00 million for the assessment year 1999-2000. The assessing officer in the notice had stated that IL&FS is not entitled to claim depreciation on leased assets. IL&FS filed an appeal before the CIT (A), Mumbai on March 27, 2002 contending that IL&FS as lessor is entitled to depreciation on the asset as per the circular issued by CBDT in 2001. The CIT(A) on September 2, 2002 passed an order in favour of IL&FS and directed for deletion of the addition made in the assessing officers notice. The department of income tax has filed an appeal before the ITAT challenging the order of CIT(A). The matter is currently pending and the next date of hearing shall be notified in due course.

9. The assessing officer has issued a notice dated March 19, 2003 against IL&FS for payment of tax on disallowance of Rs. 446.00 million for the assessment year 2000-2001. The assessing officer in the notice had stated that IL&FS is not entitled to claim depreciation on leased assets. IL&FS filed an appeal before the April 28, 2003 contending that IL&FS as lessor is entitled to depreciation on the asset as per the circular issued by CBDT in 2001. The CIT(A) on August 4, 2003 passed an order in favour of IL&FS and directed for deletion of the addition made in the assessing officers notice. The department of income tax has filed an appeal before the ITAT challenging the order of CIT(A). The matter is currently pending and the next date of hearing shall be notified in due course.

10. The assessing officer has issued a notice dated March 24, 2004 against IL&FS for payment of tax on disallowance of Rs. 284.00 million for the assessment year 2001-2002. The assessing officer in the notice had stated that IL&FS is not entitled to claim depreciation on leased assets. IL&FS filed an appeal before the CIT (A), Mumbai on April 21, 2004 contending that IL&FS as lessor is entitled to depreciation on the asset as per the circular issued by CBDT in 2001. CIT(A) on November 8, 2005 passed an order in favour of IL&FS and directed for deletion of the addition made in the assessing officers notice. The department of income tax has filed an appeal before the ITAT challenging the order of CIT(A). The matter is currently pending and the next date of hearing shall be notified in due course.

11. The assessing officer has issued a notice dated February 25, 2005 against IL&FS for payment of tax on disallowance of Rs. 64.00 million for the assessment year 2002-2003. The assessing officer in the notice had stated that IL&FS is not entitled to claim depreciation on leased assets. IL&FS filed an appeal before the CIT (A), Mumbai on March 29, 2005 contending that IL&FS as lessor is entitled to depreciation on the asset as per the circular issued by CBDT in 2001. CIT(A) on November 8, 2005 passed an order in favour of IL&FS and directed for deletion of the addition made in the assessing officers notice. The department of income tax has filed an appeal before the ITAT against the order of CIT(A). The matter is currently pending and the next date of hearing shall be notified in due course.

12. The assessing officer has issued a notice dated November 30, 2005 against IL&FS for payment of tax on disallowance of Rs. 48.00 million for the assessment year 2003-2004. The assessing officer in the notice had stated that IL&FS is not entitled to claim depreciation on leased assets. IL&FS filed an appeal before the CIT (A), Mumbai on Jan 9, 2006 contending that IL&FS as lessor is entitled to depreciation on the asset as per the circular issued by CBDT in 2001. The CIT(A) on April 11, 2007 passed an order in favour of IL&FS and directed for deletion of the addition made in the assessing officers notice. The department of income tax has filed an appeal before the ITAT against the order of CIT(A). The matter is currently pending and the next date of hearing shall be notified in due course.

13. The assessing officer has issued a notice dated December 30, 2006 against IL&FS for payment tax on disallowance of Rs. 512.00 million for the assessment year 2004-2005. The assessing officer in the notice had stated that IL&FS is not entitled to claim depreciation on leased assets. IL&FS filed an appeal before the CIT (A), Mumbai on Jan 23, 2007 contending that IL&FS as lessor is entitled to depreciation on the asset as per the circular issued by CBDT in 2001. CIT(A) on February 29, 2008 passed an order in favour of IL&FS and directed for deletion of the addition made in the assessing officers notice. The department of income tax has filed an appeal before the ITAT against the order of CIT(A). The matter is currently pending and the next date of hearing shall be notified in due course.

14. The assessing officer has issued a notice dated November 27, 1996 against IL&FS for payment of tax on disallowance of Rs 283.54 million for the assessment year 1993-1994. The assessing officer in the notice had stated that IL&FS is not entitled to claim the project income booked on revaluation as a deduction. Further it was held in the said notice that since lease rentals had been accounted on 'SOD basis' in the books, the same basis should be adopted for tax as well. IL&FS filed an appeal before the CIT (A), Mumbai on April 15, 1996 contending that income on revaluation is notional income till sale is achieved and IL&FS had offered the income for tax in assessment year 2001-02 when the sale took place and in the case of 'SOD rentals', since the same was only a notional income and not accrued income, only the accrued income should be taken. CIT(A) on December 12, 1997 passed an order in favour of IL&FS and directed for deletion of the addition made in the assessing officers notice. The department of income tax had filed an appeal before the ITAT against the order of CIT(A). The ITAT had passed an order in favour of IL&FS on November 30, 2006. The department of income tax subsequently approached the Mumbai High Court. The matter is currently pending and the next date of hearing shall be notified in due course.

15. The assessing officer has issued various notices against IL&FS for payment of tax on disallowance of Rs 929.00 million for the assessment years 1994 to 1999. The assessing officer in the notice has stated that IL&FS is not entitled for deduction of the aforesaid amount. CIT(A) had ordered that the issue be reverted back to the assessing officer for reconsideration and reassessment. IL&FS filed an appeal before the CIT, Mumbai, contending that the issue had become time barred and was consequently automatically entitled for the benefit of deduction. The CIT, Mumbai on March 31, 2006 passed an order confirming the decision in favour of IL&FS. The department of income tax appealed before the ITAT and the ITAT by order dated October 8, 2008 decided against IL&FS's claim.

Outstanding Litigation and Material Developments/Proceedings filed by IL&FS

Proceedings initiated by IL&FS

Criminal Proceedings

1. IL&FS is involved in 19 cases involving disputes in relation to dishonour of cheques under the Negotiable Instruments Act, 1881 filed by them, which are at various stages of adjudication. The aggregate amount, as quantifiable, in relation to such cases amounts to approximately Rs. 180.26 million as on September 15, 2009.

2. BPL Limited and its directors filed criminal appeals (Civil Case No. 487/2005 and Criminal Case No. 2688/ 2003) before the Karnataka High Court to stay proceedings under section 138 of the Negotiable Instruments Act, 1881initiated by IL&FS. The Karnataka High Court allowed these criminal appeals by staying the criminal proceedings. IL&FS has filed special leave petitions before the Supreme Court of India against the said order and the matter is currently pending.

3. BPL Limited and its directors filed criminal appeals (Case No. 487/2005 and Criminal case No. 25149/2005) before the Karnataka High Court to stay proceedings under section 138 of the Negotiable Instruments Act, 1881initiated by IL&FS. The Karnataka High Court allowed these criminal appeals by staying the criminal proceedings. IL&FS has filed special leave petitions before the Supreme Court of India against the said order and the matter is currently pending.

Civil Suits

1. IL&FS has filed a suit (suit no. 2865 of 2003) against Delklip Investments Private Limited before the Bombay High Court to recover, *inter alia*, the sum of Rs. 48.40 million with interest in respect of the lease finance facility granted by IL&FS to the defendant, the payment whereof had been guaranteed by Mr. Chandrashekar and Mr. Chandra Keerthi, who were also joined as defendants in the suit. The court has, by an order dated April 21, 2004, appointed a court receiver in respect of the suit equipment, plant and machinery, etc. with a direction to appoint Delklip Investments Private Limited as an agent of the court receiver. The case is presently pending and the next date of hearing shall be notified in due course.

2. IL&FS has filed an insolvency petition (petition no. 18 of 2006) against Mr. Suresh G. Motwani before the Bombay High Court seeking an order for adjudging Mr. Motwani insolvent. The court has, by an order dated November 20, 2007, adjudged Mr. Motwani insolvent. Further proceedings in this regard, are pending before the Official Assignee, Bombay High Court. The case is presently pending and the next date of hearing shall be notified in due course.

3. IL&FS has filed a miscellaneous application (no. 230 of 2004) in M.E.C.R.No.1 of 2003 against Roofit Industries Limited before the Bombay City Civil & Sessions Court seeking lifting of the attachment ordered by the court in respect of the leased equipments and for a direction for physical possession of the leased equipments to be handed over to the court receiver. The suit is presently pending and the next date of hearing shall be notified in due course.

4. IL&FS had filed a suit (suit no. 3247 of 2002) against Roofit Industries Limited before the Bombay High Court to recover the possession of the equipment leased by IL&FS to Roofit Industries Limited under the lease agreement dated April 23, 1998 entered into between them, which have been materially breached. The court, by an order dated June 18, 2003, appointed a court receiver in respect of the leased equipment with a direction to appoint the defendants as his agents on usual terms and conditions including royalty. Consequently, it was observed that a notice was affixed at the suit property by the Inspector of Police, Bombay in M.E.C.R.No.1 of 2003 due to which the court receiver could not take formal possession of the leased equipments. The suit is presently pending and the next date of hearing shall be notified in due course.

5. IL&FS had filed a suit (summary suit no. 3233 of 2002) before the Bombay High Court to recover from Roofit Industries Limited and Sun Earth Ceramics Limited a sum of Rs. 25.54 million with interest due and payable by them in respect of the lease finance facility granted by IL&FS to Roofit Industries Limited, the payment whereof had been guaranteed by Sun Earth Ceramics Limited. However, since both parties were before the Board of Industrial and Financial Reconstruction, by an order dated July 12, 2004 passed by the Bombay High Court,

the said matter was adjourned sine die. The suit is presently pending and the next date of hearing shall be notified in due course.

6. IL&FS had filed a suit (summary suit no. 3234 of 2002) before the Bombay High Court to recover from Sun Earth Ceramics Limited and Mr. Suresh G. Motwani, a sum of Rs. 26.00 million with interest due and payable by them in respect of the lease finance facility granted by IL&FS to Sun Earth Ceramics Limited, the payment whereof had been guaranteed by Mr. Suresh G. Motwani. However, since the reference by Sun Earth Ceramics Limited was pending before the Board of Industrial and Financial Reconstruction, by an order passed by the Bombay High Court, the said suit was kept pending. The court further passed a decree against Mr. Motwani for the abovementioned with costs. The suit is presently pending and the next date of hearing shall be notified in due course.

7. IL&FS has filed a suit (suit no. 3248 of 2002) before the Bombay High Court against Sun Earth Ceramics Limited to recover possession of the equipment leased by IL&FS to Sun Earth Ceramics Limited under the lease agreement dated December 17, 1999 entered into between the parties which have been materially breached. By an order dated July 1, 2005, the court appointed the court receiver in respect of the suit equipment. Sun Earth Ceramics Limited has filed an appeal against the said order (appeal no. 724 of 2005) which has been stayed. The said appeal is presently pending hearing and final disposal and the next date of hearing shall be notified in due course.

8. South India Corporation (Agencies) Limited ("**Sical**") executed a corporate guarantee in favour of IL&FS for term loan of Rs. 100.00 million advanced to Sical's group company, Sical Ships India Limited by IL&FS. IL&FS invoked the corporate guarantee on the borrower who had failed to repay the amount and filed a suit against Sical before the Madras High Court. The court ordered Sical to pay an amount of Rs. 56.58 million. When IL&FS took steps to execute the decree, Sical appealed to the division bench of the Madras High Court. The said appeal was admitted only after Sical deposited Rs. 50.00 million as per the court's order. IL&FS withdrew the amount of Rs. 50.00 million. Sical further deposited an amount of Rs. 25.00 million with the court. The case is currently pending and the next date of hearing shall be notified in due course.

9. Southern Petrochemical Industries Corporation Limited ("**Spic**") furnished a top- up guarantee as security for 'Bearboat Charter Facility' given to Sical Ships Limited by IL&FS. IL&FS filed a suit for recovery of charter hire dues upto May 2003. The Madras High Court by its order directed Spic to pay the amount of Rs. 214.10 million. When IL&FS took steps to execute the decree, Spic appealed to the division bench of the Madras High Court. The said appeal was admitted only after deposit of Rs. 80.00 million by Spic as per the court's order. IL&FS withdrew the amount of Rs. 80.00 million. The appeal is pending before the division bench. On termination of the 'Bearboat Charter Agreement', IL&FS invoked the guarantee given by Spic and consequently filed a suit against Spic for recovery of balance lease rentals together with other monies payable aggregating to Rs. 500.00 million. The said suit is pending before the Madras High Court and the next date of hearing shall be notified in due course.

10. IL&FS and IFIN have filed a suit (case no. 914 of 2008) against Accel Frontline Limited before the Madras High Court to recover from the defendant a lease tax amount of Rs. 11.23 million paid by IFIN. The suit is currently pending and the next date of hearing is yet to be notified.

11. IL&FS has filed an application (case no. 487 of 2005) before the Court of City Civil Judge at Bangalore City for the enforcement of an arbitral award passed by a single arbitrator on July 1, 2004 based on consent terms agreed to by IL&FS with BPL Limited. The cause for filing the application was the failure of BPL Limited to honour its commitment under the award. The City Civil Court has ordered the attachment and sale of the movable and immovable properties of BPL Limited. Accordingly, attachment procedure was completed of the Dodballapur property and Palghat property, but could not be proceeded with for the rest of the property. During the pendency of the above proceedings, BPL Limited transferred its equity holding in BPL Soft Energy Limited to Eveready Limited. IL&FS filed a case for contempt of court against BPL Limited and Eveready Limited before the High Court of Karnataka and same was dismissed by the said court. IL&FS has filed a special leave petition (3678 of 2006) before the Supreme Court against the said order of High Court. The next date of hearing is yet to be notified.

12. IL&FS has filed a suit (E.P. No. 12 of 2005 in O.S. No 21/2003) against Pantalu and others before the Additional Chief Judge, Secunderabad to recover a sum of Rs. 2.07 million borrowed by the defendant. The Additional Chief Judge has passed an ex-parte order on September 30, 2004 in favour of IL&FS. IL&FS initiated execution proceedings based on the ex-parte decree obtained in its favour. The matter is presently pending and the next date of hearing is yet to be notified.

13. Under the Employee State Information Corporation Act, IL&FS had received an order from the Assistant Commissioner demanding payment of dues to the security agency, Security and Investigation Bureau and the building maintenance contractor, Sunsam Properties Private Limited for the year 1997-98 amounting to Rs. 0.07 million. IL&FS stated that the maintenance charges have been paid as per the provisions of the lease agreement. Thus, IL&FS filed an appeal against the order with the Regional Director, which was rejected. IL&FS thereafter filed an appeal in the Employee State Information Corporation Tribunal against the order of the Regional Director and for obtaining a stay on the demand order. The Tribunal granted a stay order in relation to the aforesaid order December 27, 2004 upon IL&FS depositing Rs. 0.03 million as security deposit with the Tribunal. The appeal is curently pending and the next date of hearing shall be intimated in due course.

Winding up petitions

1. IL&FS has filed a company petition (no. 192 of 2004) in the Bombay High Court against Roofit Industries Limited for winding up pursuant to the orders and directions of the court. In view of the fact that reference under the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985 was pending before the Appellate Authority for Industrial and Financial Reconstruction, by an order dated February 24, 2005, the court adjourned the said petition *sine die*. By a letter dated February 18, 2009, Roofit Industries Limited has informed that by an order dated February 13, 2006 passed by the Appellate Authority for Industrial and Financial Reconstruction, the matter has been remanded back to the Board of Industrial and Financial Reconstruction. The matter is presently pending and the next date of hearing shall be notified in due course.

2. IL&FS has filed a company petition (no. 261 of 2003) in the Bombay High Court against Sun Earth Ceramics Limited for winding pursuant to the orders and directions of the court. In view of the fact that reference under the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985 was pending before Appellate Authority for Industrial and Financial Reconstruction, by an order dated March 3, 2004, the court adjourned the said petition *sine die*. By a letter dated March 3, 2009, Sun Earth Ceramics Limited has informed that Sun Earth Ceramics Limited has filed an appeal before the Appellate Authority for Industrial and Financial Reconstruction. The matter is presently pending and the next date of hearing shall be notified in due course.

3. IL&FS filed a recovery suit against Fidelity Industries Limited before the Madras High Court. During the pendency of suit, a creditor of Fidelity Industries Limited had filed a winding up petition for winding up of the respondent company. The Madras High Court by its order directed for the liquidation of the respondent company and an official liquidator was appointed. IL&FS has an exclusive charge on certain machinery and submitted the list as per valuation report submitted by the official liquidator's office. IL&FS is seeking deposit of amount of Rs. 89.68 million realized by official liquidator from sale of equipment into a separate account. IL&FS has filed an application before the Chief Justice of the Madras High Court requesting the transfer of the case from the Original Bench to the Company Court of the High Court. The matter is presently pending and the next date of hearing shall be notified in due course.

4. IL&FS had filed a suit (case no. 17 of 2004) against the Official Liquidator appointed by the Madras High Court and SIV Industries Limited before the Madras High Court for the realisation of monies awarded to it by an arbitral award. The suit has arisen because a creditor of the defendant company had filed for its winding-up before the Madras High Court. During the pendency of the proceedings, the case was referred to the Board of Industrial and Financial Reconstruction which had, by an order dated August 25, 2004, directed for the winding-up of

the defendant company. As per the order, all assets of the defendant company would be vested with the asset sale committee of the creditors. At the request of IL&FS, the matter was referred by the Madras High Court to a sole arbitrator. The sole arbitrator accepted the case of IL&FS and gave an award in favour of IL&FS for Rs. 362.20 million with interest at the rate of 12% p.a. on the principal amount from the date of claim till realization. The arbitrator also awarded payment of costs of Rs. 0.50 million to IL&FS. IL&FS filed the present suit for realisation of such monies. IL&FS has requested that the Official Liquidator sell the assets charged to IL&FS and deposit the monies with the Court. The Official Liquidator has filed an appeal against the arbitral award. The matter is presently pending and the next date of hearing is yet to be notified.

5. IL&FS had filed a winding up petition against BPL Engineering Limited before the Karnataka High Court. During pendency of the winding up petition (no. 26/2005), the Board of Industrial and Financial Reconstruction registered the respondent company under the Sick Industries Companies Act, 1985 and hence Karnataka High Court suspended the above winding-up proceedings. As the leased properties are outside the purview of Sick Industries Companies Act, 1985, IL&FS has filed civil suit (no. 33/2008) before the district court of Sangareddy to seek repossession of the leased assets. The matter is still pending and the next date of hearing is yet to be notified.

6. IL&FS has initiated winding-up proceedings against BPL Telecom before the Kerala High Court pursuant to withdrawal of 'corporate debt restructuring scheme' by the Corporate Debt Restructuring Cell. The Kerala High Court, pursuant to its order dated June 26, 2008 directed BPL Telecom to pay Rs. 4.00 million per quarter commencing from April 1, 2008. BPL Telecom has paid the said amount for the first quarter in June 2008, for the second quarter in September 2008 and for the third quarter in January, 2009. The matter is still pending and the next date of hearing is yet to be notified.

B. Details of past penalties imposed on IL&FS by authorities concerned

1. The SEBI had issued an *ex parte* ad-interim order dated April 27, 2006 under Sections 11, 11B and 11(4) of the SEBI Act and Section 19 of the Depositaries Act, 1996 in the matter of investigation into initial public offerings restraining the IL&FS Depository Participant from opening fresh demat accounts. Pursuant to an order dated July 28, 2006, the SEBI directed the withdrawal of the *ex parte* order. An enquiry officer was appointed by the SEBI, who had issued a notice dated January 23, 2007 seeking explanation as to why action should not be taken against IL&FS. IL&FS submitted a proposal pursuant to its letter dated December 24, 2007 seeking settlement of the pending proceeding upon payment of Rs. 0.10 million towards the terms of consent. Pursuant to an order dated July 22, 2008, IL&FS's proposal was accepted and the show cause notice of the enquiry officer was disposed off.

The following irregularities, deficiencies and lapses were observed during the inspection of operations of IL&FS as a Depository Participant:

- Opening beneficiary accounts without obtaining proper identity and address proof of the client;
- Such accounts were opened with improper and incomplete documentation;
- Such accounts were closed based on incomplete application.
- Delayed closing of such accounts whereas investors were charged till the date of closure.
- Omission to mention or incorrect mentioning of ISIN on demat request form.
- Mention of extra account holders in demat request form thereby delaying dematerialisation and rejection by the registrar or the issuer company.
- Accepting 'Demat Instruction Slip' ("**DIS**") without time-stamping, without date of acceptance, non-mention of ISIN on DIS. There were also a difference in the execution date and actual execution and difference in the quantity mentioned in DIS and the system.
- Investor complaints were not recorded and the complaints register was not maintained; correspondence relating to the same was only filed after June 2000.
- Even after this period, the date and time of receipt of grievance was not recorded. In its absence, the question of whether grievances were addressed within 30 days cannot be determined in terms of Regulation 20(2)(e) of Securities and Exchange Board of India

(Depositories and Participants) Regulations, 1996, as amended (the "**DP Regulations**").

2. The SEBI had issued a show cause notice on May 6, 2004 asking IL&FS Depository Participant as to the reason why "cease and desist" proceedings under Section 11D of the SEBI Act for the lapses observed during the inspection of Depository Participant operations should not be initiated against IL&FS. A reply was sent by IL&FS on June 7, 2004 admitting certain short comings and compliances to be completed. After a personal hearing given to IL&FS on July 21, 2006, the SEBI passed an order dated August 22, 2006 holding that it would not be appropriate to issue an order at this stage and directed IL&FS to refrain from committing any further violations. The SEBI further in its order directed IL&FS to desist from repeating any of the aforesaid lapses.

   The SEBI passed an *ad interim ex parte* order dated April 27, 2006 whereby IL&FS was directed not to open fresh demat accounts until it received further directions since it violated 'KYC' norms. Subsequently, proceedings under Section 11 of SEBI Act were initiated against IL&FS and the enquiry officer issued a show cause notice against IL&FS on January 23, 2007.

   However, on December 24, 2007, IL&FS proposed settlement through a consent order. The High Powered Advisory Committee, after examining the consent terms, recommended vide letter dated July 10, 2008, a settlement by IL&FS paying Rs. 0.1 million. The SEBI passed the consent order on July 22, 2008 and accepted the abovementioned amount without any admission or denial of the guilt of IL&FS without precluding SEBI's power to reopen proceedings against IL&FS if the representations made during such consent proceedings were later found untrue or if there was a breach of any conditions of undertakings/waivers filed during current consent proceedings.

3. The SEBI had issued a notice on October 6, 2004 under Rule 4 of the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 for an inspection of books of accounts, documents, records, infrastructure and procedures of IL&FS conducted in September, 2003. The primary allegation against IL&FS was related to violation of Regulations 41 and 42(1) of the DP Regulations and violation of the SEBI Circular No. SMDRP/POLICY/CIR-36/2000 dated August 4, 2000 (the "**SEBI Account Circular**").

   Violation of Regulation 41 of the DP Regulations was alleged due to certain irregularities arising from failure of IL&FS to enter into agreements with beneficial owners before acting as a participant on their behalf as mentioned below:

   a. Failure to enter into an agreement with four clients;
   b. Failure to obtain necessary documentary proof of identity of a client;
   c. Failure to enter into an agreement with certain margin trading clients.

   Non-compliance of the SEBI Account Circular was alleged on the basis that IL&FS failed to open 'BO' accounts without following account opening procedures for five clients. Violation of Regulation 42(1) of the DP Regulations was alleged due to co-mingling of securities of certain beneficial owners.

   SEBI attributed certain amount of liability to IL&FS for failure to properly carry out its duties as a Depository Participant. However, no data could be found to quantify the loss caused to an investor or group of investors, nor were there quantifiable figures on record with regard to default by IL&FS. SEBI opined that although penalty need not be imposed in terms of the quantum specified in Section 15B of the SEBI Act, a token penalty was required to be imposed. Hence, SEBI passed an order dated July 15, 2005 in the adjudication proceedings held consequent to which IL&FS paid a penalty of Rs. 0.02 million on August 8, 2005.

C. Proceedings initiated against IL&FS for economic offences

Except as disclosed in this section, there are no proceedings initiated against IL&FS, for any economic offences.

D. Litigation/Defaults in respect of companies/firms/ventures with which IL&FS was associated in the Past

There is no outstanding litigation/defaults in respect of companies/firms/ventures with which IL&FS was associated in the past.

E. Litigations against IL&FS involving violation of statutory regulations or alleging criminal offence

Except as stated in this section, there are no litigations against IL&FS involving violation of statutory regulations or alleging criminal offence.

F. Criminal/ civil cases against IL&FS towards tax liabilities

There are no criminal/ civil cases against IL&FS towards tax liabilities.

G. Disciplinary action taken by SEBI or the Stock Exchanges against IL&FS

Except as stated in this section, no disciplinary action has been taken by SEBI or the Stock Exchanges against IL&FS.

H. Proceedings against HSBC InvestDirect Securities (India) Limited, formerly, IL&FS Investsmart Securities Limited, initiated when HSBC InvestDirect Securities (India) Limited was a member of our group companies

Except as stated in this section, no proccedings have been initiated by SEBI or the Stock Exchanges against HSBC InvestDirect Securities (India) Limited, formerly, IL&FS Investsmart Securities Limited. For further details in relation to the disassociation of HSBC InvestDirect Securities (India) Limited, please see section titled "Our Promoter and Promoter Group – Disassociation by the Promoter in the last three years" on page 219.

A show cause notice dated November 29, 2004 under regulation 6 of SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2003 had been issued by SEBI to IL&FS Investsmart Limited ("**IIL**"). This enquiry pertains to secondary capital market operations in respect of sale transactions in shares of Adani Exports Limited for KP Group entities carried out during the period between 2000 and 2001, when IIL was under the former management. The notice has been responded to on January 11, 2005 and a personal hearing on the enquiry was held on February 14, 2005.

IL&FS Investsmart Securities Limited ("**IISL**"), the successor-in-title, since the broking business was transferred from IIL, its holding company, in 2006, received a letter (No. EAD- II/SD/DT/139913/08) dated October 1, 2008 from SEBI in relation to hearing in the matter on October 14, 2008 as a new adjudication officer was appointed. IISL, which has now been renamed as HSBC InvestDirect Securities (India) Limited has received a show cause notice on July 31, 2009 enclosing a copy of the report of the enquiry conducted by the enquiry officer dated February 9, 2009. The company has filed a reply with SEBI.

VI. Pending litigations against our Group Companies

A. Outstanding Litigation and Material Developments/Proceedings against entities promoted by IL&FS

1. IL&FS Investment Managers Limited

Nil

2. Noida Toll Bridge Company Limited

For further details, see the section titled "Outstanding Litigations and Material Developments – Litigation involving our Subsidiaries, Associates and Joint Venture Companies" on page 333.

3. Maytas Infra Limited ("MIL")

MIL has instituted certain legal proceedings in relation to, *inter alia*, criminal offences, civil suits, labour disputes, winding up petitions. These cases are currently pending. Further, herein below, are the legal proceedings instituted against MIL.

Criminal Cases

1. Mr. Shankar has filed a complaint under section 304(a) of the IPC (CC. 335/08) dated June 13, 2008 before the Judicial Magistrate First Class, Sindhanur, Karnataka against Mr. Teja Raju and others alleging that MIL (being the contractor) failed to adhere the precautionary measures while laying the road, which resulted in an accident and a death. Mr. Teja Raju was exempted from the personal appearance before the court by filing a petition under section 205 of Cr.P.C. The matter is currently pending and the next date of hearing shall be notified in due course.

2. Mr. Koti Reddy ha s filed a complaint (C.C. 1888/2008) dated September 26, 2008 against MIL before the Additional Chief Metropolitan Magistrate, Hyderabad alleging defamation casued to him through the paper publication by the Human Rerources Department. MIL filed proceedings to quash the said complaint and accordingly the High Court of Andhra Pradesh has stayed further proceedings. MIL is in the process of withdrawing the matter as the same has been settled out of court.

3. Yes Bank Limited has filed a criminal complaint under section 138 of Negotiable Instrument Act, 1881 (287/2009) dated May 11, 2009 before the Chief Metropolitan Magistrate, Hyderabad against MIL and its directors as the cheque issued by MIL was dishonoured, which was given towards the security of a term loan. MIL had entered into an agreement with Yes Bank Limited for availing a loan amount Rs. 300.00 million and had given a cheque towards security. The said cheque was dishonoured. The matter is currently pending and the next date of hearing is on May 28, 2010.

Civil Cases

1. M/s Jacksons has filed a suit (OS 446/2008) dated May 23, 2008 against MIL and another before the Sub Court, Ernakulam, Kerala for restraining from releasing and encashing the bank guarantee amount of Rs. 3.50 million. The matter is currently pending and the next date of hearing shall be intimated by the court in due course.

2. The Union of India has filed a company petition (CP No. 3 of 2009) against MIL before the Company Law Board seeking supercession of the existing board of directors of MIL and for the appointment of ten nominee directors where MIL is one of the respondents following the incidents of Satyam Computers Limited. MIL opposed the petition and filed counter claim. The Company Law Board passed an order directing the Union of India to appoint four nominee directors in addition to the three existing directors and did not allow the Union of India to supercede the earlier board. Upon receipt of the offer from IL&FS, MIL filed an application (Company Application No.431/2009) in terms of which the Company Law Board passed an order on August 31, 2009 inducting IL&FS as the promoters of MIL. The matter is currently pending and the next date of hearing shall be intimated by the court in due course.

3. HSBC filed a case (OA 48 of 2009) dated February 20, 2009 against MIL before the Debt Recovery Tribunal, Hyderabad. MIL had entered into an agreement with HSBC for availing loan of Rs. 1,000 million but subsequently failed to pay the installments. Mr. B. Teja Raju had stood as the guarantor and had executed the hypothecation agreement. HSBC filed this application for recovery of the term loan amount of approximately Rs. 730 million and the interest accrued. The matter is currently pending and the next date of hearing is yet to be notified.

4. M/s Sekhar Chand Jain and Company filed a suit for recovery (OS No. 129/ 2002) dated April 18, 2002 against MIL before the Court of Civil Judge Senior Division, Ludhiana for recovery of Rs. 0.77 million towards use of the vibrator by the sub-contractor of MIL for execution of

works. The matter is currently pending and the next date of hearing shall be intimated by the court in due course.

5. M/s Kirloskar Brothers Limited, Pune has filed a suit for specific performance (Special Civil Suit No. 335/2006) dated February 21, 2006 before the Joint Civil Judge, Pune against a joint venture partnership of MIL praying for a mandatory injunction to direct the defendants to execute a sub-contract agreement and award the work to the plaintiff and for a permanent injunction to restrain the defendants from awarding the work to a third party, before the contract was awarded. The matter is currently pending and the next date of hearing is yet to be notified.

6. Nagasani Sreeramulu has filed a suit (O.S. 02/2009) dated December 26, 2009 against MIL before the Senior Civil Judge, Sangareddy seeking perpetual injunction in respect of alleged unauthorized usage of land for gravel with regard to the ORR project. The matter is currently pending and the next date of hearing shall be intimated by the court in due course.

7. TDT Electricals has filed a suit (O.S. No. 81 of 09) dated February 4, 2009 before the Additional Chief Judge C.C.C at Hyderabad against MIL for recovery of Rs. 1.38 million alleging that it has already procured the materials in pursuance to the work order, hence termination was wrong. The work order awarded to TDT Electricals was terminated by MIL due to delay in supply and the same was awarded to different party. MIL filed written statement disputing suit claim and made a counter claim of Rs. 0.29 million towards excess payment made to TDT Electricals. The matter is currently pending and the next date of hearing is yet to be notified.

8. TDT Electricals has filed a suit (O.S. No. 82 of 09) dated February 4, 2009 before the Additional Chief Judge C.C.C at Hyderabad against MIL for recovery of Rs. 3.37 million alleging that it has already procured the materials in pursuance to the work order, hence termination was wrong. The work order awarded to TDT Electricals was terminated by MIL due to delay in supply and the same was awarded to different party. MIL filed written statement disputing suit claim and made a counter claim of Rs. 0.82 million towards excess payment made to TDT Electricals. The matter is currently pending and the next date of hearing is yet to be notified.

9. TDT Electricals has filed a suit (O.S. No. 709 of 09) dated December 10, 2009 before the Additional Chief Judge C.C.C at Hyderabad against MIL. TDT Electricals, the subcontractor at NAVAK project alleged that despite of completion of work, MIL failed to release the amount for the work done and deducted certain taxes illegally, thus MIL is liable to an amount of Rs. 1.12 million. The matter is currently pending and the next date of hearing shall be notified in due course.

10. Srinivasa Constructions filed a suit (O.S 7 of 2009) dated February 19, 2009 for recovery before the Senior Civil Judge, Vizianagaram towards the pending dues of Rs. 1.12 million from MIL. NCS Sugars, the employer of MIL has not paid the amount as demanded by MIL due to the delay and defective work done by the sub contractor. MIL filed written statement and the matter is posted for framing of issues. The matter has been transferred to the Fast Track Court, Parvathipuram and is presently pending.

11. East India Udyog Limited, Ghaziabad filed a petition (OP 462 of 2009, IA 470 & 471 of 09) dated February 27, 2009 before the Second Additional Chief Judge Court, Hyderabad against MIL. MIL invoked bank guarantees submitted by East India Udyog Limited, a supplier of transformers. MIL terminated the supply order as the transformers were of poor quality and A.P. Transco rejected these transformers. The bank guarantee amount invoked was Rs. 5.00 million. East India Udyog Limited received an exparte statusquo order on March 2, 2009 against the encashment of the bank guarantee. The matter is currently pending and the next date of hearing shall be intimated in due course.

12. Narisimman and others filed a petition (M.C.O.P. No. 300/2009) dated April 28, 2009 before the MAC Tribunal, Trichy against MIL and the Oriental Insurance Company for claiming compensation of Rs. 1.00 million and subsequent interest of 12% p.a. The deceased died due to an accident with the vechile owned by MIL. However the vehicle was covered under valid

insurance policy with the Oriental Insurance Company. The matter is currently pending and the next date of hearing shall be intimated in due course.

13. Mr. Mahat Bora filed a petition (MCA.140/2009) dated May 12, 2009 against MIL and Royal Sundaram Insurance Company before MACT, Assam for claiming compensation of Rs. 2.00 million alleging that he had sustained injuries as he was hit by a truck owned by MIL. The matter is currently pending and the next date of hearing shall be intimated in due course.

14. V.G. Constructions filed a suit (No. 77/2009) dated September 9, 2009 against MIL before the High Court of Andhra Pradesh, Hyderabad. MIL terminated the contract of V.G. Constructions on and consequently V.G. Constructions protested the termination claiming an amount of Rs. 28.29 million towards damages. MIL filed a counter on December 8, 2009. The matter is currently pending and has been listed for arguments. The next date of hearing shall be intimated in due course.

15. The Engineer-in-Chief, Haryana Public Works Department, Chandigarh filed a claim (O.P. 17/2004) dated December 9, 2003 against MIL before the District Judge, Chandigah. MIL was awarded a road work at Haryana for periodic maintenance of SH 12, Assandh-Jind Road-Haryana, wherein the employer (the Engineer-in-Chief, Haryana PWD Branch, Sector M-04, Chandigarh) had failed to give certain central excise exemptions as agreed in the contract. MIL invoked the arbitration clause in the contract. The tribunal adjudicated the matter and passed an award dated December 5, 2003 in favour of MIL for an amount of Rs. 139.41 million. Aggrieved by the award, the Engineer-in-Chief has filed this appeal. The matter is currently pending and the next date of hearing is yet to be notified.

16. The Engineer-in-Chief, Haryana Public Works Department, Chandigarh filed a claim (O.P. 18/2004) dated December 9, 2003 against MIL before the District Judge, Chandigah. The Engineer-in-Chief, Haryana failed to release the payments, which were supposed to be paid to MIL under the exemption of central excise and sales tax, as agreed in the contract. The tribunal adjudicated the matter and passed an award dated December 5, 2003 in favour of MIL for an amount of Rs. 28.56 million and interest thereon. Aggrieved by the award, the Engineer-in-Chief has filed this appeal. The matter is currently reserved for orders and the next date of hearing is yet to be notified.

Labour Cases

1. Palamoori Labour Union filed an application (I.A. 2/2009) dated January 19, 2009 against MIL before the Joint Commissioner of Labour, Rangareddy Zone, Hyderabad in relation to arrears (difference of minimum wages) of Rs. 4.19 million alleging that MIL has not paid minimum wages to the labourers. The attachment order passed by the Labour Court has been challenged before the High Court of Andhra Pradesh pursuant to writ petition no.15295/2009 and a stay order was passed against the order of Joint Commissioner of Labour, Rangareddy Zone, Hyderabad. The matter is currently pending and the next date of hearing shall be intimated by the court in due course.

2. Mr. Abdul Khadir Shaikh and others filed a complaint (no. 148 of 2009) dated March 31, 2009 against MIL before the Industrial Court, Mumbai seeking a declaration that MIL was involved in 'Unfair Labour Practices' and also seeking settlement of all dues related to their employment at the Regional Office at Mumbai. The amount involved in the matter is Rs. 0.36 million. The matter is currently pending and the next date of hearing shall be intimated by the court in due course.

Disputes in overseas jurisdictions

1. PERS, Mine workers and others have filed a consolidated class action complaint (No.09-MD-2027 (BJS)) against Satyam Computer Services Limited, MIL and others before the United States District Court, New York wherein they contended that by self incriminating documents exposed by Mr. B. Ramalinga Raju, the erstwile chairman of Satyam Computer Services Limited, regarding increasing the revenue and huge stock pile of cash deposits, false customer contracts on the consequent inflation of the balance sheet of the company, thereby caused huge

losses to the general public and the plaintiffs. MIL moved a petition 'motion of inconvenience' in the same court to exclude MIL from the case for not having original jurisdiction. The matter is currently pending and the next date of hearing shall be intimated by the court in due course.

2. Aberdeen Claims Administration Inc. Trustee for Aberdeen Claims Trust and Aberdeen Claims Trust filed a civil action suit (class action complaint 09-5453) dated July 17, 2009 against Satyam Computer Services Limited, MIL and others before the US District Court, Pennsylvania. The suit has been filed to recover losses arising out of a fraud at Satyam Computer Services Limited involving forged invoices and contracts, dual sets of account books phony bank statements and public financial disclosures filed with the United States Securities and Exchange Commission overstating assets. The plaintiffs prayed for damages sustained as a result of the auditors' wrongdoings in the amounts to be determined at trial, including the interest thereon, and for awarding reasonable costs and expenses and establishing an equitable trust into which the auditors' personal gains and assets could be deposited for the benefit of the plaintiffs. The matter is currently pending and the next date of hearing shall be intimated by the court in due course.

4. IL&FS Financial Services Limited ("IFIN")

IFIN has instituted certain legal proceedings in relation to, *inter alia*, civil suits, criminal proceedings, labour and statutory disputes and taxation related matters. These matters are currently pending.

5. ORIX Auto Infrastructure Services Limited ("OAISL")

OAISL has instituted certain legal proceedings in relation to payment of outstanding dues. The case is currently pending. Further, hereinbelow, are the legal proceedings instituted against OAISL.

Criminal cases against OAISL

1. Mr. Prahlad S. Yadav has instituted a criminal proceeding (no. 191 of 2007) against OAISL and certain of its employees before Court No. 2, Ghaziabad Court, Uttar Pradesh in relation to certain business activities of the company. The matter is currently pending and the next date of hearing shall be notified in due course.

2. Mr. Satpal has instituted a criminal proceeding dated July 13, 2005 against OAISL and certain of its employees before the Judicial Magistrate First Class, Gurgaon, Haryana in relation to certain business activities of the company. The matter is currently pending and the next date of hearing is scheduled on April 3, 2010.

3. Mr. Govind Kaushik and Omvati have lodged a first information report no. 266 of 2003 at police station, Faridabad, Haryana, against OAISL and certain of its employees, pursuant to which the matter has been referred to the Additional Chief Judicial Magistrate, Faridabad, Haryana. The matter relates to certain business activities of the company. The matter is currently pending and the next date of hearing shall be notified in due course.

4. Mr. Tajinder Sandhu has lodged a first information report no. 10 of 2002 dated January 30, 2002 at police station, Panchkula, Haryana, against OAISL and certain of its employees, pursuant to which the matter has been referred to the Sessions Judge, Haryana. The matter relates to certain business activities of the company. The matter is currently pending and the next date of hearing is scheduled on February 19, 2010 at the Supreme Court, however the lower court has adjourned *sine die* the matter till disposal by the Supreme Court.

5. Mr. Dharamveer Singh Magli has instituted a criminal proceeding (Crl. M.C 2038 of 2007) against OAISL before the Delhi High Court seeking to set aside a criminal proceeding initiated by OAISL against Mr. Dharamveer Singh Magli at the District Court, Rohini, New Delhi in relation to certain business activities of the company. The matter is currently pending and the next date of hearing is yet to be notified.

6. Mr. Dhyan Singh has instituted a criminal proceeding (no. 2111 of 2006) dated December 22, 2006 against OAISL and certain of its employees before the Additional Civil Judge, Agra in

relation to certain business activities of the company. The matter is currently pending and the next date of hearing shall be notified in due course.

7. A first information report (no. 39 of 2009) has been lodged at Sushant Lok police station, Gurgaon, Haryana under Sections 337 and 338 of the IPC against Mr. Pardeep Singh, an employee of OAISL which is currently pending for investigation before the Judicial Magistrate First Class, Gurgaon, Haryana. The matter is currently pending and the next date of hearing is on shall be notified in due course.

Civil Suits

1. Mr. Jagdish Singh has filed a civil suit dated January 16, 2009 against OAISL before the Civil Judge-cum- Rent Controller, Monga, Punjab seeking a decree for mandatory injunction against OAISL in relation to handing over of a vehicle which the complainant claims to have re-possessed. The matter is currently pending and the next date of hearing shall be notified in due course.

2. Mr. Harpreet Singh has filed a civil suit dated January 16, 2009 against OAISL before the Civil Judge, Monga, Punjab seeking an injunction against OAISL in relation to in relation to handing over of a vehicle which the complainant claims to have re-possessed. The matter is currently pending and the next date of hearing shall be notified in due course.

3. Mr. Krishan Kumar Mishra has filed a civil suit (no. 1714 of 2008) dated September 15, 2008 against OAISL before the Chief Judicial Magistrate, Kanpur seeking an injunction against OAISL in relation to handing over of possession of a vehicle and rescheduling of instalments payable by the complainant. The matter is currently pending and the next date of hearing shall be notified in due course.

4. Mr. Saroop Singh has filed a civil suit dated March 18, 2008 against OAISL and others before the Civil Judge, Senior Division, Gurgaon, Haryana seeking an injunction against OAISL in relation to handing over of a vehicle which the complainant claims to have re-possessed. The matter is currently pending and the next date of hearing shall be notified in due course.

5. Mr. Mohinder Singh has filed a civil suit dated February 17, 2009 against OAISL and others before the Civil Judge, Senior Division, Rohtak seeking an injunction against OAISL in relation to release of a vehicle on payment of outstanding amounts payable thereto. The matter is currently pending and the next date of hearing shall be notified in due course.

6. Ms. Deepti Paul has filed a civil suit (no. 1579 of 2007) dated June 20, 2007 against OAISL and others before the City Civil Judge - V, Kolkata seeking an injunction against OAISL in relation to seeking possession of a vehicle and restraining OAISL from transferring it. The matter is currently pending and the next date of hearing is scheduled on March 29, 2010.

7. Mr. Prahlad has filed a civil suit (RFA 455 of 2007) against OAISL and others before the Delhi High Court seeking to set aside the order of the district court and recover Rs. 0.76 million decreed by the district court. The matter is currently pending and the next date of hearing shall be notified in due course.

8. Mr. Gaurav Charayari has filed a civil suit (no. 798 of 2008) against OAISL before the Civil Judge, Tees Hazari Court, Delhi seeking an injunction against OAISL in relation to delivery of a vehicle. The matter is currently pending and the next date of hearing shall be notified in due course.

9. Mr. Pan Singh has filed a civil suit (no. 713 of 2008) dated September 20, 2008 against OAISL and others before the Additional Civil Judge, Tees Hazari Court, Delhi seeking OAISL to grant a succession certificate in respect of salary and other service benefits in favour of the wife and mother of a deceased employee and claiming certain other benefits accrued to such deceased employee. The matter is currently pending and the next date of hearing shall be notified in due course.

Labour disputes

The Inspector appointed under the Minimum Wages Act, 1948 has filed a civil suit (no. 449 of 2007) dated November 8, 2007 against certain employees OAISL before the Special Metropolitan Magistrate, Delhi in alleging that certain registers as required to be maintained under the said Act had not been properly maintained. The matter is currently pending and the next date of hearing shall be notified in due course.

Motor accidents disputes

OAISL is involved in 15 motor accident claims, including appeals in such claims, filed against it, which are at various stages of adjudication. The aggregate amount, as quantifiable, in relation to such cases is Rs. 26.74 million, as on February 4, 2010.

Consumer disputes against OAISL

OAISL is involved in 17 consumer disputes, including appeals in consumer related disputes, filed against it, which are at various stages of adjudication. The aggregate amount, as quantifiable, in relation to such cases amount to approximately Rs. 10.50 million, as on February 4, 2010.

6. IL&FS Infrastructure Development Corporation Limited ("IIDCL")

1. Mr. Mathwan filed a complaint (bearing U.L.P.No.85 of 2004) dated March 9, 2004 before the Labour Court, Mumbai against IIDCL and others alledging that he was removed from service arbitrarily without any reasons. He has claimed reinstatement along with full back wages and consequential benefits from the date of his removal from service. The matter is pending for recording of evidence.

2. Mr. Gautam Chaterjee filed a writ petition bearing no. 3591 of 2006 against IIDCL and others in the High Court of Jharkhand at Ranchi on the ground that he had applied for developing the land/ hotel on the site of existing Jaypal Singh Stadium through the Ranchi Municipal Corporation but was allotted a piece of land which was allegedly not suitable for hotel business and which was later on cancelled by the Government of Jharkhand. IIDCL was appointed as the 'bid process manager' and accordingly 8.37 acre of land of M/s Parswanath Developers was selected as a successful bidder for developing the project. Hence, the petitioner filed the writ petition seeking to forbear IIDCL from giving effect to any allotment of the land and for setting aside the order cancelling the allotment of land. The matter is currently pending and the next date of hearing shall be notified in due course.

3. The State of Jharkhand through the Department of Art, Culture, Sports and Youth Affairs has instituted an arbitration proceeding against IIDCL. IIDCL had entered into a Memorandum of Understanding dated February 10, 2005 with the Department of Art, Culture, Sports and Youth Affairs at Jharkhand for the development of National Games Housing Complex. The dispute arose between the parties with respect to payment of fees for the development of the complex. The terms of reference are yet to be finalized and the arbitration has not commenced.

4. M/s Sukhmaya Private Limited filed a civil writ petition bearing no. (C) No.4700 of 2009 before the High Court of Orissa at Cuttack against IIDCL and the Orissa Industrial Infrastructure Development Corporation (IDCO) alleging that the bid process and its annulment by IDCO wherein the highest bidder (herein the petitioner), post technical and financial evaluation, was rejected on grounds of the quoted price not being upto expectations. IIDCL had expressly advised IDCO to award the project and issue the letter of acceptance to the petitioner. The petitioner has challenged the annulment of the bid. The matter is listed for filing of reply from IDCO.

5. M/s Zoom Developers has filed a writ petition (no. 24205 of 2009) before the Kerala High Court against IIDCL and others challenging the rejection of a bid submitted by the petitioners on technical grounds. The matter is pending final arguments and the next date of hearing shall be notified in due course.

7. **Bihar e-Governance Services & Technologies Limited**

Nil

8. **Chhattisgarh Highways Development Company Limited ("CHDCL")**

CHDCL filed a writ petition (WP (C) No. 6568 of 2007) dated October 30, 2007 against the Chhattisgarh Information Commission and others before the High Court of Chhattisgarh at Bilaspur. Mr. Rajesh Bissa submitted an application on June 15, 2007 to the State Information Commission, Raipur ("**SIC**") regarding applicability of the Right to Information Act, 2005 (the "**RTI Act**") in relation to CHDCL and appointment of information officers as per requirements of the act. CHDCL submitted its reply to SIC on July 20, 2007 stating that the RTI Act was not applicable to it. The SIC pursuant to order dated October 16, 2007 decided that CHDCL comes under the purview of the RTI Act and directed the company to appoint information offices accordingly. CHDCL challenged the decision of the SIC by filing a writ petition (W.P (C) No. 6568 of 2007) before the High Court of Chhattisgarh at Bilaspur. The court directed that no cercive action shall be taken against CHDCL. On February 27, 2009, Mr. Rajesh Bissa filed a reply stating that the petition by CHDCL was not maintainable and prayed that the court allow the application and interim order dated October 20, 2007 to be vacated. CHDCL filed a rejoinder dated September 3, 2009 in relation to the application. The matter is currently pending and the next of hearing shall be intimated in due course.

9. **Delhi Mumbai Industrial Corridor Development Corporation Limited**

Nil

10. **Dighi Port Limited**

Nil

11. **Gorakhpur Expressway Limited**

Nil

12. **Gujarat International Finance Tec-City Company Limited**

Nil

13. **Greater Noida Integrated Warehousing Private Limited**

Nil

14. **IL&FS Asian Infrastructure Managers Limited**

Nil

15. **IL&FS Ecosmart Limited**

Nil

16. **IL&FS Energy Development Company Limited**

Nil

17. **IL&FS Hydro Energy Limited**

Nil

18. **Integrated Electronic Waste Management and Recycling Limited**

Nil

19. IL&FS Urban Infrastructure Managers Limited

Nil

20. IL&FS Maritime Infrastructure Company Limited

Nil

21. IL&FS Property Management & Services Limited ("IPMSL")

1. Regional Labour Commissioner of Maharashtra has filed a suit (no. 1005/SLC of 2005) on June 4, 2005 against IPMSL before the Metropolitan Magistrate Court, Dadar, for violation of Rules 23 and 24 of the Contract Labour (Regulation and Abolition) Central Rules, 1971 by IPMSL. The Regional Labour Commission had carried out an inspection on one of IPMSL's client's office (HDFC Chuff) on March 31, 2004, wherein it came to light that the contractual work was being carried out without having valid license and without maintaining proper registers as required under the Contract Labour (Regulation and Abolition) Act, 1970. The Metropolitan Magistrate by an order dated September 13, 2004 issued a summons to its then managing director. Aggrieved by the order, IPMSL filed a writ petition (no. 754 of 2005) before the Bombay High Court, challenging the order of the Magistrate Court. The Bombay High Court, by an order dated August 11, 2005, remanded the case to the Sessions Court, Mumbai directing it to dispose the case on its merits and stayed the proceedings before the Metropolitan Magistrate Court. The matter is currently pending and the next date of hearing is yet to be notified by the court.

2. The State Labour Enforcement Officer of Mumbai, has filed a suit (no. 67 of 2006) on August 6, 2006, against IPMSL before the Metropolitan Court, Dadar, alleging violation of Section 18 of the Minimum Wages Act, 1948 for non maintenance of registers at the client premises as required under the Minimum Wages Act, 1948. The next date of hearing shall be notified in due course.

3. Maharashtra Hind Security Guard Union, has filed a suit (no. 6 of 2006) on June 6, 2006 against IPMSL before the Industrial Court, Bandra, Mumbai, claiming permanence benefits from IPMSL. The case is posted for cross examination of Mr. Rajendra Singh, one of the security guard. The matter is currently pending and the next date of hearing is yet to be notified by the court.

4. The Labour Enforcement Officer (Central), Bangalore has filed a complaint (C.C nos. 854 and 855 of 2008) against IPMSL before the Magistrate Court, Bengaluru, alleging violation of the Contract Labour (Regulation and Abolition) Act, 1970 and the Equal Remuneration Act, 1976. The matter is currently pending and the next date of hearing shall be notified in due course.

22. IL&FS Portfolio Management Services Limited

Nil

23. IL&FS Renewable Energy Limited

Nil

24. IL&FS Securities Services Limited ("ISSL")

1. Kayan Foundation has filed a title suit (no. 1178 of 2006) dated November 1, 2006 before the Registrar, City Civil Court, Kolkata against ISSL and others. The plaintiff has alleged that 50 shares of SBI purchased by it in physical form were not transferred in its name by ISSL. The matter is currently pending and the next date of hearing is yet to be notified.

2. Mr. Santosh Samuel has filed an appeal (no. 1455 of 2007 in complaint no. 3108 of 2006) dated August 4, 2007 before the Karnataka State Consumer Disputes Redressal Commission, Bangalore against ISSL and others, alleging wrong transfer of 4,000 shares of Godavari Fertilizers and Chemicals Limited. The Karnataka State Consumer Disputes Redressal Commission has passed an order dated May 20, 2008 directing ISSL and the other defendants to pay an amount of Rs. 5,000 as costs to Mr. Santosh Samuel. ISSL has filed a revision petition before the National Consumer Disputes Commission, New Delhi challenging the order dated May 20, 2008. The matter has been listed for final hearing and the next date of hearing is yet to be notified.

3. Ms. S. Namgiri Thayar has filed a suit (no. 191 of 2007) dated August 19, 2007 before the Court of the First Additional Subordinate Judge, Coimbatore against ISSL and others alleging that the shares in his demat account had been subjected to change without his permission and has claimed a compensation equivalent to 350 shares in his demat account. The case has been reserved for judgement and the next date of hearing is yet to be notified.

4. Mr. B. S. Mata has filed a complaint (no. 348 of 2007) dated May 10, 2007 before the Consumer Disputes Redressal Forum – VI, New Delhi against Timex Watches, ISSL and others. He has alleged that the 100 shares and 25 shares of Timex Watches and IL&FS Investment Managers, respectively, had been dematerialised without his consent. Further, certain untenable charges were levied upon him for the rematerialisation of shares of Kesoram Textiles and DCM Consolidated Limited. Certain custody charges were also levied on him for the month of March, 2005. Pursuant to an order of the said forum, the parties to the dispute have agreed for a compromise pursuant to a memorandum of terms of compromise. An order from the forum directing ISSL to unfreeze the shares and effect the transfer of the shares is proposed to be sought.

5. Mr. G. K. Sumathi has filed an application (interim application 3323 of 2007 in original suit no. 1095 of 2007) dated February 11, 2008 before the Additional District and Sessions Judge, Hyderabad against ISSL and others seeking to restrain ISSL from transferring 260,437,000 shares held by Mr. G. D. L. S. N. Raju in his demat account held with ISSL. The matter has been decided but a copy of the order is awaited.

6. Mr. Kalyan Prasad Mathur has filed a complaint (no. 3 of 2008) dated January 16, 2008 before the District Consumer Redressal Forum, Amroha, alleging unjustified debiting of 11 shares of Sterlite Industries Limited from his demat account on August 9, 2002 held with ISSL. The matter is currently pending and the next date of hearing is yet to be notified.

7. Mr. Kshitij Shah has filed a suit (motion no. 2541 of 2008 in suit no. 2216 of 2008) dated June 30, 2008 before the Bombay High Court against ISSL and others alleging that certain shares held by Ms. Prabha Shah in her demat account, were unjustly transferred after her demise, at the instance of Mr. Pradha Shah's nominee. The matter is currently pending and the next date of hearing is yet to be notified.

8. Mr. Shabbir Mohsin Baj has filed a complaint (484 of 2008) dated October 14, 2008 before the Consumer Disputes Redressal Forum, Mumbai against ISSL and others alleging that certain shares held by him in his demat account were not transferred despite his instructions to do so. Further, he has claimed other damages consequent to such inaction by ISSL. The matter is currently pending and the next date of hearing is yet to be notified.

9. Mr. Rasiklal Jivandas Mehta and others have filed a suit (no. 2867 of 2006) dated September 15, 2008 before the Bombay High Court alleging inaction by ISSL in relation to transfer of certain shares held in demat account despite instructions to do so. Further, it has been claimed that other damages had been incurred consequent to such inaction by ISSL. The matter is currently pening and the next date of hearing is yet to be notified.

10. Mr. M. Nagendra Rao and others has filed a suit (no. 36 of 2008) before the Court of City Civil Judge, Madras, against ISSL and others alleging that certain shares held by the plaintiff were not transferred in favour of his nominee after his demise despite ISSL being legally obligated to transfer such shares. The shares have now been transferred and the account in the name of late

Mr. Nagendra Rao has been closed on February 20, 2009. The matter is currently pening and the next date of hearing is yet to be notified.

11. Inam Commercial Enterprises Limited has filed a suit (no. 2635 of 2002) dated February 24, 2008 before the Chief Judicial Magistrate Court, Vadodara alleging an offence against their director under section 138 of the Negotiable Instrument Act, 1881. The matter is currently pending and the next date of hearing is yet to be notified.

12. Ms. Priti Shah and others have filed an application (Misc. Application No. 116 of 2009) before the Bombay High Court (Special Court for trial of offences relating to transaction in securities) in relation to reversal of transfer of 1,000 shares transferred to the incorrect demat account of the broker. The matter is currently pending and the next date of hearing shall be notified by the court in due course. An order was passed by the court on December 3, 2009 allowing the application. ISSL may initiate further action based on the receipt of instructions from the custodian.

25. IL&FS Tamil Nadu Power Company Limited

Nil

26. IL&FS Trust Company Limited ("ITCL")

1. Kalyan Janta Sahakari Bank, Bokaro Steel Employees Provident Fund, Mysore Paper Mills Employees Provident Fund, Hotel Janpath Employees Provident Fund Trust, Maharashtra State Electricity Board's Contributory Provident Fund, SSNNL Investors Grievance Redressal Forum, Maharashtra State Road Transport Corporate, India Tourism Development Corporation Limited, the Board of Trustees for Bokaro Steel Employees' Provident Fund, WIN Medicare Limited Employees Provident Fund, Indian Oil Corporation Limited, Indian Oil Corporation Limited Employees Provident Funds, Indian Oil Corporation Limited Employees Superannuation Benefit Fund and Shirish Oza have filed civil applications and writ petitions against Sardar Sarovar Narmada Nigam Limited ("**SSNNL**"), ITCL, the Government of Gujarat and SEBI. SSNNL had issued certain secured redeemable 'Deep Discount Bonds', in the nature of promissory notes on January 1994 to various bondholders including the applicants which were redeemable on January 11, 2014 i.e. for a period of 20 years and ITCL was appointed as the trustee. As per the terms of the bond issue the bondholders had a put option to withdraw the bonds at the end of 7th, 11th, and 15th year, at face value of Rs. 0.01 million, Rs. 0.03 million and Rs. 0.05 million respectively. On the expiry of 20 years a sum of Rs. 0.11 million per bond would be payable to the bondholders, however SSNNL was not provided with any call option as per the terms of the issue. Subsequently a new enactment Sardar Sarovar Narmada Nigam Limited (Conferment of Power to Redeem Bonds) Act, 2008 was passed by the government of Gujarat, which enabled SSNNL to opt for redemption on any date and at such value as they may determine. In exercise of the powers under the new act, SSNNL vide its board meeting on November 3, 2008 decided to redeem the 'Deep Discount Bonds' on January 10, 2009 with a redemption value of Rs. 0.05 million per bond. Aggrieved by the premature redemption of bonds by SSNNL, the applicants have filed cases challenging the validity of the new act and the premature redemption of the bonds.

   ITCL has been made a party to the above mentioned suits in its capacity as Trustee on behalf of the bondholders in the petitions filed by the bondholders to oppose the premature redemption of bonds issued by SSNNL. The abovementioned civil applications and writ petitions have been clubbed and transferred to the Supreme Court of India. The transfer petitions (Civil) No. 1-2 of 2009 filed by the state of Gujarat and (Civil) No. 193-202 of 2009 filed by SEBI will be heard in the Supreme Court of India. The matters are currently pending and the final judgements are awaited.

2. ITCL is acting as the debenture trustee to two Non Convertible Debenture ("**NCDs**") issues of Rs. 800.00 million and Rs. 200.00 million issued by Harangi Agro Farms Private Limited and Narayandari Greenfields Private Limited respectively and subscribed by IFIN. ITCL as debenture trustee for the aforesaid NCDs is presently holding security in the form of mortgage of land, pledge of equity shares of Maytas Infra Limited and personal guarantee(s) of Mr.

Ramalinga Raju and Mr B. Teja Raju. The issuers and guarantors have failed to repay the NCD facilities and IFIN has initiated legal proceedings against them for recovery of the facilities. As requested by IFIN, ITCL, in its capacity as debenture trustee has joined as a plaintiff in the recovery suit.

3. ITCL is acting as trustee to AIG Indian Sectoral Equity Fund sponsored by IL&FS and American International Group. The fund closed with a corpus of US$ 90.85 million from offshore investors and Rs. 680.00 million from onshore investors in February, 1997. The Madhya Pradesh State Industrial Development Corporation Limited (MPSIDC) was one of the onshore investors to the fund with a committed capital of Rs. 100.00 million. The fund had issued takedown notices periodically to its investors as and when suitable investments opportunities were identified. The fund had issued nine takedown notices aggregating to Rs. 78.08 million on MPSIDC, of which MPSIDC had honoured only the first four notices. In view of the continuous defaults, a default notice was issued to MPSIDC. The High Court of Jabalpur pursuant to its order dated January 22, 2009 directed appointment of a sole arbitrator to decide the dispute. The matter is currently pending and the next date of hearing is yet to be notified.

27. IL&FS Technologies Limited

Nil

28. IL&FS Waste Management and Urban Services Limited

Nil

29. Integrated Waste Management and Urban (Tamil Nadu) Private Limited

Nil

30. IL&FS Urban Infrastructure Services Limited

Nil

31. IL&FS Wind Farms Limited ("IWFL")

IWFL has filed appeals in relation to deductions for the assessment years 2003-2004 and 2004-2005 with the ITAT, Appeals and for the assessment year 2006-2007 with the CIT, Appeals. The matters are currently pending.

32. IL&FS Water Limited

Nil

33. IL&FS Wind Power Limited

Nil

34. India Telecom Infra Limited ("ITIL")

ITIL has instituted certain legal proceedings in relation to, *inter alia*, property tax, construction works, protection of construction workers and charges for issuance of no objection certificate. These cases are currently pending. Further, herein below, are the legal proceedings instituted against ITIL.

1. Mr. Santosh Kumar Kunda has filed a perpetual injunction suit C. S. No. 217/2008 before the Civil Judge Junior Division, Orissa against ITIL. Mr. Kunda has filed this suit seeking to restrain ITIL from constructing the passive telecom tower contending that it may cause radiation hazard to the inhabitants near the tower. Mr. Santosh Kumar has further filed an interim application (I.A. No. 294 of 2008) for an interim restraint order against construction of the tower. ITIL has filled its written statement on December 25, 2008. The suit bearing no. C. S. No. 217/2008 is presently posted for hearing and the next date of hearing is yet to be notified.

2. Mr. Mallappa has filed a suit O.S. No 992 of 2008 before the Additional Civil Judge, Dharwad, Karnataka against ITIL. Mr. Mallappa has filed the suit seeking permanent injunction against ITIL alleging health hazard and nuisance. It was stated that the radiation from the telephone antennae in the site is injurious to health. There is a status quo order granted in the case. The next date of hearing shall be notified in due course.

3. Mr. Dwidi has filed a suit (C. S No. 683 of 2008) before the Junior Division Hon'ble Khurmucha Civil Judge, Hall 2, Deosar Singaroli, MP against the landlord and the company alleging that he also has a right on the land and seeks to get justice on the rental payments. The next date of hearing shall be notified in due course.

4. Mr. Hanuman Ram objected to site construction and on this objection, land lord went on appeal and won the case at lower court. Mr. Hanuman Ram has filed for review of this case at Sessions Court, impleading the company, but lost the case. He then filed a writ petition (bearing no. civil writ No.2946 of 2009) against the company alleging construction of tower is against law and public policy. In the meanwhile he has also filed a petition no. 2452/09 against the company before the block development officer, Hisar for which the company has filed its reply. The writ petition filed by Mr. Hanuman was allowed *exparte*. The order of the block development officer is awaited.

5. The company signed a lease agreement with the landlord Mr.Bariya B. Bhavanbhai on September 20, 2008. As per the agreement, rent was fixed Rs. 2,500 per month for 15 years. A well known cellular operator was ready for tenancy. The company filed an application before Grampanchyat Naip for permission for civil work. Based on application made, the company started civil work on that site. Grampanchyat Naip refused to grant no objection certificate and filed civil suit before the Bhavnagar Court. In the mean time the company had spent Rs. 0.56 million. The company wanted to vacate the premises and filed a police complaint on land lord seeking to take action as the land lord was restricting company officials from removing equipment from the site which was cancelled. In turn the land lord filed a case before the Civil Court Naip Court, Gujarat (Case No 403/ 2008). The owner has filed this case against the company, Police inspector of Mahuva Police Station and Government of Gujarat and praying to restrain the police to take any police complaint against him. He demanded compensation as company had damaged his land and trying to vacate the possession without giving compensation. He further alleged that company has possessed his land since long time but not giving rent also. The case is currently pending.

6. M/s Sirinilayam Residential Welfare Association has filed a writ petition (no. 16224 of 2009) questioning the relevant authority in allowing ITIL to construct a tower. ITIL has filed a counter affidavit in this regard. The case is currently pending and the next date of hearing shall be notified in due course.

7. A suit No. 47 of 2009 has been filed before the Junior Division Court, Bhojpur, seeking permanent injunction against ITIL alleging nuisance due to DG sets and consequent health hazards, It was stated that the radiation from the telephone antennae at the site was injurious to health. The company has filed its reply. The matter is currently pending and the next date of hearing shall be notified in due course.

8. Ms. Sindhu has filed a writ petition (no. 19257 of 2009) against ITIL and others challenging the construction of tower on the grounds of pollution. There was a stay order against ITIL which was subsequently vacated. The case is currently pending and the next date of hearing shall be notified in due course.

9. Mr. Jagyasa has filed a writ appeal (no. 1484 of 2009) against the judgment passed by the High Court of Kerala in writ petition 14929/2008 in favour of ITIL permitting the energizing of the tower at Peroor village, Kollam, Kerala. The High Court has ordered the State Pollution Control Board to file its statement regarding the allegation of pollution due to construction of tower after conducting inspection. The report is yet to be furnished by the board. The matter is currently pending and the next date of hearing shall be notified in due course.

10. Mr. C. D. John and others have filed a suit (O.S. No. 385 of 2009) against ITIL before the Irinjalkuda Sub-Court in Kerala alleging that the construction proposed in the cell-site is unauthorized. There is a interim stay granted in this suit against ITIL from further construction. The matter is currently pending and the next date of hearing shall be notified in due course.

11. In Kerala, the Tribunal of the Local Self Government had passed an order setting aside the permission of the Chemmaruthy Gram Panchayat for construction of a telecom tower. ITIL has filed a writ petition (WPC No. 33310/09) against such order before the High Court of Kerala. There is a stay order granted against the operation of this stay by the Court. Further, the Chemmaruthy Gram Panchayat had issued a stop memo based on the tribunal order. An appeal (no. 926 of 2009) has been filed against this order against the said Gram Panchayat and others in the Appellate Tribunal of the Local Self Government. A notice has been issued to the respondents. Both these matters are pending disposal and the next date of hearing shall be notified in due course.

12. Mr. Biju and others have filed an appeal (no. 885 0f 2009) before the Tribunal of the Local Self Government of Kerala against Kaipettimukku Gram Panchayat and ITIL challenging the issue of the 'Building Permit' to construct the telecommunication tower. The appeal is pending for orders and the next date of hearing shall be notified in due course.

13. A public interest litigation has been filed (No. 34189 of 2009) against Mr. Arun Kumar, ITIL and others challenging the legality of installation of a tower by Mr. Arun Kumar. The matter is currently pending and the next date of hearing shall be notified in due course.

35. Jharkhand Accelerated Road Development Company Limited

Nil

36. Kanak Resources Management Limited

Nil

37. Karnataka Enterprise Solutions Limited

Nil

38. Khambhat Port Limited

Nil

39. Mangalore SEZ Limited

Nil

40. MPPL Enterprises Limited ("MEL")

MEL has filed an appeal in relation to deductions for the assessment year. The case is currently pending.

41. MP Toll Roads Limited

Madhya Pradesh Audyogik Kendra Vikas Nigam ("**MPAKVN**") and Madhya Pradeh State Industrial Development Corporation Limited ("**MPSIDC**") have challenged the arbitral award of a three member arbitral tribunal passed on September 16, 2008 pursuant to an arbitration proceeding with IL&FS, by filing an appeal in the District Court, Indore. The parties had entered into an agreement to construct a bridge on the river Gambhir and an approach road. Initially IL&FS was mandated to finance the project, however subsequently as MPAKVN was not able to adhere to the time lines and it was agreed that IL&FS would takeover the constructions and implementation of the project. Accordingly, IL&FS took over construction and implementation of the project, the amounts expended for which were to be recovered from the toll collected from the users. MPSIDC and MPAKVN abruptly discontinued payment of the toll monies to IL&FS. The arbitral tribunal awarded IL&FS a sum of Rs 129.40 million with interest. MPSIDC and MPAKVN have challenged the award by filing an appeal in the District Court, Indore. The matter is currently pending as the next date of hearing shall be notified in due course.

42. New Tirupur Area Development Corporation Limited ("NTADCL")

NTADCL has instituted certain legal proceedings in relation to, *inter alia*, suspension of rights under a shareholders' agreement and restraining abstraction and use of ground water for commercial purposes. These cases are currently pending. Further, hereinbelow, are the legal proceedings instituted against NTADCL.

1. Hindustan Construction Company Limited has instituted an arbitration proceeding against NTADCL in relation to liquidated damages for delay in construction for a net claim of Rs. 60.00 million. The arbitration proceeding is currently pending and the next date of hearing shall be notified.

2. Larsen and Toubro Limited has filed a writ petition (no. 16677 of 2008) against NTADCL and others in relation to applicability of service tax on an 'EPC Construction Contract'. The amount under consideration is Rs. 559.00 million. The case is currently pending and the next date of hearing shall be notified.

3. TWICL, Tirpur Infrastructure Development Company Limited and IL&FS have filed a suit (no. C.P. 18 of 2007) against NTADCL and others before the Company Law Board, Additional Prinicpal Bench, Chennai in relation to suspension of rights of AIDQUA Holdings Limited under a certain shareholders'agreement. The case is currently pending and the next date of hearing shall be notified.

43. OVIRA Logistics Limited

1. Mr. Suresh Sharma has filed a case (No. LIR/1234/2006) against the company and OAISL before the Industrial Tribunal and Labour Court, Karkardooma, Delhi seeking reinstatement with back wages. The matter is currently pending and the next date of hearing shall be intimated in due course.

2. Mr. Ram Chander filed a case (No. LIR/1233/2006) against the company and OAISL before the Industrial Tribunal and Labour Court, Karkardooma, Delhi seeking reinstatement with back wages. The matter is currently pending and the next date of hearing shall be intimated in due course.

3. Mr. R. Gaur has filed a case (No. 449 of 2007) against the company before the Special Metropolitian Magistrate, New Delhi in relation to a complaint under the Minimum Wages Act, 1948. The matter is currently pending and the next date of hearing shall be intimated in due course.

4. Mr. Nihal Singh has filed a case against the company before the Labour Commissioner in relation to misbehaviour. The matter is currently pending and the next date of hearing shall be intimated in due course.

5. Mr. Sadain filed a case (No. 239 of 2005) against the company before the Labour Court, Bandra, Mumbai seeking reinstatement with back wages. Mr. Sadain has further filed a writ petiton before the High Court of Bombay. The matter is presently pending and the next date of hearing shall be intimated in due course.

6. Mr. P. Vincent and Mr. G. Suresh Kumar have filed a case (Nos. I.D 446 and 447 of 2005) against the company and OAISL before the Additional Labour Court-II, Chennai seeking reinstatement with back wages. The matters are currently pending and the next date of hearing shall be intimated in due course.

7. Mr. Mohan Das and others have filed cases (Nos. I.D 133 to 144 of 2007) against the company and OAISL before the Additional Labour Court-II, Chennai seeking reinstatement with back wages. The matter is currently pending and the next date of hearing shall be intimated in due course.

8. Mr. Mohan Das and others have filed cases (M.W. 56 of 2006) against the company and OAISL before the Deputy Commissioner of Labour-II claiming wages declared by the state government under the Minimum Wages Act, 1948. The matter is currently pending and the next date of hearing shall be intimated in due course.

44. PDCOR Limited

PDCOR Limited had received an assessment order from the Assistant Commissioner of Income Tax, Jaipur, on November 8, 2005 under Sections 143(3) and 148 of the IT Act, claiming that PDCOR Limited had failed to include a sum of Rs. 0.35 million while computing its taxable income for the assessment year 1999-2000. Aggrieved by the order, PDCOR Limited has filed an appeal before the CIT(A), Jaipur, on December 16, 2005 contending that the assessing officer has erred in making an addition of Rs. 0.35 million to its taxable income, when the said amount was the expenditure incurred by PDCOR Limited on repairs and renovation of rented buildings. The case is pending for hearing before the CIT(A), Jaipur. The next date of hearing is yet to be notified.

45. Power Grid IL&FS Transmission Private Limited

Nil

46. SAIL Salem SEZ Private Limited

Nil

47. Tamil Nadu Water Investment Company Limited ("TWICL")

TWICL, Tirupur Infrastructure Development Company Limited and IL&FS have filed a suit in relation to interference in the management of the company and certain appeals before the taxation authorities. The cases are currently pending. Further, herein below, are the legal proceedings instituted against TWICL.

1. Simem S.R. L, Italy, has filed writ petitions (nos. 38105 and 38106 of 2005) on November 24, 2005, against TWICL, before the Madras High Court, challenging the appointment of Water Treatment Technology, S.R.L. Italy, as the design consultant for pre-treatment component of the project. The petitioner had alleged that TWICL had awarded the pre-treatment contract to Water Treatment Technology, S.R.L. Italy without inviting any tenders. The single judge on November 24, 2005 passed an order directing TWICL and Water Treatment Technology to discontinue any further development of the pre-treatment section of the project. On appeal to the division bench, by an order dated December 9, 2005, the division bench set aside the interim order passed by the single judge. The petitioner filed a special leave petition January 5, 2006 before the Supreme Court of India, challenging the order of the division bench of the Madras High Court to set aside the interim orders. The Supreme Court of India, by an order dated January 13, 2006, dismissed the special leave petition and further directed the Madras High Court to dispose the writ petition pending before it. The petition has not come up for hearing before the High Court. The next date of hearing to be notified.

2. The Department of Income Tax has filed appeals against TWICL, before the Madras High Court challenging the order ITA no. 29 passed by the ITAT, Chennai in favour of TWICL. The matters pertain to notices issued by the assessing officer directing TWICL to pay certain sums as interest payable to government of Tamil Nadu until the moratorium period for the assessment years 2003-2004, 2004-2005, 2005-2006 and 2006-2007. The matters are currently pending and the next date of hearing is yet to be notified.

3. Tata Projects Limited has filed an application being reference number O.A No. 1304 of 2008

(A. No. 5753 of 2008) against Noyyal Common Effluent Treatment Company Limited and TWICL, seeking to retrain Noyyal Common Effluent Treatment Company Limited from invoking a bank guarantee of Rs. 1.50 million and a further to deposit of a sum of Rs. 76.98 million towards retention amount, Rs. 23.50 million towards bank guarantees invoked, Rs. 6.07 million towards pending bills, Rs. 73.44 million towards additional works and Rs. 95.53 million towards project management costs. The matter is currently pending and the next date of hearing is yet to be notified.

4. Tata Projects Limited has filed an application being reference number O.A No. 1305 of 2008 (A. No. 5756 of 2008) against Tirupur Industrial Wastewater Recycling Company Limited and TWICL, seeking to retrain Tirupur Industrial Wastewater Recycling Company Limited from invoking a bank guarantee of Rs. 1.10 million and a further to deposit of a sum of Rs. 53.20 million towards retention amount, Rs. 16.49 million towards bank guarantees invoked, Rs. 5.34 million towards pending bills, Rs. 71.22 million towards additional works and Rs. 71.30 million towards project management costs. The matter is currently pending and the next date of hearing is yet to be notified.

5. Metax Engineering Corporation Limited has filed an application bearing reference no. 1337 of 2009 against TWICL and Mangalam Eastern Water Recycling Company Limited seeking Mangalam Eastern Water Recycling Company Limited to deposit monthly revenues and restraining TWICL and Mangalam Eastern Water Recycling Company Limited from invoking bank guarantees. The matter is currently pending and the next date of hearing is yet to be notified.

6. IVRCL Infrastructures and Projects Limited has filed an application bearing reference no. 1338 of 2009 against TWICL and Noyyal Common Effluent Treatment Company Limited seeking Noyyal Common Effluent Treatment Company Limited to deposit monthly revenues and restraining TWICL and Noyyal Common Effluent Treatment Company Limited from invoking bank guarantees. The matter is currently pending and the next date of hearing is yet to be notified.

7. IVRCL Infrastructures and Projects Limited has filed an application bearing reference no. 1339 of 2009 against TWICL and Tirupur Industrial Wastewater Recycling Company Limited seeking Tirupur Industrial Wastewater Recycling Company Limited to deposit monthly revenues and restraining TWICL and Tirupur Industrial Wastewater Recycling Company Limited from invoking bank guarantees. The matter is currently pending and the next date of hearing is yet to be notified.

8. The Commissioner of Income Tax has filed an appeal (Tax Appeal No. 1406 and 1407 of 2008) in relation to disallowance of interest payable on a loan to an extent of Rs. 26.18 million. The matter is currently pending and the next date of hearing is yet to be notified.

48. Road Infrastructure Development Company of Rajasthan Limited ("RIDCOR")

RIDCOR has instituted certain legal proceedings in relation to, *inter alia*, disclosure as 'public authority' and disclosures under the Right to Information Act, 2005. These cases are currently pending. Further, hereinbelow, are the legal proceedings instituted against RIDCOR.

1. Mr. Rameshwar has filed a writ petition (W.P. 10176/2008) on September 11, 2008 against the State of Rajasthan, Public Works Departnment, Land Acquisition officer and RIDCOR before the High Court of Rajasthan, Jaipur. The petition has been filed to quash the notification dated October 25, 2007 issued by the State of Rajasthan under section 4 of the LA Act to acquire certain lands, alleging that the notification issued is illegal and arbitrary and sought to deprive the khatedari lands of the petitioners. The company has filed its reply. The matter is currently pending and the next date of hearing is on March 22, 2010.

2. Smt. Fatima Munni has filed a writ petition (W.P. No 7735 of 2008) on August 20, 20008 against the State of Rajasthan and RIDCOR before the High Court of Rajasthan, Jaipur, to restrain the respondents from acquiring their agricultural land. The petitioner has alleged that RIDCOR has illegally encroached upon their land admeasuring 0.92 hectares situated at Sawai

Madhopur- Kota Road without following the requisite procedure for acquisition of land as laid down under the LA Act. The petitioner has further alleged that the construction of the highway has already been completed, but RIDCOR is trying to acquire the aforesaid land to build a park for the purpose of inauguration. The company has filed its reply. The matter is currently pending and the next date of hearing is March 31, 2010.

3. Rashtriya Bharasthachar Nirodkhak and Atyachar Virodhi Tigers Sansthan has filed a writ petition (W.P. No 2167 of 2009) on March 7, 2009 against the State of Rajasthan, the land acquisition officer and RIDCOR before the High Court of Rajasthan at Jaipur, to restrain the respondents from constructing toll plaza on the highway from Kota to Lalsot. The petitioners have alleged that the toll plaza should be constructed on the Siwai Chuk land. The matter is currently pending and the next date of hearing is on April 9, 2010.

4. Mr. Kastoor Chand Raigar has filed a writ petition (W.P. 1733/2009) on April 18, 2009 against the State of Rajasthan, Public Works Departnment, Land Acquisition officer and RIDCOR before the High Court of Rajasthan, Jaipur. The petition has been filed to against the acquisition of land for construction of toll building in Tehsil Indergarh. The company has filed its reply on June 8, 2009. The matter is currently pending and the next date of hearing is March 10, 2010.

5. M/s Navjivan Grah Nirman Sahakari Samiti Limited has filed a writ petition (S.B. Civil Writ Petition No. 5129 of 2007) on August 23, 2007 against the State of Rajasthan and land acquisition officer, Jodhpur, before the High Court of Rajasthan, challenging that the notifications issued on July 2006 and February 9, 2007 under the LA Act are void, contrary to law and illegal. The State of Rajasthan and RIDCOR has filed an application to be included as a respondent to the writ petition along with State of Rajasthan and the Land Acquisition officer, Jodhpur. The court by an order dated November 23, 2007 allowed the application and has impleaded RIDCOR as a respondent to the suit. The matter is currently pending and the next date of hearing shall be notified in due course.

6. Mr. Mukesh Sharma and others have filed a writ petition (W.P. 10120/2008) on January 13, 2009 against the State of Rajasthan, Land Acquisition Officer, RIDCOR, District Collector, Chief Engineer, Irrigation Department and Principal Chief Conservator of forest before the High Court of Rajasthan, Jodhpur. The petition has been filed to quash the notifications issued by the State of Rajasthan under section 4, 6, 9 and 17 of the LA Act to acquire certain lands, alleging that the notifications issued are illegal, arbitrary, colorable exercise of power and the petitioners may be awarded commercial prices as compensation of their land. The company has filed its reply. The matter is currently pending and the next date of hearing is yet to be notified.

7. Mr. Hansraj has filed a writ petition (W.P. 661 of 2009) against the state of Rajasthan, the land acquisition officer and RIDCOR before the High Court of Rajasthan at Jodhpur. The petition has been filed to quash the notifications issued by the state of Rajasthan under the Land Acquisition Act to acquire certain lands, alleging that the notifications issued are illegal, arbitrary, colourable exercise of power and the petitioners may be awarded commercial prices as compensation of their land. The matter is currently pending and the next date of hearing is yet to be notified.

8. Mr. Ranveer Prashad and others have filed a writ petition (W.P. 10121 of 2008) on August 19, 2009 against the state of Rajasthan, the land acquisition officer, RIDCOR and others before the High Court of Rajasthan at Jodhpur. The petition has been filed to quash the notifications issued by the State of Rajasthan under the Land Acquisition Act to acquire certain lands, alleging that the notifications issued are illegal, arbitrary, colourable exercise of power and the petitioners may be awarded commercial prices as compensation of their land. The matter is currently pending and the next date of hearing is yet to be notified.

9. Mr. Rau Ram and others have filed a writ petition (S. B Civil Writ Petition 1199 of 2008) on February 2, 2008 against RIDCOR along with State of Rajasthan and the Land Acquisition officer, Jodhpur before the High Court of Rajasthan. The petition has been filed to quash the notification dated April 17, 2007 issued by the State of Rajasthan under section 4 of the LA Act to acquire certain lands, alleging that the notification issued is illegal and arbitrary and sought to deprive the petitioner of their khatedari lands. RIDCOR has filed its reply on March 24, 2008

requesting the High Court to dismiss the case as the petition filed is without merit. The matter is currently pending and the next date of hearing is on March 19, 2010.

10. ACC Limited has filed a writ petition (S.B. Civil Writ Petition No. 8041 of 2007) on October 11, 2007 against State of Rajasthan along with the land acquisition officer, Sawai Madhopur and RIDCOR before the Special Bench of High Court of Rajasthan. The petition has been filed alleging that the notifications dated January 12, 2007 and April 9, 2007 issued by the State of Rajasthan under section 4 and 6/17 respectively under the LA Act, were ultra vires the provisions of the LA Act and the lands were being acquired without issuing any notice of acquisition to the petitioner. The petitioner has further prayed that the award dated June 13, 2007 for acquisition of the land be set aside as the notice of the same was not provided to the petitioner. The State of Rajasthan, had also failed to take into consideration the fact that, the part of the land to be acquired was a part of the petitioner's railway line which was being used for transportation of raw materials and the rail traffic would be affected because of the crossing of the mega high way over the railway line. RIDCOR has filed its reply on October 23, 2007. The matter is currently pending and the next date of hearing shall be notified in due course.

11. Mr. Gyan Chand Jain has filed a civil suit (No. 18 of 2007) and an application for temporary injunction (No. 20 of 2007) on February 7, 2007 against State of Rajasthan and RIDCOR before the Sub-Divisional officer's Court, Lakheri alleging that the plaintiff is the owner of the land on which RIDCOR is constructing the mega highway and which otherwise is in the name of the public works department in revenue records. The plaintiff has prayed for amendment of the mutation in the revenue records and issue of a temporary injunction against the State of Rajasthan and RIDCOR from carrying construction activities on such lands. RIDCOR has filed its reply on February 21, 2007 contending that since the land is registered in the name of the public works department and no land acquisition from the State of Rajasthan was required by RIDCOR to commence work on the land. The matter is currently pending and the next date of hearing shall be intimated in due course.

12. M/s H R Construction Private Limited has filed a civil suit (Case No. 775 of 2008) on December 24, 2008 against Punj Lloyd Limited and RIDCOR before the Court of Civil Judge, Malihabad, Lucknow alleging that the payment of Rs. 0.34 million has not been made to the petitioner against the services rendered by it. The matter is currently pending and the next date of hearing is yet to be notified.

13. Mr. Ramchandra Meena has filed a civil suit (Case No. 13 of 2008) on March 5, 2008 against State of Rajasthan, RIDCOR and others before the Civil Judge and Judicial Magistrate Court, Taleda alleging that the State of Rajasthan is in the process of acquiring his land illegally and fell trees on his land situated at khasra no. 1589/1221 at Mehrana Village, Bubdu Tehsil in the garb of construction of the mega highways project. Additionally, the plaintiff has prayed to grant temporary injunction against the said construction work. RIDCOR has filed its reply on May 16, 2008 contending that the land has been acquired as per the due process of law and after paying the compensation as fixed by the land acquisition officer. The matter is currently pending and the next date of hearing is scheduled on March 18, 2010.

14. Mr. Ramchandra Meena has filed a civil suit (Case No. 24 of 2008) on April 26, 2008 against the State of Rajasthan, RIDCOR and others before the Sub Divisional officer's Court, Bundi alleging that the State of Rajasthan is in the process of acquiring his land illegally and fell trees on the said land in the garb of construction of the Mega Highways Project. Additionally, the plaintiff has prayed to grant temporary injunction against the said construction work. RIDCOR has filed its reply on May 27, 2008 requesting the Sub Divisional officer's Court, Bundi to dismiss the suit as it is filed without merit. As the Civil Judge, Taleda in Case No. 13 of 2008 was not available the applicant has filed this suit before the Sub Divisional officer's Court at Bundi. The matter is currently pending and the next date of hearing is scheduled on March 18, 2010.

15. Mr. Badri Lal has filed a civil suit (No. 86 of 2008) Tehsildar Sawai Madhopur, Sadbhav Construction, RIDCOR and the land acquisition officer before the Sub Divisional officer's court, Sawai Madhopur alleging the acquisition of the plaintiff's land for construction of a bypass on the mega highways project. Now since the company is not constructing the bypass

this suit may be deemed infructuous. The matter is currently pending and the next date of hearing is February 24, 2010.

16. Mrs. Prem Gehlot and others have filed a civil suit (No. 36 of 2009) and an application for temporary injunction (No. 26 of 2009) against State of Rajasthan, RIDCOR and XEN, Public Works Department before the Civil Court, Hanumangarh against that the construction of 'Railway over Bridge' (RoB) at LC-5C. The petitioner contends that there are some technical defects in construction of RoB. RIDCOR has filed its reply on May 23, 2009 stating that the RoB is being constructed taking into consideration all technical provisions laid by Indian Road Congress and more than half of the construction has been completed. The case is still pending and the next date of hearing is yet to be notified.

17. Mr. Banwari Lal has filed a civil suit (No. 22 of 2009) and an application for temporary injunction (No. 15 of 2009) against the state of Rajasthan, RIDCOR and Nagar Parishad, Hanumangarh before the Civil Court, Hanumangarh relating to the construction of RoB at LC-5C. The petitioner contends that his shop should not be acquired for the construction of RoB. Our Company has filed its reply on April 4, 2009. The matter is currently pending and the next date of hearing shall be intimated in due course.

18. Consumer Legal Help Society, Sawai Madhopur through its president Mr. Hari Prasad Yogi has filed a complaint (No. 01 of 2009) on January 2, 2009 against State of Rajasthan and RIDCOR before the District Consumer Forum, Sawai Madhopur alleging that the toll fees collected on Kota Lalsot Highway is illegal and arbitary. RIDCOR has filed its reply on January 15, 2009 stating that the matter is not within the jurisdiction of District Forum and further the toll fees is being collected as per the rules and regulations specified in this behalf. The matter is currently pending and the next date of hearing shall be intimated in due course.

19. Mr. Ramdayal has filed a civil suit (No. 47 of 2007) on December 18, 2007 against State of Rajasthan, RIDCOR and the land acquisition officer before the District Collector Court, Dausa alleging that he is entitled to a compensation of Rs. 0.61 million for acquisition of the plaintiff's land for the mega highways project instead of a compensation of Rs. 0.15 million as evaluated by an engineer. RIDCOR has filed its reply on February 27, 2008. The matter is currently pending and the next date of hearing is yet to be notified.

20. Mrs. Dariyav has filed a civil suit (M.A.C.T. Case No. 33 of 2008) on February 13, 2008 against Mr. Ramchandra Jangid, Driver of Innova Car, ICICI Lombard General Insurance Company Limited, Sardarpura, Jodhpur and RIDCOR before Motor Accidents Claims Tribunal (First), Jodhpur claiming compensation of Rs. 4.51 million for the death of his son in an accident caused by the driver Mr. Ramchandra Jangid. The matter is currently pending and the next date of hearing is yet to be notified.

21. Mr. Hazari Lal has filed a civil suit (No. 34/57 of 2007) on August 8, 2007 against State of Rajasthan and RIDCOR before the Additional Chief Judicial Magistrate – 1 Court, Rajgarh, District Alwar alleging that for the construction of Alwar Sikandra Mega Highway, RIDCOR has acquired his properties and has destroyed the house and shop on it without any prior notification. RIDCOR has filed its reply on November 23, 2007. The matter is currently pending and the next date of hearing is February 19, 2010.

22. Mr. Rehman has filed a suit and an application for temporary injunction (No. 10 of 2009) on February 11, 2009 again Land Acquisition Officer and RIDCOR before the Sub Divisional Officer, Sawai Madhopur pleading that construction of road should not be done on his land. RIDCOR has filed its reply. The matter is currently pending and the next date of hearing shall be intimated in due course.

23. Mrs. Asha Gupta has filed a civil suit and an application for temporary injunction (No. 02 of 2008) on January 11, 2008 against Sadbhav Construction and Engineering Company Limited, the company and the State of Rajasthan before the Sub-Divisional Officer's Court, Lakheri alleging that no land acquisition under the LA Act has been done prior to commencement of the construction work on her agricultural land situated at Khasra No. 3 and 4 at Village Darra

Mataji, Tehsil Indergarh, District Bundi for construction of a toll plaza. The matter is currently pending and the next date of hearing shall be notified in due course.

24. Mrs. Anju Sharma has filed a civil suit (Case No. 1143) on May 14, 2008 against Mr. Ramchandra, Driver of Innova Car, ICICI Lombard General Insurance Company Limited Bhopal Insurer of the Innova Car, RIDCOR and others before the Additional Motor Accidents Claims Tribunal, Bhopal claiming compensation of Rs. 116.00 million for the death of her husband, who was an employee of RIDCOR at the time of the accident. The matter is currently pending and the next date of hearing shall be intimated in due course.

25. Mr. Ramavatar Meena has filed an appeal (Appeal No. 1452 of 2008) on September 17, 2008 before the State Information Commission, Rajasthan against the Managing Director of RIDCOR alleging that RIDCOR failed to provide information with respect to one of its mega highway project from Lalsot to Kota as requested by the complainant under section 8(1) of the Right to Information Act, 2005. Mr. Ramavatar Meena had made application to RIDCOR seeking information with respect to mega highway project from Lalsot to Kota. RIDCOR vide its letter dated April 26, 2008 denied providing information to the complainant on the grounds that RIDCOR did not fall under the definition of "public authority" under the Right to Information Act, 2005 and hence is not obliged to provide information. Mr. Ramavatar Meena filed and appeal before the Managing Director of RIDCOR challenging the decision of the information officer's refusal to provide the information. The Managing Director passed an order confirming the decision of the information officer that RIDCOR is not a "public authority" and hence is not under any legal obligation to provide any information. Aggrieved by the decision of the Managing Director, Mr. Ramavatar Meena has filed an appeal before the State Information Commission. The company has filed its reply on October 24, 2008. The matter is currently pending and the next date of hearing shall be notified in due course.

26. Mr. Kasam Ali has filed a civil suit (No. 2 of 2009) against the state of Rajasthan and RIDCOR before the Civil Court, Hanumangarh relating to the constrution of 'Road over Bridge' at LC-5C. The matter is currently pending and the next date of hearing is scheduled on March 4, 2010.

27. Mr. Lal Chand has filed a civil suit (No. 43 of 2009) against the District Collector, Tehsildar and RIDCOR before the Civil Court, Keshavrai Patan relating to the construction of road by the central line alignmenr at the Lalsot to 'Kota Mega Highway'. The matter is currently pending and the next date of hearing is scheduled on March 25, 2010.

28. Mr. Chiranji Lal has filed a writ petition (W.P. 1942/2008) on September 7, 2009 against the State of Rajasthan, Public Works Department and RIDCOR before the High Court of Rajasthan, Jaipur. The petition has been filed to against the acquisition of land in village Malarana Doongar for Mega Highway Lalsot to Kota. The matter is currently pending and the next date of hearing shall be notified in due course.

29. Mr. Ranjeet Ram has filed a writ petition (W.P. 626/2009) on November 30, 2009 against the State of Rajasthan, RIDCOR and others before the High Court of Rajasthan, Jodhpur. The petition has been filed against the acquisition of land for the toll plaza in Pallu, Hanumangarh and to quash the notifications issued by the State of Rajasthan under sections 4, 6, 9 and 17 of the LA Act to acquire certain lands, alleging that the notifications issued are illegal, arbitrary, in colorable exercise of power and the petitioners may be awarded commercial prices as compensation for their land. The matter is currently pending and the next date of hearing shall be notified in due course.

30. Mr. Prem has filed a writ petition (W.P. 627/2009) on October 30, 2009 against the State of Rajasthan, the Land Acquisition Officer, the District Collector and RIDCOR before the High Court of Rajasthan, Jodhpur. The petition has been filed against the acquisition of land for toll plaza in Pallu, Hanumangarh and to quash the notifications issued by the State of Rajasthan under sections 4, 6, 9 and 17 of the LA Act to acquire certain lands, alleging that the notifications issued are illegal, arbitrary, in colorable exercise of power and the petitioners may be awarded commercial prices as compensation for their land. The matter is currently pending and the next date of hearing is yet to be notified.

31. Mr. Arvind Singh has filed a case (No. 279 of 2009) on May 19, 2009 against the Land Acquisition Officer and RIDCOR before the Permanent Lok Adalat, Sawai Madhopur alleging that the compensation for acquisition of his land for the mega highways project has not been paid. The company has filed its reply. The matter is currently pending and the next date of hearing is on March 10, 2010.

32. Mr. Kastoor Chand has filed a civil suit (no. 9-11) on January 6, 2010 against Teksildar Indergarh, Assistant Engineer, Jaipur Vidyut Nigam Limited and RIDCOR before the Sub-Divisional Officer's court, Lakheri, Dirstrict Bundi alleging the erection of electric poles in plaintiff's land acquired under the mega highways project (from Lalsot to Kota). The matter is currently pending and the next date of hearing is yet to be notified.

49. Orissa e-Governance Services Limited

Nil

50. Sealand Ports Private Limited

Nil

51. Sealand Warehousing Private Limited

Nil

52. Avash Logistic Park Private Limited

Nil

53. Integrated Rubplas Waste Solutions Limited

Nil

54. Urban Mass Transit Company Limited ("UMTCL")

UMTCL has filed an appeal dated November 9, 2009 against the assessment order in relation to a demand of Rs. 2.82 million raised by the Income Tax authority for the assessment year 2007-08. the matter is currently pending and the next date of hearing shall be notified in due course.

55. IL&FS Investment Advisors LLC

Nil

56. IL&FS Maritime Offshore Pte Limited

Nil

57. IL&FS Singapore Asset Management Company Pte Limited

Nil

58. IL&FS Nepal Infrastructure Development Company Private Limited

Nil

59. IL&FS Global Financial Services Pte Limited

Nil

60. IL&FS Offshore Natural Resources Pte Limited

Nil

61. IL&FS Global Financial Services (UK) Limited

Nil

62. IL&FS Education & Technology Services Limited ("IETSL")

IETSL has instituted a recovery suit in the High Court of Bombay against Mr. S. Cooper, a past employee, for recovery of dues amounting to Rs. 0.17 million. The matter is pending and the next date of hearing is yet to be notified.

63. IL&FS Infrastructure Equity Fund

Nil

64. IL&FS Investment Trust – I

Nil

65. IL&FS Investment Trust – II

Nil

66. IL&FS Investment Trust – IV

Nil

67. IL&FS Investment Trust – V

Nil

68. IFIN Realty Trust

Nil

69. IL&FS IIDC Fund

Nil

70. Tara India Fund III Trust

Nil

71. Urjankur Nidhi Trust

Nil

72. Pan Asia Project Development Fund

Nil

73. Tamil Nadu Infotech Fund

Nil

74. Infrastructure Leasing & Financial Services Realty Fund

Nil

75. Leverage India Fund

Nil

76. IL&FS ORIX Trust

Nil

77. IL&FS Employees' Welfare Trust

Nil

78. Jharkhand Road Projects Implementation Company Limited

Nil

B. Proceedings initiated against the entities promoted by IL&FS for economic offences

Except as disclosed in this section no proceedings have been initiated against the entities promoted by IL&FS, for any economic offence.

C. Except as disclosed in this section, there are no proceedings initiated against any of the entities promoted by IL&FS.

D. Past Penalties imposed by concerned authorities on the entities promoted by IL&FS

Except as disclosed in this section, there are no past penalties imposed by concerned authorities on the entities promoted by IL&FS.

E. Litigations against entities promoted by IL&FS involving violation of statutory regulations or alleging criminal offence

Except as stated in this section, there are no litigations against entities promoted by IL&FS involving violation of statutory regulations or alleging criminal offence.

F. Criminal/ civil cases against entities promoted by IL&FS towards tax liabilities

Except as stated in this section, there are no criminal/ civil cases against entities promoted by IL&FS towards tax liabilities.

G. Disciplinary action taken by SEBI or the Stock Exchanges against entities promoted by IL&FS

Except as stated in this section, no disciplinary action has been taken by SEBI or the Stock Exchanges against entities promoted by IL&FS.

GOVERNMENT AND OTHER APPROVALS

In view of the approvals listed below, our Company can undertake this Issue and the current business activities of our Company in India and no further major approvals from any governmental or regulatory authority or any other entity in India are required to undertake this Issue or continue the business activities of our Company except such as will be applied for by us in due course. Unless otherwise stated, these approvals are all valid as of the date of this Red Herring Prospectus. For further details in connection with the regulatory and legal framework within which we operate in India, see the section titled "Regulations and Policies" on page 133.

Approvals related to this Issue

1. In-principle approval from the NSE dated October 21, 2009;

2. In-principle approval from the BSE dated November 4, 2009;

3. The Board and the IPO Committee thereof has, pursuant to its resolutions dated June 30, 2009 and September 21, 2009, respectively, authorised this Issue;

4. The shareholders of our Company have, pursuant to their resolution dated August 4, 2009, authorised this Issue; and

5. The board of directors of Trinity Capital (Two) Limited by way of resolution dated August 20, 2009 has authorized the transfer of 4,278,844 Equity Shares pursuant to the Offer for Sale.

Our Company has also obtained necessary contractual approvals required for this Issue. Further, the RBI has, pursuant to its letter (FE.CO.FID. No. 15858/10.21.168/2009-10) dated December 21, 2009, accorded its 'no-objection' for the transfer of 4278844 Equity Shares by Selling Shareholder pursuant to the Offer for Sale, subject to compliance with the terms and conditions stipulated in the A.P (Dir) Series Circular No. 16 dated October 4, 2004 issued by the RBI.

A. Our Company

Business Approvals

We require various approvals for us to carry on our business in India and overseas. Some of our business related approvals may expire in the ordinary course of business and applications for renewal of these approvals are submitted in compliance with applicable law. Our Company has received the following significant approvals pertaining to its business in India

S. No.	Approval Granted	Authority	Reference / Registration Number	Date Granted	Validity
1.	Allotment of code number pursuant to the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and the scheme framed thereunder	Regional Provident Fund Commissioner, Employees Provident Fund Organisation, Maharashtra and Goa	MH/BAN/46011	May 3, 2002	-
2.	Renewal of registration under the Bombay Shops and Establishment Act, 1948 in relation to the establishment at Mumbai	Senior Inspector under the Bombay Shops and Establishment Act, 1948	760009284	January 18, 2008	December 31, 2010
3.	Renewal of registration under the Bombay Shops and Establishment Act, 1948 in relation to the establishment at Ahmedabad	Deputy Municipal Commissioner, Ahmedabad Municipal Corporation	PII/JOD/01/0000342	April 21, 2009	January 1. 2009 till December 31, 2013
Letters of Award					

S. No.	Approval Granted	Authority	Reference / Registration Number	Date Granted	Validity
1.	Letter of Award in relation to acceptance of bid for four laning of Warora Chandrapur Bamai road on 'Design Build Finance Operate and Transfer' basis with road maintenance	Executive Engineer, Public Works Division No. 1, Chandrapur, Government of Maharashtra	395/D2(6)/D BFOT/09	August 27, 2009	Concession period of 30 years including construction period of 1095 days
2.	Letter of award and declaration as 'selected bidder' for four laning of the Moradabad to Bareilly section of NH-21 from km. 148.000 to km. 262.000 in the state of Uttar Pradesh on DBFOT basis under NHDP III.	General Manager (UP & URD), NHAI	NHAI/BOT/1 1019/17/2008 /UP/47	December 29, 2009	Concession period of 25 years including construction period of 910 days

Taxation and other approvals

S. No.	Description	Reference
1.	Tax Deduction Account Number ("**TAN**") under the I.T Act	MUMC08167F
2.	PAN	AABCC5460A
3.	Service Tax Code	AABCC5460AST001
4.	Registration under Central Sales Tax (Registration and Turnover Rules), 1957	24573603995

Intellectual Property Approvals

Arrangement with IL&FS

Our Company has entered into a trademark license agreement dated March 26, 2007 with IL&FS, pursuant to which IL&FS has licensed the trademark 'IL&FS' to our Company to use the same in relation to our business activities. The agreement may be terminated in the event of any breach of its provisions, and consequent to a 30 days' notice to the defaulting party. Our Company is required to pay an amount of Rs. 100 p.a., in advance on or before April 30 of every year, as the license fee to IL&FS.

Approvals applied for, but not received:

We have filed the following application with the Trademark Registry, GoI, for grant of certificates of registration of the following names and marks under the Fourth Schedule of the Trademark Rules, 2002, all of which are currently pending registration:

S. No.	Approval sought	Authority to whom application is addressed	Reference/ Registration Number	Date of application
1.	Registration for the logo " " in Classes 35, 36, 37, 39 and 42	Trade Marks Registry, Mumbai	692448	June 2, 2009

Miscellaneous Approvals

S. No.	Approval Granted	Authority	Reference / Registration Number	Date Granted	Validity
1.	Approval for foreign equity participation to the extent of 12.5% of our paid-up Equity Share capital, by way of acquisition of 8,567,975 Equity Shares from SCB Asian Infrastructure Fund.	Under Secretary to the Government of India, FIPB Unit, Department of Economic Affairs, Ministry of Finance, GoI	No. FC.II.20(200 9)/362(2008)	January 15, 2009	-

S. No.	Approval Granted	Authority	Reference / Registration Number	Date Granted	Validity
2.	Certificate of registration for ISO 9001:2000 in relation to project development, operation, maintenance and tolling activities and advisory services at all site operations and offices	General Manager, Alberk QA International Technical Control and Certification Limited	QA/IND/0168	October 3, 2008	October 3, 2011
3.	Certificate of registration for ISO 9001:2000 certifying that the management system of the 'ITNL Material Testing Laboratory' at Chhattisgarh has been audited and is in accordance with the standards of (a) testing for mechanical properties of civil engineering materials and products; and (b) generation of reports for mix proportioning of concrete and bituminous	Bureau Veritas Certification (India) Private Limited	IND86090	August 28, 2008	August 27, 2011

A. Concerned SPVs and our Subsidiaries

Business Approvals

Our Subsidiaries and the concerned SPVs have received the following significant approvals pertaining to our business.

S. No.	Approval Granted	Authority	Reference / Registration Number	Date Granted	Validity
I.	**Andhra Pradesh Expressway Limited ("APEL")**				
Approvals for acquisition of land or grant of RoW					
1.	Handing over of 74.651 km. of 'additional' RoW	Manager (Technical), Project Implementation Unit, NHAI	NHAI/PIU-HYD/AP-5/BOT/APEL/2006/1358	September 14, 2007	-
2.	Letter notifying that (a) 3D has been published for the acquisition of additional land required for toll plaza, way side amenities, truck bye lanes and missing bits of land; (b) the entire land for the project stands handed over; and (c) APEL can proceed with the construction of services roads	Manager (Technical), Project Implementation Unit, NHAI	NHAI/PIU-HYD/AP-5/BOT/APEL/2006/1084	July 7, 2008	-
Approvals for storage of petroleum					
3.	License issued to KMC Constructions Limited, under the Petroleum Rules, 2002, for the storage of 22 kilolitres of 'Class B' Petroleum at Sy. No. 354/E, village Thimapur, mandal Itkyala, district Mahbubnagar, Andhra Pradesh	Joint Chief Controller of Explosives, (South Circle Office, Chennai), Petroleum and Explosives Safety Organisation, Ministry of	P/SC/AP/14/4776 (P189597)	January 8, 2007	December 2, 2009

S. No.	Approval Granted	Authority	Reference / Registration Number	Date Granted	Validity
		Commerce and Industry, GoI			
4.	Renewal of license issued to KMC Constructions Limited, under the Petroleum Act, 1934, for the storage of 20 kiloliters of 'Class B' Petroleum at Sy. No. 354/E, village Thimmapur, mandal Itkyala, district Mahbubnagar, Andhra Pradesh	Deputy Chief Controller of Explosives (Hyderabad Sub Circle Office, Hyderabad) , Petroleum and Explosives Safety Organisation, Ministry of Commerce and Industry, GoI	P/SC/APM4/4742 (P182321)	February 13, 2009	December 31, 2010
Environmental Clearances					
5.	Clearance issued to the NHAI under the Environmental Impact Assessment Notification, 1994 in relation to upgrading of the existing '2 lane to 4 lane divided carriageway' configuration of Kothakota to Kurnool section of NH-7 (from existing 135.47 km. to 211.00 km.)	Additional Director, Ministry of Environment and Forests, GoI	5-13/2006-IA-III	May 19, 2006	-
Labour related approvals and other miscellaneous approvals					
6.	Registration under the Andhra Pradesh Shops and Establishment Act, 1988 for the establishment of First Floor, 2-19-10-9/7, near Lakshmi Narasimhaswami Temple, Stantanpuram, Kurnool, Andhra Pradesh	Assistant Commissioner of Labour, Kurnool	159/2008/A.C.L/KNL	January 1, 2010	December 31, 2010
7.	Registration under the Bombay Shops and Establishment Act, 1948 for the establishment at P. No. C - 22, G - Block, the IL&FS Financial Centre, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra	Senior Inspector, Office of the Inspector under the Bombay Shops and Establishment Act, 1948	760022755	September 21, 2007	December 31, 2009
Provisional Completion Certificate					
8.	Issuance of Provisional Completion Certificate for the project	Managing Director, Aarvee Associates Architects Engineers & Consultants Private Limited (Independent Consultants)	AA/APEL/504/09-10/1491	September 30, 2009	-
II.	**Thiruvananthapuram Road Development Company Limited ("TRDCL")**				
Approvals in relation to 'Thiruvananthapuram City Roads Improvement Project'					
1.	Letter of acceptance issued to Punj Lloyd Limited, conveying the acceptance in relation to the	Chief Engineer, Kerala Road Fund Board, Thiruvananthapu	KRF – 20/2002	January 27, 2004	-

S. No.	Approval Granted	Authority	Reference / Registration Number	Date Granted	Validity
	Thiruvananthapuram City Roads Improvement Project, and advising Punj Lloyd Limited to incorporate a limited liability company and arrange for execution of a concession agreement in relation thereto	ram, Kerala			
2.	Letter forwarding the provisional certification of completion dated March 6, 2008 issued by the Project Engineer, Thiruvananthapuram City Roads Improvement Project, in relation to the stretches as described in an agreement dated January 4, 2008 entered into between the Government of Kerala and TRDCL having achieved 'substantial completion' on November 15, 2006	Project Engineer, Kerala Road Fund Board	TCRIP/PE/1107/ CC	March 6, 2008	-
3.	Letter certifying the delivery of 'Corridor 4', 'Corridor 3', 'Corridor 5 & 6', 'Corridor 7', 'Corridor BP2', 'Corridor BP3' to TRDCL on April 15, 2004	Executive Engineer, Road Division, Thiruvananthapu ram	-	April 22, 2004	-
4.	Engagement of M/s Serms Infrastructure Private Limited as a contractor under the Contract Labour (Regulation and Abolition) Act, 1970, to Executive Engineer, Trade Division, Trivandrum	Project Engineer, for Chief Engineer, Kerala Road Fund Board	-	July 10, 2009	-
5.	Engagement of M/s VDB Projects P Limited as a contractor under the Contract Labour (Regulation and Abolition) Act, 1970, to Executive Engineer, Trade Division, Trivandrum	Project Engineer, for Chief Engineer, Kerala Road Fund Board	-	July 4, 2009	-
Environmental Clearances					
6.	Renewal of the 'consent to operate' issued to M/s Poabs Ready Mix Concrete, Thiruvananthapuram under the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981 and Environment (Protection)	Environmental Engineer, Kerala State Pollution Control Board	PCB/TVM-DO/ICO/R1/RM X/575/2009	March 19, 2009	June 30, 2012

S. No.	Approval Granted	Authority	Reference / Registration Number	Date Granted	Validity
	Act, 1986				
7.	'Integrated Consent to Establish' issued to M/s VDB Projects (Private) Limited, Thiruvananthapuram under the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Environment (Protection) Act, 1986.	Chief Environmental Engineer, Kerala State Pollution Control Board	PCB/RO/TVM/ICE/44/2009	December 14, 2009	November 30, 2012
Labour related approvals and other miscellaneous approvals					
8.	Certificate of Registration issued to Serms Infrastructure Private Limited under Section 7(3) of the Building and Other Construction Work (Regulation of Employment and Conditions of Service) Act, 1996 and Rules thereunder, for the 'Trivandrum City Roads Improvement' Project	District Labour Officer (B), Thiruvananthapuram	No. CLR-January 18, 2009	August 10, 2009	August 10, 2010
9.	License issued to Serms Infrastructure Private Limited under Section 12(1) of the Contract Labour (Regulation and Abolition) Act, 1970	District Labour Officer (E), Government of Kerala	CLL-January 14, 2009	August 10, 2009	August 10, 2010
10.	Registration under the Bombay Shops and Establishment Act, 1948 for the establishment at P. No. 22, G- Block, the IL&FS Financial Centre, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra	Office of the Inspector under the Bombay Shops and Establishment Act, 1948	760085918	November 17, 2009	December 31, 2010
11.	Certificate of registration issued to M/s VDB Projects Private Limited under section 7(2) of the Building and other Construction Work (Regulation of Employment and Conditions of Service) Act, 1996 and rules thereunder, for the 'Trivandrum City Roads Improvement' Project	District Labour Officer (B), Thiruvananthapuram	No. CLR-01/18/09	August 10, 2009	August 10, 2010
12.	Certificate of registration issued to M/s VDB Projects Private Limited under section 4(2) of the Inter State Migrant Workmen (regulation of Employment and	District Labour Officer, Thiruvananthapuram	No. ISMW-R-01-11-2009	August 24, 2009	-

S. No.	Approval Granted	Authority	Reference / Registration Number	Date Granted	Validity
	Conditions of Service) Act, 1979 and rules thereunder, for the 'Trivandrum City Roads Improvement' Project				
13.	License issued to M/s VDB Projects Private Limited under section 12(1) of the Contract Labour (Regulation and Abolition) Act, 1970	District Labour Officer (E), Government of Kerala	CLL-January 19, 2009	August 27, 2009	August 26, 2010
III.	**East Hyderabad Expressway Limited ("EHEL")**				
Approval for Commencement of Construction					
1.	Acceptance of change in 'commencement date' as 130 days (being December 10, 2007) with respect to design, construction, development, finance, operation and maintenance of 'eight lane access' controlled expressway under Phase-IIA for the package from Pedda Amberpet to Bongulur in the state of Andhra Pradesh	Chief General Manager (Technical), Hyderabad Growth Corridor Limited	Letter No. 3218/HGCL/CGM(T)/DGM(T)-III/07-08	January 22, 2008	-
Approval for acquisition of land or grant of RoW					
2.	Letters detailing handing over of RoW for outer ring road and junctions from km. 95.0 to km. 108.0 in relation to the villages of Pedda Amberpet, Mangalpally, Koheda and Torrur	Assistant General Manager (Technical), Hyderabad Growth Corridor Limited	-	December 10, 2007; March 15, 2008; April 19, 2008, July 26, 2008 and June 28, 2009	-
Labour related approvals and other miscellaneous approvals					
3.	Registration under the Bombay Shops and Establishment Act, 1948 for the establishment at P. No. C – 22, G- Block, the IL&FS Financial Centre, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra	Office of the Inspector under the Bombay Shops and Establishment Act, 1948	760085895	February 17, 2009	December 31, 2009
4.	Consent for (a) establishment under the Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981; and (b) establishment of 'Hot Mix Plant, Wet Mix Plant and Cement Concrete Batching Plant'	Joint Chief Environmental Engineer, Andhra Pradesh Pollution Control Board	Order No.485-RR-I/APPCB/ZO-HYD/2008	February, 2008	5 years from the date of issue
5.	NOC for 'Control Blasting Operations' (extension permission letter)	Commissioner of Police & Additional District	RC No.113/M3/Exp/2007	December 2, 2009	2 months from the date of issue

S. No.	Approval Granted	Authority	Reference / Registration Number	Date Granted	Validity
		Magistrate, Cyberabad, Hyderabad			
6.	License granted to KMC Constructions Limited under the Contract Labour (Regulation and Abolition) Act, 1971	Licensing Officer & Joint Commissioner of Labour, Ranga Reddy Zone, Hyderabad	JCL/RRZ/2072/07	November 6, 2007 (renewed on November 26, 2009)	October 14, 2010
IV.	**West Gujarat Expressway Limited ("WGEL")**				
Approval for acquisition of land or grant of RoW					
1.	Letter detailing handing over of the existing RoW from km. 117/00 to km. 185/00 (being 68 km. in length) of NH-8B in the state of Gujarat	Employers Representative, Office of the Project Director, Project Implementation Unit, NHAI	NHAI/PIU/RJK/WGEL/2005/D-455A	April 22, 2005	--
Approvals for Commencement of Commercial Operations/ Completion Certificate					
2.	Toll Notification	Ministry of Shipping, Road Transport and Highways	The Gazette of India, Extraordinary, Part II-Section 3-Sub section (ii); SO No. 1083 (E)	May 5, 2008	September 16, 2025
3.	Completion Certificate	SAI Consulting Engineers Private Limited, Independent Consultant	SAI/IC/RJK/WGEL/2030	August 22, 2008 (with effect from March 17, 2008)	-
Approvals for Environmental Clearance					
4.	Forestry Clearance accorded to NHAI for the project	Forest & Environment Department , Government of Gujarat	2070-71 of 2006-07	July 19, 2006	-
5.	Forestry Clearance accorded to NHAI for the project	Forest & Environment Department , Government of Gujarat	FCA-1005-127/K	June 27, 2006	-
6.	Forestry Clearance accorded to NHAI for the project	Forest & Environment Department , Government of Gujarat	FCA-1003-40/K	March 22, 2005	-
Labour related approvals and other miscellaneous approvals					
7.	Registration under the Contract Labour (Regulation & Abolition) Act, 1970	Assistant Labour Commissioner under the Contract Labour (Regulation & Abolition) Act, 1970, Rajkot	NA.SHR.A/Raj/Cole-A/Regi.No. 7/2009	April 18, 2009	-
8.	Registration under the Bombay Shops and Establishment Act, 1948 for the establishment at P. No. C – 22, G- Block, the IL&FS Financial Centre,	Office of the Inspector under the Bombay Shops and Establishment Act, 1948	760022744	November 11, 2009	December 31, 2010

S. No.	Approval Granted	Authority	Reference / Registration Number	Date Granted	Validity
	Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra				
9.	Registration under the Bombay Shops and Establishment Act, 1948 for the establishment at 2nd Floor, Surya Complex, Near Rosary School, 150 Feet Ring Road, Rajkot 360 005, Gujarat	Inspector, Rajkot Municipal Corporation	6429	February 18, 2008	February 29, 2010
10.	Registration under the Employees Provident Fund and MP Act, 1952	Regional Provident Fund Commissioner, Mumbai	MH/48212/PF/ENF.IV/142	June 6, 2006 (with effect from March 14, 2005)	-
V.	**North Karnataka Expressway Limited ("NKEL")**				
Approval in relation to handing over of RoW					
1.	Letter detailing handing over of the stretch from km. '515 + 000' to km. '592 + 240' received from NH-subdivision, Nippani	Manager (Technical), NHAI	-	June 12, 2002	-
Approvals for Commencement of Commercial Operations/ Completion certificate					
2.	Certificate for completion of the 'Belgaum to Maharashtra Border (NH-4) Road Project' as on November 20, 2004 except for certain outstanding works which shall be completed before June 20, 2005	Team Leader, Independent Engineer, Pell Frischmann Group	SOWIL-FPI/IE/094/1840	April 12, 2005	-
Approval in relation to strengthening of a specified area on NH-4 in the state of Karnataka					
3.	Letter of acceptance of semi annual annuity quote of Rs. 505.17 million in relation to 'four laning' and strengthening of km. 515 to km. 592 on NH-4 in the state of Karnataka on BOT/annuity scheme	General Manager, NHAI	NHAI/13011/37/2000-PI	September 25, 2001	-
Environmental Clearances					
4.	Environmental clearance, in relation to the project of 'four laning' from km. 515 to 592 Belgaum, Maharashtra Border section of NH-4 in the state of Karnataka	Ministry of Environment and Forests, GoI	Ministry Letter No. J-21012/11/2001-1A-III	May 14, 2002	-
5.	Permission to Punj Lloyd Limited for carrying out removal of rock by blasting	Manager (Technical), NHAI, Ministry of Road Transport & Highways, GoI	NHAI/BGM/M2002-03	February 27, 2002	-
Labour related approvals and other miscellaneous approvals					
6.	Renewal of license issued to Punj Lloyd Limited under Section 12(1) of the Contract Labour (Regulation and Abolition)	Assistant Labour Commissioner (Central), Ministry of Labour, GoI	46(17)/2005-AH	February 9, 2009	March 20, 2010

S. No.	Approval Granted	Authority	Reference / Registration Number	Date Granted	Validity
	Act, 1970 for operation and maintenance of NH-4 in Belgaum				
7.	Registration under the Bombay Shops and Establishment Act, 1948 for the establishment at Plot No. 22, G- Block, the IL&FS Financial Centre, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra	Office of the Inspector under the Bombay Shops and Establishment Act, 1948	760085828	November 11, 2009	December 31, 2010
VI.	**Gujarat Road and Infrastructure Company Limited ("GRICL")**				
Approvals in relation to activities of Ahmedabad Mehsana Toll Road Company Limited ("**AMTRL**")					
Approvals for Commencement of Commercial Operations/ Completion certificate					
1.	Certificate for 'substantial completion' in relation to the Ahmedabad Mehsana Road Project and the Kadi Kalol Road Spur on conduct and completion of tests	Team Leader, Independent Engineer, Kampsax India Limited	-	November 20, 2002	-
Approval for collection of Toll/User Fees or Annuity, as applicable					
2.	Order of the government of Gujarat that a charge shall be determined, levied, collected, retained and appropriated in accordance with the concession agreement dated May 12, 1999 between the Government of Gujarat and AMTRL on motor vehicles and trailers drawn by such vehicles	Officer on Special Duty (SP) of Roads & Buildings Department, Government of Gujarat	Toll-1004-75-7-Private	May 14, 2009	Valid until further notice
Environmental Clearances					
3.	In-principle clearance under Section 2 of the Forest (Conservation) Act, 1980 for diversion of 6.9 hectares of forest land for widening of road between Kadi-Chhatral-Kalol in Mehsana district	Deputy Conservator of Forests (Central), Ministry of Environment and Forests, GoI	18D/14/2000-FCW/2345	November 8, 2000	-
4.	Approval under Section 2 of the Forest (Conservation) Act, 1980 for diversion of 132.16 hectares of forest land for widening of existing road between Ahmedabad and Mehsana under the 'Social Forestry Division' in Mehsana district	Deputy Conservator of Forests (Central), Ministry of Environment and Forests, GoI	8D/002/2000-FCW/917	April 26, 2000	-
Labour related approvals and other miscellaneous approvals					
5.	Certificate of Registration issued to GRICL under the Bombay Shops and Establishments Act, 1948 in relation to the establishment at Ahmedabad	Deputy Municipal Commissioner under the Ahmedabad Municipal Corporation	PII/BDK/05/0000055	February 16, 2009	December 31, 2009

S. No.	Approval Granted	Authority	Reference / Registration Number	Date Granted	Validity
Approvals in relation to Vadodara Halol Road Toll Company Limited ("VHTRL")					
Approval for acquisition of land or grant of RoW					
1.	Possession certificate for handing over of 60 metres of RoW to GRICL for the land acquired for the Vadodara Halol Road Project	Office of the Superintending Engineer, Vadodara (R&B) Circle	PB/SBD/2/752(B)/5093 of 1999	July 6, 1999	-
Approvals for execution of works					
2.	Permission to execute road works falling with RoW of railways, demolition of existing culverts within RoW of railways and clearance for execution of all works within RoW of railways, near level crossing between Jarod and Samlaya station	Divisional Railway Manager (Works), Western Railway	W/350/5/589(W-2)	February 24, 2000	-
Approvals for Commencement of Commercial Operations/ Completion certificate					
3.	Certificate for completion of construction and the cost of construction of the Vadodara Halol Road Project as on October 23, 2000	Team Leader, Independent Engineer, Frischmann Prabhu (India) Private Limited	-	June 13, 2001	-
Approvals for collection of Toll/ User Fees or Annuity, as applicable					
4.	Order of the Government of Gujarat that a charge shall be determined, levied, collected, retained and appropriated in accordance with the Concession Agreement dated October 17, 1998 (between the Government of Gujarat and VHRTCL) on motor vehicles and trailers drawn by such vehicles	Officer on Special Duty (SP), Roads and Buildings Department	Toll-1004-75-7-Private	May 14, 2009	Till further notice
Environmental Clearances					
5.	Approval for the designs and drawings along with the construction methodology to be adopted for the construction of the Narmada Main Canal Bridge in relation to the Vadodara Halol Road Project	Superintending Engineer, Vadodara, Sardar Sarovar Narmada Nigam Limited	NPMCC.1/PB.6/703/WS/6876/4443	October 8, 1999	-
Labour related approvals and other miscellaneous approvals					
6.	Certificate of Registration issued to GRICL under the Bombay Shops and Establishments Act, 1948 in relation to the establishment at Vadodara	Inspector under the Bombay Shops and Establishments Act, 1948	B-26/5913	December 12, 2007	December 31, 2010
7.	Permission for diversion of traffic at Surya river bridge in order to facilitate construction work	Office of the Superintending Engineer, Vadodara (R&B) Circle	PB/SBD/2/752-A/C-1999/8826	December 3, 1999	-

S. No.	Approval Granted	Authority	Reference / Registration Number	Date Granted	Validity
8.	Approval under Section 205(2)(c) of the Companies Act for providing depreciation by way of 'Sinking Fund Method' by way of an upfront investment of Rs. 43.90 million in 13.0% 'Deep Discount Bonds' of 30 years tenure and providing for Rs. 1.46 million depreciation each year	Under-secretary to the Government of India, Department of Company Affairs, Ministry of Law, Justice & Company Affairs, GoI	6/2/99-CL.V	-	-
9.	Letter permitting shifting of existing police chowky at Anandpara village and construction of new chowky in the 60 metres RoW	Deputy Executive Engineer (R&B) Sub Division, Halol	-	October 5, 1999	-
VII.	**Noida Toll Bridge Company Limited ("NTBCL")**				
Approvals for commencement of construction					
1.	No objection letter as regards the technical aspect of the proposal for construction of a bridge on the river Yamuna to connect Delhi and NOIDA	Additional Director General, Central Public Works Department	D.O. No. 23(59)93-PM-YBP/1058	June 30, 1994	-
2.	Letter detailing the recommendations of the 'technical committee' with respect to the location, the alignment plan and design of the proposed bridge on river Yamuna to connect Delhi with NOIDA	Joint Director, Delhi Development Authority	F5(24)92_.MP + F5(15)87_MP/42	January 18, 1995	-
3.	No objection letter for the proposed alignment for the 'Delhi-NOIDA Bridge Project'	Joint Secretary (Public Works Department), Land and Buildings Department, Government of Delhi	F.9(143)/91-PWD/5039	July 11, 1994	-
4.	In-principle approval for the proposed alignment for the 'Delhi-NOIDA Bridge Project'	Delhi Development Authority	F.5(2)2003-MP/439	November 3, 2003	-
5.	In-principle approval for the concession and support agreement for the 'Delhi-NOIDA Bridge Project'	Special Secretary, Government of Uttar Pradesh	Order No. 5110	November 11, 1997	-
6.	Approval at the conceptual stage for the 'Delhi-NOIDA Bridge Project'	Secretary, Delhi Urban Arts Commission	19(1)/97-DUAC	December 26, 1997	-
7.	In-principle approval for the construction of the flyover on Uttar Pradesh Link Road near Chilla Regulator	Assistant Settlement Commissioner (PWD-II), Government of N.C.T of Delhi	No.F.8(133)2001-02/PWD-II/3-4	January 2, 2003	-
8.	Letter in relation to the approval dated August 31, 1995 granted to the	Desk Officer(UT), Department of	No.K-14011/7/94-UD-II	November 16, 1995	-

S. No.	Approval Granted	Authority	Reference / Registration Number	Date Granted	Validity
	'Detailed Project Report' by the steering committee for the 'Delhi-NOIDA Bridge Project'	Urban Development, Ministry of Urban Affairs and Employment, GoI			
Environmental Clearances					
9.	Environmental Clearance in relation to the 'Delhi-NOIDA Bridge Project', subject to conditions including clearance from local authorities, adherence to safety and durability measures and provisions for infrastructure facilities such as water supply, fuel and sanitation.	Additional Director (S), Ministry of Environment and Forests, GoI	J-21012/19/94-IA-III	May 23, 1995	-
Approvals for foreign collaboration					
10.	Approval for foreign equity participation with M/s Asian Infrastructure Mezzanine Capital Fund (AIMCF Singapore) to the extent of US$ 10 million as subordinate debt, out of which US$ 5 million (50%) shall be mandatorily converted into common equity shares and the balance US$ 5 million shall be converted at the option of the collaborator or continue as subordinate debt to be repaid in two instalments by September, 2009	Under Secretary to the Government of India, Department of Industrial Policy and Promotion, Ministry of Industry, GoI	No. FC.II.487(98)/571(98)	October 27, 1998	-
11.	Approval to the amendment with respect to the letter bearing reference number FC.II.487(98)/571(98) dated October 27, 1998, foreign equity participation to the extent of US$ 7.4 million (25%) out of which: (a) US$ 5 million shall be by M/s Asian Infrastructure Mezzanine Capital Fund (AIMCF Singapore) through fully convertible notes; and (b) US$ 2.4 million shall be by M/s Intertoll, South Africa which will be the O&M operator for the project for the duration of the concession of 30 years	Under Secretary to the Government of India, Department of Industrial Policy and Promotion, Ministry of Industry, GoI	No. FC.II.487(98)/571(98)- Amend	December 31, 1998	-
12.	Approval to the	Under Secretary	No.	February 4,	-

S. No.	Approval Granted	Authority	Reference / Registration Number	Date Granted	Validity
	amendment to letter dated December 31, 1998 with respect to foreign equity participation by: (a) M/s Asian Infrastructure Mezzanine Capital Fund (AIMCF Singapore) which shall be through its wholly owned subsidiary, M/s PAII (Mauritius) Company Limited, Mauritius; and (b) M/s Intertoll, South Africa out of which Rs. 14.80 million shall be by M/s Intertoll Management Services BV, the Netherlands and Rs. 91.40 million shall be by M/s Intertoll India Consultants Private Limited	to the Government of India, Department of Industrial Policy and Promotion, Ministry of Industry	FC.II.487(98)/571(98)- Amend	2000	
13.	Approval to the amendment to letter dated February 4, 2000 with respect to foreign equity participation amounting to US$ 5.35 million (25%) which shall be subscribed to the extent of: (a) US$ 5 million by M/s Asian Infrastructure Mezzanine Capital Fund (AIMCF Singapore) which shall be through its wholly owned subsidiary, M/s PAII (Mauritius) Company Limited, Mauritius; and (b) US$ 0.35 million by M/s Intertoll, South Africa through M/s Intertoll Management Services BV, the Netherlands	Under Secretary to the Government of India, Department of Industrial Policy and Promotion, Ministry of Industry, GoI	No. FC.II.487(98)/571(98)- Amend	July 7, 2000	-
14.	Approval to the amendment to letter dated July 7, 2000 with respect to foreign equity participation amounting to US$ 5.35 million (25%) which shall be subscribed to the extent of: (a) US$ 5 million by M/s Asian Infrastructure Mezzanine Capital Fund (AIMCF Singapore) which shall be though its wholly owned subsidiary M/s PruAsia Investors (India) Limited, Mauritius; and	Under Secretary to the Government of India, Department of Industrial Policy and Promotion, Ministry of Industry, GoI	No. FC.II.487(1999)/571(1998)- Amend	December 4, 2001	-

S. No.	Approval Granted	Authority	Reference / Registration Number	Date Granted	Validity
	(b) US$ million by M/s Intertoll, South Africa through M/s Intertoll Management Services BV, the Netherlands				
Labour related approvals and other miscellaneous approvals					
15.	Renewal of compliance certificate under Section 4B(3) and Rule 2A(3) of the Uttar Pradesh Shops and Establishment Act, 1962 for operation and management of the NOIDA Toll Bridge	Inspector of Shops, NOIDA, Gautambudh Nagar	No. 35/3625	March 28, 2006	April 2006 till May 2011
16.	Approval for the purpose of Section 10(23G) of the IT Act read with rule 2E of the IT Rules for the assessment years 1998-99, 1999-2000 and 2000-01	Under Secretary to the Government of India, Department of Revenue, Ministry of Finance, GoI	Notification No. 19776	January 28, 1999	-
17.	Approval for the proposed issue of fully convertible debentures and 'Deep Discount Bonds' not exceeding Rs. 1,000.00 million under Section 88(2)(xvi) of the IT Act	Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, GoI	F. No. 178/87/98-ITA-I	June 14, 1999	-
18.	Approval for increase in the total number of directors from 12 to 18 under Section 259 of the Companies Act	Under Secretary to the Government of India, Department of Company Affairs, Ministry of Law, Justice & Company Affairs, GoI	No. 4/1/99-CL.VII	April 21, 1999	-
19.	Approval for not providing depreciation for the Fiscals 2004, 2005 and 2006 under Section 205(2)(c) of the Companies Act	Under Secretary to the Government of India, Department of Company Affairs, Ministry of Finance, GoI	No. 45/11/2003-CL-III	December 19, 2003	-
VIII. Road Infrastructure Development Company of Rajasthan Limited ("RICDOR")					
*Notifications for acquisition of land for existing project roads (granted by the Government of Rajasthan ("**GOR**") in accordance with the '"Partnership & Development Agreement" dated August 7, 2005, and as amended on April 26, 2008' entered between RIDCOR, IL&FS and the GOR*					
1.	Notifications issued by the GOR under Section 4(1) of the LA Act (during the period January, 2006 to October, 2007) and under Section 6 (17) (during the period April, 2006 to February, 2008) of the said Act, permitting RIDCOR to take possession of land measuring 401.17 Acres in the districts of Baran, Kota and Jhalawar.				
2.	Notifications issued by the GOR under Section 4(1) of the Land Acquisition Act, 1894 (during the period August, 2006 to April, 2008) and under Section 6(17) of the said Act (during the period November, 2006 to July, 2008), permitting RIDCOR to take possession of land measuring 429.69 Acres in the districts of Sawai Madhopur, Bundi, Kota, Dausa and Tonk.				
3.	Notifications issued by the GOR under Section 4(1) of the Land Acquisition Act, 1894 (during the period January, 2006 to February, 2008) and under Section 6(17) of the said Act (during the period May, 2006 to May, 2008), permitting RIDCOR to take possession of land measuring 564.81 Acres in the districts of				

S. No.	Approval Granted	Authority	Reference / Registration Number	Date Granted	Validity
	Jodhpur and Barmer.				
4.	Notifications issued by the GOR under Section 4(1) of the Land Acquisition Act, 1894 (during the period January, 2006 to February, 2008) and under Section 6(17) of the said Act (during the period April, 2006 to July, 2008), permitting RIDCOR to take possession of land measuring 693.49 Acres in the districts of Ajmer, Nagaur, Churu and Hanumangarh.				
5.	Notifications issued by GOR under Section 4(1) of the Land Acquisition Act, 1894 (during the period March, 2006 to October, 2007) and under Section 6(17) of the said Act (during the period July, 2006 to May, 2008), permitting RIDCOR to take possession of land measuring 295.41 Acres in the districts of Alwar and Dausa.				
Environmental and forest clearances					
1.	Consent for usage of forest land for construction of PR2 Project Road for land measuring 0.938 hectares	Deputy Forest Conservator, Barmer, Rajasthan	AF()Tech/Dy.CF /07/ bearing serial number SM/7058-7066	July 20, 2007	Valid until cancellation
2.	Permission for using 10.89 hectares of forest land for upgradation of 'LJ-1 Project Road'	Additional Chief Forest Officer, Jaipur	F14()03/FS/PCC F/10804-7	October 10, 2008	-
3.	Permission of using 4.02 hectares of forest land for upgradation of 'AS Project Road'	Additional Chief Forest Officer, Jaipur	F14()05/FS/PCC F/5172-74	August 6, 2009	-
4.	Permission of using 1.65 hectares of forest land for upgradation of 'HK-2 Project Road'	Additional Chief Forest Officer, Jaipur	F14()07/FS/PCC F/7618-20	December 3, 2009	-
Approvals for Roads/ railways over Bridges ("ROBs")					
1.	Approval for sub-structure for 'Balotara Pass'	Chief Bridge Engineer, North Western Railway	CBE-41/JU/ROB/2006/Sheet 1/5, 2/5, 3/5, 4/5 and 5/5	September 1, 2006	Valid until cancelled
2.	Approval for super structure for Balotara Pass	Chief Bridge Engineer, North Western Railway	CBE-73/JU/ROB/2006/1/7, 2/7, 3/7, 4/7, 5/7, 6/7, 7/7	July 26, 2007	Valid until cancelled
3.	Sub structure approvals for '5-C' (near Hanumangarh)	Chief Bridge Engineer, North Western Railway	CBE-39/BKN/ROB/2006	August 31, 2006	Valid until cancelled
4.	Approval for super structure for '5-C' (near Hanumangarh)	Chief Bridge Engineer, North Western Railway	CBE-86/BKN/ROB/2008/1/4, 2/4, 3/4 and 4/4	January 20, 2007	Valid until cancelled
5.	Sub structure approvals for '32-C' (near Kuchaman)	Chief Bridge Engineer, North Western Railway	CBE-38/JU/ROB/2006	August 3, 2006	Valid until cancelled
6.	Approval for super structure for '32-C' (near Kuchaman)	Chief Bridge Engineer, North Western Railway	CBE-55/JU/ROB/2007/1/5, 2/5, 3/5, 5/5	January 22, 2007	Valid until cancelled
7.	Approval for sub structure for Banduikui Bypass	Chief Bridge Engineer, North Western Railway	CBE-34/JP/ROB/2005-06/1 and 2	April 17, 2006	Valid until cancelled
8.	Approval for Super structure for Banduikui Bypass	Chief Bridge Engineer, North Western Railway	CBE-34/JP/ROB/2006/ 3, 4, 5 , 6 , 7 and 8	April 17, 2006	Valid until cancelled
9.	Approval for sub structure for Rajgarh	Chief Bridge Engineer, North Western Railway	CBE-54/JP/ROB/2006	December 19, 2006	Valid until cancelled
10.	Approval for super structure for Rajgarh	Chief Bridge Engineer, North Western Railway	CBE-89/JP/ROB/2008/1/4, 2/4, 3/4	February 29, 2008	Valid until cancelled

S. No.	Approval Granted	Authority	Reference / Registration Number	Date Granted	Validity
			and 4/4		
11.	Approval for sub structure for Malakhera	Chief Bridge Engineer, Western Central Railway	CBE-46/JP/2006/Sheet 1, Sheet 2 and Sheet 3	September 8, 2006	Valid until cancelled
12.	Approval for super structure for Malakhera	Chief Bridge Engineer, North Western Railway	CBE-71/JP/ROB/2007/1/12,2/12, 3/12, 4/12, 5/12, 6/12, 7/12, 8/12, 9/12, 10/12, 11/12 and 12/12	June 19, 2007	Valid until cancelled
13.	Approval for sub structure for Roopwas	Chief Bridge Engineer, North Western Railway	CBE-37/JP/2006/Sheet 1/2 and Sheet 2/2	August 2, 2006	Valid until cancelled
14.	Approval for super structure for Roopwas	Chief Bridge Engineer, North Western Railway	CBE-66/JP/ROB/2007/Sheet 1/6, Sheet 2/6, Sheet 3/6, Sheet 4/6, Sheet 5/6 and Sheet 6/6	April 20, 2007	Valid until cancelled
15.	Approval for sub structure for Laban	Chief Bridge Engineer, West Central Railway	W420/03/113 GM(W)613/3-D and GM(W)614/3-D	January 28, 2008	Valid until cancelled
Labour related approvals					
1.	Registration as a principal employer under Contract Labour (Regulation and Abolition) Act, 1970 for construction of road from Pholadi to Ramji Ki Gol	Secretary, Labour Department, GOR	CLA/JLC(IR)/R-5/2006	March 21, 2006	-
2.	Registration as a principal employer under Contract Labour (Regulation and Abolition) Act, 1970 for construction of road from Hanumangarh to Kishangarh Road	Secretary, Labour Department, GOR	CLA/JLC(IR)/R-6/2006	March 21, 2006	-
3.	Registration as a principal employer under Contract Labour (Regulation and Abolition) Act, 1970 for construction of road from Alwar to Sikandra	Secretary, Labour Department, GOR	CLA/JLC(IR)/R-7/2006	March 21, 2006	-
4.	Registration as a principal employer under Contract Labour (Regulation and Abolition) Act, 1970 for construction of road from Baran to Jhalawar	Secretary, Labour Department, GOR	CLA/JLC(IR)/R-8/2006	March 21, 2006	-
5.	Registration as a principal employer under Contract Labour (Regulation and Abolition) Act, 1970 for improvement and maintenance work of highways from Lalsot (Dausa), Indergarh (Sawai Madhopur), Lakheri and Kapren Girdharpur	Secretary, Labour Department, GOR	CLA/JLC(IR)/R-10/2006	September 16, 2006	-

S. No.	Approval Granted	Authority	Reference / Registration Number	Date Granted	Validity
Miscellaneous					
1.	Registration under Rajasthan Shops and Establishment Act, 1958	Secretary, Shops and Establishment Department, Jaipur	S.N/558/R/P75/05	September 24, 2005	Valid till suspension or cancellation
2.	Registration under Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Regional Provident Fund Authority, Jaipur	15274/ANU/AVRITI/5107	November 22, 2005	Valid till suspension or cancellation
IX.	**ITNL Road Infrastructure Development Company Limited ("IRIDCL")**				
Approval for acquisition of land or grant of RoW					
1.	Handing over of the project site	Regional Officer and Project Director, Ministry of Road Transport & Highways, GoI	RW/JAI/2007/BOT/Consultancy/Camp Beawar	September 22, 2009	
Clearance related to RoB					
2.	Approval of 'GAD' for the proposed 'Rail over Bridge' at existing level crossing	Regional Officer, Ministry of Road Transport & Highways, GoI	RW/JAI/2007/BOT/Consultancy/Vol. – II/1456	December 30, 2009	-
Land Acquisition related approvals					
3.	Letter from the Land Acquisition Officer, PWD Circle, Ajmer forwarding published copy of the 3(A) Notification for land acquisition for the project to the Director General, MoEF	Executive Engineer (PPP) for DG (Road Development) & SS, Ministry of Road Transport & Highways, GoI	NH-8/09/445	November 30, 2009	-
Environmental Approvals					
4.	Consent to Establish and Operate under Section 21(4) under the Air (Prevention & Control of Pollution) Act, 1981 in favour of G.R. Infraprojects Limited for the proposed 'stone crusher unit' at Kumbalgarh, Rajsamand	Regional Officer, Rajasthan State Pollution Control Board	No. RPCB/ROU/RAJ/G-118/2624 for establishment and No. F(Tech.)/Rajasamand (Kamblighat)/4(1)/2009-10/4761 for operation	August 28, 2009	September 30, 2010
5.	Consent to Establish and Operate under Section 21(4) under the Air (Prevention & Control of Pollution) Act, 1981 in favour of G.R. Infraprojects Limited for the proposed 'hot mix plant' at Kumbalgarh, Rajsamand	Regional Officer, Rajasthan State Pollution Control Board	No. RPCB/ROU/RAJ/G-119/2482 for establishment and No. F(Tech.)/ Rajasamand (Rajsamand)/31(1) 2009-10/4758 for operation	August 26, 2009 for establishment and December 21, 2009 for operation	September 30, 2010
6.	Permission for storage of petroleum 'class C' at the premises of Rajsamand, Khamli Ghat Road	Deputy Chief Controller of Explosives for Joint Chief Controller, Faridabad, Department of Explosives,	A/P/NC/RJ/15/1421(P236526)	August 19, 2009	-

S. No.	Approval Granted	Authority	Reference / Registration Number	Date Granted	Validity
		Ministry of Commerce and Industry, GoI			
7.	Permission for storage of petroleum 'class A and B' at the premises of Rajsamand, Khamli Ghat Road	Deputy Chief Controller of Explosives for Joint Chief Controller, Faridabad, Department of Explosives, Ministry of Commerce and Industry, GoI	A/P/NC/RJ/14/4213(P235920)	August 19, 2009	-
8.	Environmental Clearance for the project	Ministry of Environmental Forest, GoI	-	October 30, 2009	-
Miscellaneous approvals					
9.	Permission for extraction of boulders from quarry to G.R. Infraprojects Limited	Mines Engineer, Rajsamand, Rajasthan	K.A/Amet/STP/081	July 10, 2009	October 3, 2010
10.	Permission for installation of DG set and electricity connection	Assistant Engineer, Ajmer Vidyut Vitran Nigam Limited, Ajmer	AE/O&M/Consumer/D252	April 29, 2009	
X.	**Jharkhand Accelerated Road Development Company Limited ("JARDCL")**				
Approval for acquisition of land or grant of RoW					
1.	Handing over of 269.71 acres of land for the 'Ranchi Ring Road'	Executive Engineer, Ranchi Ring Road Division, RCD, Government of Gujarat	Letter No. 728 (anu.)	November 10, 2009	For the Concession Period
2.	Handing over of 54.84 acres of land for the 'Ranchi Ring Road'	Executive Engineer, Ranchi Ring Road Division, RCD, Government of Gujarat	Letter No. 05 (anu.)	January 04, 2010	For the Concession Period
3.	Handing over of 18.28 kms of land for the Ranchi – Patratu Dam – Ramgarh Road	Executive Engineer, RCD, Road Division, Ranchi	Letter No. 1939 (anu.)	December 13, 2009	For the Concession Period
4.	Handing over of 33.5 Kms of land for the Ranchi - Patratu Dam – Ramgarh Road	Executive Engineer, RCD, Road Division, Ramgarh	Letter No. 768 (anu.)	December 10, 2009	For the Concession Period
Labour related approvals					
5.	Registration as a 'principal employer' under the Contract Labour (Regulation and Abolition) Act, 1970 for the Ranchi Ring Road and Ranchi – Patratu Dam – Ramgarh Projects	Office of the Registering Officer, Ranchi, Government of Jharkhand,	Letter No. 241	December 22, 2009	For the duration of the project.
XI.	**Hazaribagh Ranchi Expressway Limited ("HREL")**				
Environmental Clearances					
1.	Environmental clearance	Additional	5-6/2007-IA-III	February	-

S. No.	Approval Granted	Authority	Reference / Registration Number	Date Granted	Validity
	issued to NHAI for upgradation of the existing 'two lane to four lane divided carriageway' configuration of Hazaribag to Ranchi section of NH-33 (from existing km. 40.500 to km. 114.00)	Director, Ministry of Environment and Forests, (IA-III Division), GoI		19, 2007	
XII.	**Vansh Nimay Infraprojects Limited ("VNIL")**				
1.	Certificate of registration to operate motor transport services under the Motor Transport Workers Act, 1961	Chief Inspector, Motor Transport Workers Ac, Maharashtra	S.No. 5775	October 23, 2009	December 31, 2010
2.	Certificate of registration under the Bombay Shops and Establishments Act, 1948 for the establishment at Plot No. 22, G- Block, the IL&FS Financial Centre, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra	Inspector under the Bombay Shops and Establishment Act, 1948	II.91.1176	August 29, 2009	-
XIII.	**Pune Sholapur Road Development Company Limited ("PSRDCL")**				
1.	Certificate of registration under the Bombay Shops and Establishments Act, 1948 for the establishment at Plot No. 22, G- Block, the IL&FS Financial Centre, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra	Inspector under the Bombay Shops and Establishment Act, 1948	760113735	November 17, 2009	December 31, 2010

Taxation Related Approvals of the concerned SPVs and our Subsidiaries

S. No.	Approval Granted	Authority	Reference/ Registration Number
Andhra Pradesh Expressway Limited ("APEL")			
1.	PAN	IT Department	AAFCA6343J
2	Allotment of Tax Deduction Account Number	IT Department	MUMA27445F
Chhattisgarh Highway Development Company Limited ("CHDCL")			
1.	PAN	IT Department	AADCC1119Q
2.	Allotment of Tax Deduction Account Number	IT Department	IBPC01631A
Jharkhand Accelerated Road Development Company Limited ("JARDCL")			
1.	PAN	IT Department	AABCJ9885C
2.	Allotment Tax Deduction Account Number	IT Department	RCHJ00565F
North Karnataka Expressway Limited ("NKEL")			
1.	PAN	IT Department	AABCN3062F
2.	Allotment of Tax Deduction Account Number	IT Department	MUMN07458D
Thiruvananthapuram Road Development Company Limited ("TRDCL")			
1.	PAN	IT Department	AACCT0547J
2.	Allotment of Tax Deduction Account Number	IT Department	MUMT10104D
Gujarat Road and Infrastructure Company Limited ("GRICL")			

S. No.	Approval Granted	Authority	Reference/ Registration Number
1.	PAN	IT Department	AABCG9747N
2.	Allotment of Tax Deduction Account Number	IT Department	AHMG00730C
Noida Toll Bridge Company Limited ("NTBCL")			
1.	PAN	IT Department	AAACN3498A
2.	Allotment of Tax Deduction Account Number	IT Department	MRT1000355F
Road Infrastructure Development Company of Rajasthan Limited ("RICDOR")			
1.	PAN	IT Department	AACCR9953J
2.	Allotment of Tax Deduction Account Number	IT Department	JPRR03584A
West Gujarat Expressway Limited ("WGEL")			
1.	PAN	IT Department	AAACW5862D
2.	Allotment of Tax Deduction Account Number	IT Department	MUMW02776E
3.	Professional Tax registration	Rajkot Municipal Corporation	PEC04068096
ITNL Road Infrastructure Development Company Limited ("IRIDCL")			
1.	PAN	IT Department	AABCI8235P
2.	Allotment Tax Deduction Account Number	IT Department	MUMI08112G
Vansh Nimay Infraprojects Limited (VNIL)			
1.	PAN	IT Department	AACCV3827F
2.	Allotment of Tax Deduction Account Number	IT Department	NGPV03298B
ITNL Enso Rail Systems Limited (IERS)			
1.	PAN	IT Department	AABCI8621F
2.	Allotment of Tax Deduction Account Number	IT Department	MUMI08157C
East Hyderabad Expressway Limited (EHEL)			
1.	PAN	IT Department	AABCE8567E
2.	Allotment of Tax Deduction Account Number	IT Department	HYDE01651G
Hazaribagh Ranchi Expressway Limited (HREL)			
1.	PAN	IT Department	AACCH2490J
2.	Allotment of Tax Deduction Account Number	IT Department	MUMH12367F
Pune Solapur Road Development Company Limited (PSRDCL)			
1.	PAN	IT Department	AAFCP1669Q
2.	Allotment of Tax Deduction Account Number	IT Department	MUMP27192E
Warora Chandrapur Ballarpur Toll Road Limited (WCBTRL)			
1.	PAN	IT Department	AAACW9026D
2.	Allotment of Tax Deduction Account Number	IT Department	NGPW00462A
Jharkhand Road Projects Implementation Company Limited (JRPICL)			
1.	PAN	IT Department	AACCJ2207M
2.	Allotment of Tax Deduction Account Number	IT Department	RCHJ00654D

Approvals applied for by the concerned SPVs and the Subsidiaries, but not received:

I.	**Jharkhand Accelerated Road Development Company Limited ("JARDCL")**
1.	Proposal dated July 29, 2009 submitted to the PCCF (Executive Director), Wasteland Development Board, Doranda, Ranchi for diversion of forest land for the Ranchi – Patratu Dam Road.
2.	Proposal dated July 31, 2009 submitted to the PCCF (Executive Director), Wasteland Development Board, Doranda, Ranchi for diversion of forest land for the Ranchi – Patratu Dam Road.
II.	**Gujarat Road and Infrastructure Company Limited ("GRICL")**
1.	Ahmedabad Mehsana Toll Road Company Limited has made an application dated January 1, 2010 for renewal of the certificate of registration issued to GRICL under the Bombay Shops and Establishments Act,

	1948 in relation to the establishment at Ahmedabad.
III.	**Narketpally Addanki Expressway Limited ("NAEL")**
1.	NAEL has made applications for allotment of PAN and Tax Deduction Account Number with the IT Department.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for this Issue

Our Board has, pursuant to its resolution dated June 30, 2009, authorised this Issue, subject to the approval by the shareholders of our Company under Section 81(1A) of the Companies Act. The shareholders of our Company have authorised this Issue by their special resolution passed pursuant to Section 81(1A) of the Companies Act, at its EGM held on August 4, 2009 and authorised the Board to take decisions in relation to this Issue. The IPO committee of our Board has approved details in relation to this Issue through its resolution dated September 21, 2009.

The board of directors of Trinity Capital (Two) Limited by way of resolution dated August 20, 2009 has authorized the transfer of 4,278,844 Equity Shares pursuant to the Offer for Sale.

We have obtained all necessary governmental, regulatory consents and approvals and have received all necessary contractual consents required for this Issue. For further details, see the section titled "Government and Other Approvals" on page 373.

Prohibition by SEBI, RBI or governmental authorities

None of our Company, the Selling Shareholder, Subsidiaries, IL&FS, members of our Promoter Group, Group Companies or ventures with which IL&FS was associated in the past, have been declared as wilful defaulters by the RBI or any other governmental authority and there has been no violation of any securities law committed by any them in the past and no such proceedings are currently pending against any of them.

Our Company, our Directors, our Promoter, the members of our Promoter Group, the persons in control of our Company, and the companies with which our Directors, Promoter or persons in control are associated as directors or promoters or persons in control have not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI.

Except as otherwise stated in the sections titled "Risk Factors" and "Outstanding Litigation and Material Developments" on pages xii and 347, respectively, SEBI has not intiated any action against the entities associated with the securities market and with which our Directors are associated.

Eligibility for this Issue

Our Company has and shall continue to, be in compliance with the following conditions specified under Regulation 4(2) of the SEBI Regulations:

(a) Our Company, our Directors, our Promoter, the members of our Promoter Group, the persons in control of our Company, and the companies with which our Directors, Promoter or persons in control are associated as directors or promoters or persons in control have not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI;

(b) Our Company has applied to the NSE and the BSE for obtaining their in-principle listing approval for listing of the Equity Shares under this Issue through its applications dated September 29, 2009 and has received the in-principle approvals from the NSE and the BSE pursuant to their letters dated October 21, 2009 and November 4, 2009, respectively. For the purposes of this Issue, the NSE shall be the Designated Stock Exchange;

(c) Our Company has entered into agreements dated May 12, 2005 and October 16, 2009, respectively, with the Depositories and the Registrar to the Issue for dematerialisation of the Equity Shares;

(d) The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing this Red Herring Prospectus; and

(e) We propose to meet all the requirement of funds for the Objects entirely from the Net Proceeds and no amount is required to be raised through means other than this Issue for financing the same. Accordingly, the requirement of firm arrangements of finance through verifiable means for 75% of the stated means of finance excluding the Issue Proceeds does not arise.

Our Company is eligible for this Issue as per Regulation 26(1) of the SEBI Regulations as:

- We have net tangible assets of at least Rs. 30.00 million in each of the preceding three full years (of 12 months each), of which not more than 50% is held in monetary assets comprising of cash and bank balances;

- We have a pre-Issue Net Worth of not less than Rs. 10.00 million in each of the three preceding full years;

- The aggregate of the Issue and all previous issues made in the same Fiscal in terms of the Issue size is not expected to exceed five times the pre-Issue Net Worth of our Company;

- Our Company has not changed its name in Fiscal 2009; and

- We have a track record of distributable profits as per Section 205 of Companies Act for at least three out of immediately preceding five years.

The Issue size of up to Rs. 7,000 million along with the previous issues of Equity Shares in the Fiscal 2009 aggregates to Rs 7,000 million. The said aggregate, i.e., Rs. 7,000 million, does not exceed five times the pre-Issue Net Worth as per the audited unconsolidated accounts for Fiscal 2009 which is Rs. 40,577.15 million (i.e., 5 x Rs. 8,115.43 million = Rs. 40,577.15 million).

Our Company's net profit, dividend, Net Worth, net tangible assets and monetary assets derived from the Auditor's Report included in this Red Herring Prospectus under the section titled "Financial Statements", as at, and for the last five years ended Fiscal 2009 are set forth below:

Rs. (million)

	Fiscal 2009	Fiscal 2008	Fiscal 2007	Fiscal 2006	Fiscal 2005
Net Tangible Assets*	16,197.81	12,469.03	8,245.67	2,037.84	1,221.98
Monetary Assets**	25.56	193.84	576.15	45.25	112.27
Monetary Assets as a % of Net Tangible Assets	0.16%	1.55%	6.99%	2.22%	9.19%
Net profits, as restated (i.e. distributed profits as per section 205 of the Companies Act)	1,032.09	1,050.51	541.07	79.40	29.14
Net worth, as restated	8,115.43	7,811.71	6,239.96	1,111.13	460.62

**Net tangible assets are defined as the sum of net fixed assets, producing properties, pre-producing properties, investments, current assets, loans and advances less current liabilities and provisions (excluding deferred tax liability (net)).*
***Monetary assets include cash and bank balances.Detailed figures are given in the section titled "Financial Statements" on page F-9.*
**** The distributable profits of our Company as per section 205 of the Companies Act have been calculated from the audited financial statements of the respective years and/or period before making adjustments for restatement of Financial Statements.*

Hence, we are eligible for the Issue under Regulation 26(1) of the SEBI Regulations.

Further, in accordance with Regulation 26(4) of the SEBI Regulations, we shall ensure that the number of Allottees, i.e. persons to whom our Equity Shares will be Allotted shall be not less than 1,000; otherwise, the entire application money will be refunded forthwith. In case of delay, if any, in refund, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

As required under Rule 19(2)(b) of the SCRR (a) a minimum of 2,000,000 Equity Shares (excluding Promoter's contribution) shall be offered to the public, and (b) the Issue size, shall be a minimum of Rs. 1,000 million. Further, in terms of Rule 19(2)(b) of the SCRR read with Regulation 41(1) of the SEBI Regulations, this being an Issue for less than 25% of the post-Issue equity share capital, is being made through a 100% Book Building Process wherein at least 60% of the Issue shall be Allotted to QIBs. If at least 60% of the Issue cannot be Allotted to QIBs, then the entire application money will be refunded forthwith.

The Company and the Selling Shareholder may, in consultation with the Book Running Lead Managers and the Co-Book Running Lead Managers, allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Price on a discretionary basis, out of which at least one-third will be available for allocation to domestic Mutual Funds only. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIBs in proportion to their Bids.

Further, not less than 10% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion and Retail Portion would be allowed to be met with spill-over from other categories at the discretion of our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers and the Co-Book Running Lead Managers. For further details, see the section titled “Issue Structure” on page 413.

Disclaimer Clause of SEBI

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, ENAM SECURITIES PRIVATE LIMITED, NOMURA FINANCIAL ADVISORY AND SECURITIES (INDIA) PRIVATE LIMITED AND JM FINANCIAL CONSULTANTS PRIVATE LIMITED AND THE CO-BOOK RUNNING LEAD MANAGERS, AVENDUS CAPITAL PRIVATE LIMITED AND SBI CAPITAL MARKETS LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS, ENAM SECURITIES PRIVATE LIMITED, NOMURA FINANCIAL ADVISORY AND SECURITIES (INDIA) PRIVATE LIMITED AND JM FINANCIAL CONSULTANTS PRIVATE LIMITED, AND THE CO-BOOK RUNNING LEAD MANAGERS, AVENDUS CAPITAL PRIVATE LIMITED AND SBI CAPITAL MARKETS LIMITED, ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDER DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS AND THE CO-BOOK RUNNING LEAD MANAGERS, HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 29, 2009 WHICH READS AS FOLLOWS:

1. "WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THIS DRAFT RED HERRING PROSPECTUS ("DRHP") PERTAINING TO THE SAID ISSUE;

2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER;

WE CONFIRM THAT:

(A) THE DRAFT RED HERRING PROSPECTUS FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

(B) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SEBI, THE GOVERNMENT OF INDIA AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

(C) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.

3. WE CONFIRM THAT ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE SEBI, AND THAT TILL DATE SUCH REGISTRATION IS VALID.

4. WHEN UNDERWRITTEN, WE WILL SATISFY OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.

5. WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF ITS SECURITIES AS PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN, SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRHP WITH THE SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRHP.

6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTER'S CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRHP.

7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY

BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS WILL BE MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THIS ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SECTION 73(3) OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT TO BE ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. – NOTED FOR COMPLIANCE**

10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. – NOT APPLICABLE**

11. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**

12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS:**

(A) **AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER; AND**

(B) **AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.**

13. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.**

14. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC.**

15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION**

NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THIS DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY."

THE FILING OF THIS RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY AND THE SELLING SHAREHOLDER FROM ANY LIABILITIES UNDER SECTION 63 AND SECTION 68 OF THE COMPANIES ACT OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGERS AND THE CO-BOOK RUNNING LEAD MANAGERS, ANY IRREGULARITIES OR LAPSES IN THIS RED HERRING PROSPECTUS.

All legal requirements pertaining to this Issue have been complied with at the time of filing of this Red Herring Prospectus with the RoC in terms of Section 60B of the Companies Act. All legal requirements pertaining to this Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 56, 60 and 60B of the Companies Act.

Disclaimer from the Company, the Directors, the Selling Shareholder, the Book Running Lead Managers and the Co-Book Running Lead Managers

Our Company, the Directors, the Selling Shareholder, the Book Running Lead Managers and the Co-Book Running Lead Managers accept no responsibility for statements made otherwise than those contained in this Red Herring Prospectus or in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.itnlindia.com, or the website of any Subsidiary, IL&FS, members of our Promoter Group, Group Company or of any affiliate or associate of our Company or Subsidiaries, would be doing so at his or her own risk.

Caution

The Book Running Lead Managers and the Co-Book Running Lead Managers accept no responsibility, save to the limited extent as provided in the MoU entered into among the Book Running Lead Managers the Co-Book Running Lead Managers, our Company and the Selling Shareholder on September 26, 2009, the amendment agreement dated February 23, 2010 to the said MoU dated September 26, 2009 and the Underwriting Agreement to be entered into between the Underwriters, our Company and the Selling Shareholder.

All information shall be made available by our Company, the Book Running Lead Managers and the Co-Book Running Lead Managers to the public and investors at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

Neither our Company nor the Selling Shareholder nor any member of the Syndicate are liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholder and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not issue, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholder, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

Notwithstanding anything stated in this Red Herring Prospectus, the Selling Shareholder do not express any opinion with respect to nor do they assume any responsibility for the statements and disclosures made by the Company or any other person, whether or not relating to the Company, their respective businesses, the Promoter, the financial information or any other disclosures and statements and the directors and officers of the Selling Shareholder shall not be liable in any situation whatsoever. Trinity Capital (Two) Limited assumes responsibility only for the statements about or relating to Trinity Capital (Two) Limited in this Red Herring Prospectus.

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India, including Indian national residents in India who are majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, public financial institutions as specified in Section 4A of the Companies Act, state industrial development corporations, insurance companies registered with the IRDA, provident funds (subject to applicable law) with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million, VCFs and permitted Non-Residents including FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporates or foreign individuals bidding under the QIB Portion), FVCIs, multilateral and bilateral financial institutions and Eligible NRIs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to hold the Equity Shares.

This Red Herring Prospectus will not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai, Maharashtra, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Red Herring Prospectus has been filed with the SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares are being offered and sold outside of the United States in reliance on Regulation S. The Equity Shares have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the first date upon which the securities were *bona fide* offered to the public, an offer of the Equity Shares within the United States by a dealer may violate the registration requirements of the Securities Act.

Each purchaser of the Equity Shares will be deemed to have made the acknowledgements, representations and agreements as described in "Transfer Restrictions" below.

Transfer Restrictions

Because the following restrictions will apply to the Issue, purchasers are advised to consult their own legal counsel prior to making any offer, resale, pledge or transfer of the Equity Shares. Each purchaser of the Equity Shares, by accepting delivery of this document, will be deemed to have represented, agreed and acknowledged that:

1. It is purchasing the Equity Shares outside the United States in an offshore transaction in accordance with Regulation S under the Securities Act.

2. It is relying on this document and not on any other information or representation concerning us or the Equity Shares and neither we nor any other person responsible for this document or any part of it, nor the Underwriters, will have any liability for any such other information or representation.

3. We, the Underwriters and their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Disclaimer clause of the BSE

BSE has given vide its letter dated November 4, 2009, permission to us to use BSE's name in this Red Herring Prospectus and the Prospectus as one of the stock exchanges on which the Company's securities are proposed to be listed. BSE has scrutinised the Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company. BSE does not in any manner:

- warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus or Prospectus; or
- warrant that the Company's securities will be listed or will continue to be listed on BSE; or
- take any responsibility for the financial or other soundness of the Company, its promoter, its management or any scheme or project of the Company;

and it should not for any reason be deemed or construed to mean that this Red Herring Prospectus or Prospectus has been cleared or approved by BSE. Every Person who desires to apply for or otherwise acquires any securities of the Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer clause of the NSE

As required, a copy of the Draft Red Herring Prospectus has been submitted to NSE. NSE has given vide its letter ref.: NSE/LIST/121042-6 dated October 21, 2009, permission to the Company to use NSE's name in the Red Herring Prospectus and the Prospectus as one of the stock exchanges on which the Company's securities are proposed to be listed. The NSE has scrutinised the Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Draft Red Herring Prospectus has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus; nor does it warrant that the Company's securities will be listed or will continue to be listed on the NSE; nor does it take any responsibility for the financial or other soundness of the Company, its promoter, its management or any scheme or project of the Company.

Every person who desires to apply for or otherwise acquires any of the Company's securities may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the NSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Filing

A copy of the Draft Red Herring Prospectus has been filed with the SEBI at the Securities and Exchange Board of India, SEBI Bhavan, G Block, 3rd Floor, Bandra Kurla Complex, Bandra (E), Mumbai 400 051, India.

A copy of this Red Herring Prospectus, along with the other documents required to be filed under Section 60B of the Companies Act, has been delivered for registration with the RoC at the office of the RoC and a copy of the Prospectus to be filed under Section 60 of the Companies Act will be delivered for registration with the RoC situated at the address mentioned below.

Registrar of Companies, Maharashtra
Everest, 100
Marine Drive
Mumbai 400 002, India
Telephone: +91 22 221 2639
Fascimile: +91 22 281 1977

Listing

Applications have been made to the Stock Exchanges for permission to deal in, and for an official quotation of the Equity Shares. The NSE will be the Designated Stock Exchange with which the 'Basis of Allocation' will be finalised.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company and the Selling Shareholder will forthwith repay, without interest, all moneys received from the applicants in pursuance of this Red Herring Prospectus. If such money is not repaid within eight days after our Company and the Selling Shareholder become liable to repay it, i.e. from the date of refusal or within 15 days from the Bid/Issue Closing Date or 14 days from Bid/Issue Closing Date for ASBA Bidders, whichever is earlier, then our Company, the Selling Shareholder and every Director of our Company who is an officer in default shall, on and from such expiry of eight days, be jointly and severally liable to repay the money, with interest at the rate of 15% p.a. on application money, as prescribed under Section 73 of the Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within seven Working Days of finalization of the 'Basis of Allocation'.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, which is reproduced below:

"*Any person who:*

(a) *makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or*

(b) *otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name*

*shall be punishable with imprisonment for a term which may extend to five years.***"**

Consents

Consents in writing of: (a) the Selling Shareholder, the Directors, the Company Secretary and Compliance Officer, the Co-Book Running Lead Managers, the Auditor, the lenders of the Company, the domestic legal counsel to our Company, domestic legal counsel to the Underwriters, international legal counsel to the Underwriters, the Banker to the Company, the IPO Grading Agencies; and (b) the Syndicate Members, the Escrow Collection Banks, the Bankers to the Issue, the Monitoring Agency and the Registrar to the Issue to act in their respective capacities, have been obtained and has been filed along with a copy of this Red Herring Prospectus with the RoC as required under Sections 60 and 60B of the Companies Act and such consents have not been withdrawn up to the time of delivery of this Red Herring Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI Regulations, M/s Deloitte Haskins & Sells, Chartered Accountants have agreed to provide their written consent to the inclusion of their report on financial statements and report relating to the possible general and special tax benefits, as applicable, accruing to our Company and its shareholders, included in this Red Herring Prospectus in the form and context in which they appear in this Red Herring Prospectus and such consent and report have not been withdrawn up to the time of delivery of this Red Herring Prospectus and will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

For the purposes of complying with the Companies Act and SEBI Regulations only, M/s Deloitte Haskins & Sells, Chartered Accountants, have given and have not withdrawn their written consent for the inclusion of their name and their report in the form and context in which it appears in this Red Herring Prospectus and such consent has not been withdrawn up to the time of delivery of this Red Herring Prospectus and will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.. A written consent under the Companies Act and SEBI Regulations is different from a consent filed with the U.S. Securities and Exchange Commission under Section 7 of the Securities Act which is applicable only to transactions involving securities registered under the Securities Act. M/s Deloitte Haskins & Sells, Chartered Accountants, have not filed consent under Section 7 of the Securities Act.

For the purpose of the offers and sales outside the United States in reliance on Regulation S under the Securities Act, M/s Deloitte Haskins & Sells, Chartered Accountants have acknowledged the inclusion in this Red Herring Prospectus of all references to its name, and their report dated February 18, 2010 in the form and context in which it appears in which it appears in this Red Herring Prospectus and such acknowledgment has not been withdrawn up to the time of delivery of this Red Herring Prospectus and will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

Fitch Ratings India Private Limited and Credit Analysis and research Limited, the agencies engaged by our Company for the purpose of obtaining IPO grading in respect of this Issue, will give their written consent to the inclusion of their reports in the form and context in which they appear in this Red Herring Prospectus and such consents and reports have not be withdrawn up to the time of delivery of this Red Herring Prospectus and shall not be withdrawn up to the time of delivery of the Prospectus to the RoC.

Expert Opinion

Except for the report provided by the IPO Grading Agencies (copies of which report have been annexed to this Red Herring Prospectus), furnishing the rationale for their grading which has been provided to the Designated Stock Exchange, pursuant to the SEBI Regulations, we have not obtained any other expert opinions.

Issue Related Expenses

Except as disclosed in the section titled "Objects of the Issue" on page 40, the expenses of this Issue include, among others, underwriting and management fees, selling commission, SCSBs' commission/ fees, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. The Issue expenses, except the listing fee and advertisement and marketing expenses which will be borne by our Company, shall be shared between our Company and the Selling Shareholder in the proportion to the number of Equity Shares sold to the public as part of the Issue. The listing fees will be paid solely by our Company.

The estimated Issue expenses are as under:

Activity	Amount (Rs. million)	% of the Issue Expenses	% of total Issue Size
Lead management fees*	[●]	[●]	[●]
Co-Lead management fees*	[●]	[●]	[●]
Underwriting commission, brokerage and selling commission*	[●]	[●]	[●]
Registrar's fees*	[●]	[●]	[●]
Advertisement and marketing expenses*	[●]	[●]	[●]
Printing and distribution expenses*	[●]	[●]	[●]
IPO Grading expenses*	[●]	[●]	[●]
Advisors*	[●]	[●]	[●]

Activity	Amount (Rs. million)	% of the Issue Expenses	% of total Issue Size
Bankers to the Issue*	[●]	[●]	[●]
Others (SEBI filing fees, fee payable to the monitoring agency, bidding software expenses, depository charges, listing fees, etc.) *	[●]	[●]	[●]
Total	**[●]**	**[●]**	**[●]**

**Will be incorporated at the time of filing of the Prospectus.*

Fees, Brokerage and Selling Commission Payable to the Book Running Lead Managers, the Co-Book Running Lead Managers and the Syndicate Members

The total fees payable to the Book Running Lead Manager, the Co-Book Running Lead Managers and the Syndicate Members (including underwriting commission and selling commission) will be as stated in the engagement letter dated September 26, 2009, among our Company, the Selling Shareholder, the Book Running Lead Managers and the Co-Book Running Lead Managers, a copy of which will be made available for inspection at our Registered and Corporate Office from 10.00 am to 4.00 pm on Working Days from the date of this Red Herring Prospectus until the Bid/Issue Closing Date.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue for processing of application, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the memorandum of understanding dated September 21, 2009 signed with our Company and the Selling Shareholder, and letter dated February 1, 2010 signed by our Company, the Selling Shareholder and the Registrar to the Issue, copies of which will be made available for inspection at our Registered and Corporate Office from 10.00 am to 4.00 pm on Working Days from the date of this Red Herring Prospectus until the Bid/Issue Closing Date.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or Allotment advice by registered post/speed post/under certificate of posting.

IPO Grading

This Issue has been graded by Fitch Ratings India Private Limited and has been assigned a grade of “4(ind)” out of a maximum of ‘5(ind)’, indicating above-average fundamentals, through its letter dated February 3, 2010. The IPO grading is assigned on a five point scale from 1 to 5 wherein an “IPO Grade 5” indicates strong fundamentals and “IPO Grade 1” indicates poor fundamentals.

Further, this Issue has been graded by Credit Analysis and Research Limited and has been assigned a grade of “CARE IPO Grade 4” out of a maximum of “CARE IPO Grade 5”, indicating above average fundamentals, through its letter dated January 25, 2010, which is valid for a period of two months. The IPO grading is assigned on a five point scale from 1 to 5 wherein an “CARE IPO Grade 5” indicates strong fundamentals and “CARE IPO Grade 1” indicates poor fundamentals.

Copies of the reports provided by Fitch Ratings India Private Limited and Credit Analysis and Research Limited, furnishing the rationale for their grading have been annexed to this Red Herring Prospectus and will be made available for inspection at our Registered and Corporate Office from 10.00 a.m. to 4.00 p.m. on Working Days from the date of this Red Herring Prospectus until the Bid/Issue Closing Date.

Rationale for grading by the IPO Grading Agencies

For details in relation to the rationale furnished by Fitch Ratings India Private Limited, see the section titled “Annexure A” on page 486. For details in relation to the rationale furnished by Credit Analysis and Research Limited, see the section titled “Annexure B” on page 494.

Disclaimer of IPO Grading Agencies

Fitch Ratings India Private Limited

Attention is specifically drawn to the disclaimer of Fitch Ratings India Private Limited appearing in the section titled "Annexure A" on page 486.

Credit Analysis and Research Limited

CARE's IPO grading is a one time assessment and the analysis draws heavily from the information provided by the issuer as well as information obtained from sources believed by CARE to be accurate and reliable. However, CARE, does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. CARE's IPO grading does not take cognizance of the price of the security and it is not a recommendation to buy, sell or hold shares/securities. It is also not a comment on the offer price or the listed price of the scrip. It does not imply that CARE performs an audit function or forensic exercise to detect fraud. It is also not a forecast of the future market performance and the earnings prospects of the issuer, also it does not indicate compliances/violation of various statutory requirements. CARE shall not be liable for any losses incurred by user from any use of the IPO grading.

Particulars regarding Public or Rights Issues during the last five years

Our Company has not made any previous public issues (including any rights issues to the public) in the five years preceding the date of this Red Herring Prospectus.

Previous issues of Equity Shares otherwise than for cash

Our Company has not issued any shares for consideration other than cash.

Public issues in the last three years by our Company, Subsidiaries, associates or Group Companies

Neither our Company nor our Subsidiaries, our associates or any Group Company have made any public issue in the last three years.

Performance vis-à-vis Objects in previous issue by Group Companies, Subsidiaries or associate companies

Noida Toll Bridge Company Limited ("**NTBCL**"), one of our Group Companies, has made simultaneous public issues in Fiscal 1999 of secured redeemable 'deep discount bonds' for an issue price aggregating to Rs. 500 million and secured fully convertible debentures aggregating to Rs. 207.80 million. For further details in relation to NTBCL and whether objects mentioned in such issues were met, see the section titled "Our Group Companies" on page 229.

Underwriting commission, brokerage and selling commission on Previous Issues

There has been no public issue of the Equity Shares in the past. Thus, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's inception.

Outstanding Debentures or Bond Issues or Preference Shares

Our Company has no outstanding debentures or bonds or redeemable preference shares as of the date of this Red Herring Prospectus.

Stock Market Data of the Equity Shares

This being an initial public issue of our Company, the Equity Shares are not listed on any stock exchange.

Other Disclosures

Except as stated in the section titled "Capital Structure" on page 30, our Promoter Group, the directors of IL&FS, or the Promoter Group companies or our Directors have not purchased or sold any securities of our Company during a period of six months preceding the date on which the Draft Red Herring Prospectus was filed with the SEBI.

Except as stated in the sections titled "Risk Factors" and "Outstanding Litigation and Material Developments" on pages xii and 347, respectively, SEBI has not intitiated any action against any entity associated with the securities market, which which our Directors are associated.

Mechanism for Redressal of Investor Grievances

The memorandum of understanding dated September 21, 2009 between the Registrar to the Issue, our Company and the Selling Shareholder read with the letter dated February 1, 2010 signed by the Registrar to the Issue, our Company and the Selling Shareholder provides for retention of records with the Registrar to the Issue for a period of at least one year from the last date of dispatch of the letters of Allotment, or refund orders, demat credit or, where refunds are being made electronically, giving of refund instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to this Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar with a copy to the relevant SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the relevant Designated Branch.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Mr. Krishna Ghag as the Company Secretary and Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue-related problems. He can be contacted at the following address:

Mr. Krishna Ghag
Associate Vice President & Company Secretary
'The IL&FS Financial Centre'
Plot No. C 22, G Block, Bandra-Kurla Complex
Bandra (East)
Mumbai 400 051, India
Telephone: + 91 22 2653 3333
Facsimile: + 91 22 2652 3979
E-mail: itnlinvestor@ilfsindia.com

No investor complaints have been received during the immediately preceding three years prior to filing of the Draft Red Herring Prospectus with the SEBI.

Disposal of investor grievances by listed companies under the same management as the Company

For details in relation to disposal of investor grievances by listed companies under the same management as the Company, see the section titled "Our Group Companies" on pages 227, 230 and 234.

Change in Auditors

There have been no changes in our Company's auditor in the last three years.

Capitalisation of Reserves or Profits

Our Company has not capitalised its reserves or profits at any time during the last five years.

Tax Implications

Successful Bidders will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, see the section titled "Statement of Tax Benefits" on page 51.

Revaluation of Assets

Our Company has not revalued its assets since its incorporation.

Servicing behaviour

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits. Please see the sections titled "Financial Indebtedness" and "Financial Statements" on pages 324 and F-35 , respectively, for details of borrowings of our Company.

Purchase of property

Except as disclosed in the sections titled "Our Business" on page 90, there is no property which we have purchased or acquired or propose to purchase or acquire which is to be paid for wholly, or in part, from the Net Proceeds or the purchase or acquisition of which would not have been completed on the date of this Red Herring Prospectus, other than property in respect of which:

(a) the contracts for the purchase or acquisition were entered into in the ordinary course of the business, and the contracts were not entered into in contemplation of this Issue nor is this Issue contemplated in consequence of the contracts; or
(b) the amount of the purchase money is not material; or
(c) disclosure has been made in this Red Herring Prospectus in the sections titled "Our Business" on page 90.

SECTION VII – ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, our Memorandum and Articles, the terms of this Red Herring Prospectus, the Prospectus, the Bid cum Application Form, the ASBA Form, the Revision Form, the CAN, the listing agreements with the Stock Exchanges and other terms and conditions as may be incorporated in the Allotment advices and other documents or certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RoC, the RBI and/or other authorities, as in force on the date of this Issue and to the extent applicable.

Authority for this Issue

See the section titled "Other Regulatory and Statutory Disclosures" on page 395.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act, our Memorandum and Articles and shall rank *pari passu* in all respects with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. See the section titled "Main Provisions of the Articles of Association" on page 464 for a description of our Articles.

Since this Issue comprises an Offer for Sale portion, the dividend for the entire year shall be payable to the Allottees.

Except for the listing fee and advertisement and marketing expenses which will be borne by our Company, expenses relating to the Issue as mentioned above will be borne by our Company and the Selling Shareholder in proportion of the Equity Shares contributed to the Issue. For further details in this regard, see the section titled "Other Regulatory and Statutory Disclosures – Issue Related Expenses" on page 404.

Mode of Payment of Dividend

Our Company shall pay dividends to shareholders of our Company as per the provisions of the Companies Act.

Face Value and Issue Price

The face value of the Equity Shares is Rs. 10 each. The Floor Price of Equity Shares is Rs. [●] per Equity Share and the Cap Price is Rs. [●] per Equity Share.

The Price Band and the minimum bid lot as decided by the Company and the Selling Shareholder in consultation with the Book Running Lead Managers and the Co-Book Running Lead Managers, including the relevant financial ratios computed for both the Cap Price and the Floor Price and shall be published at least two Working Days prior to the Bid/Issue Opening Date in English and Hindi national newspapers, (i.e., [•] edition of [•] and [•] edition of [•]) and one regional newspaper (i.e., [•] edition of [•]), each with wide circulation.

At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with Regulations issued by SEBI

Our Company and the Selling Shareholder shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the provisions of our Articles, the equity shareholders of the Company shall have the following rights:

- The right to receive dividends, if declared;
- The right to attend general meetings and exercise voting powers, unless prohibited by law;
- The right to vote on a poll either in person or by proxy;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive any surplus on liquidation subject to any statutory and other preferential claims being satisfied;
- The right to freely transfer their Equity Shares; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the listing agreements executed with the Stock Exchanges, and our Memorandum and Articles.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien, transfer and transmission, and/or consolidation/splitting, see the section titled "Main Provisions of the Articles of Association" on page 464.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be Allotted only in dematerialised form. As per the applicable law, the trading of our Equity Shares shall only be in dematerialised form. Since trading of our Equity Shares will be in dematerialised form, the tradable lot is one Equity Share. Allocation of Equity Shares in this Issue and Allotment will be only in electronic form in multiples of [●] Equity Shares, subject to a minimum Allotment of [●] Equity Shares.

Joint Holders

Where two or more persons are registered as the holders of any Equity Share, they shall be deemed to hold the same as joint tenants with benefits of survivorship, subject to provisions contained in the Articles.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts in Mumbai, state of Maharashtra, India.

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or First Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of the sole Bidder or in case of joint Bidders, the death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which such person would be entitled if such person were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered and Corporate Office or with the Registrar to the Issue and transfer agents of our Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of Section 109A of the Companies Act, shall, upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment will be made only in dematerialised form, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the applicant will prevail. If the investors require to change their nomination, they are requested to inform their respective Depository Participant.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue, including devolvement to the Underwriters within 60 days from the Bid/Issue Closing Date, we shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, we shall pay interest prescribed under Section 73 of the Companies Act.

The requirement for minimum subscription is not applicable to the Offer for Sale. In case of under-subscription in the Issue, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale. The Offer for Sale component will be considered only to the extent that the Fresh Issue and Offer for Sale together constitute 10% of the fully diluted post-Issue paid up share capital of the Company.

Any expense incurred by the Company on behalf of the Selling Shareholder with regard to refunds, interest for delays, etc. for the Equity Shares being offered through the Offer for Sale, will be reimbursed by the Selling Shareholder to the Company.

Further, in accordance with Regulation 26(4) of the SEBI Regulations, our Company shall ensure that the number of successful Bidders will not be less than 1,000. If at least 60% of this Issue cannot be Allotted to QIBs, then the entire application money will be refunded forthwith.

The Equity Shares are being offered and sold outside of the United States in reliance on Regulation S. The Equity Shares have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the first date upon which the securities were *bona fide* offered to the public, an offer of the Equity Shares within the United States by a dealer may violate the registration requirements of the Securities Act.

Each purchaser of the Equity Shares will be deemed to have made the acknowledgements, representations and agreements as described in "Transfer Restrictions" below.

Transfer Restrictions

Because the following restrictions will apply to the Issue, purchasers are advised to consult their own legal counsel prior to making any offer, resale, pledge or transfer of the Equity Shares. Each purchaser of the Equity Shares, by accepting delivery of this document, will be deemed to have represented, agreed and acknowledged that:

1. It is purchasing the Equity Shares outside the United States in an offshore transaction in accordance with Regulation S under the Securities Act.

2. It is relying on this document and not on any other information or representation concerning us or the Equity Shares and neither we nor any other person responsible for this document or any part of it, nor the Underwriters, will have any liability for any such other information or representation.

3. We, the Underwriters and their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Application by Eligible NRIs, FIIs, Sub-Accounts and FVCIs.

It is to be distinctly understood that there is no reservation for NRIs and FIIs, Sub-Accounts or FVCIs and other Non-Residents.

Arrangement for disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restriction on transfer of shares

There are no restrictions on transfers and transmission of shares/ debentures and on their consolidation/ splitting except as provided in our Articles. For details, see the section titled "Main Provisions of the Articles of Association" on page 464.

Withdrawal of this Issue

Our Company and the Selling Shareholder, in consultation with Book Running Lead Managers and the Co-Book Running Lead Managers, reserve the right not to proceed with this Issue within a period of two days after the Bid/Issue Closing Date. In the event of withdrawal of this Issue, the reasons therefor shall be disclosed in a public notice which shall be published within two days of the Bid/Issue Closing Date in English and Hindi national newspapers, (i.e., [•] edition of [•] and [•] edition of [•]) and one regional newspaper (i.e., [•] edition of [•]), each with wide circulation and the Stock Exchanges shall be informed promptly. The Book Running Lead Managers and the Co-Book Running Lead Managers, through the Registrar to the Issue shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one day from the date of receipt of such notification. Further, in the event of withdrawal of the Issue and subsequently, plans of an IPO by our Company, a draft red herring prospectus will be submitted again for observations of the SEBI.

Notwithstanding the foregoing, this Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and the final RoC approval of the Prospectus after it is filed with the RoC.

In terms of the SEBI Regulations, QIBs shall not be allowed to withdraw their Bids after the Bid/Issue Closing Date.

Application in Issue

Equity Shares being offered through this Red Herring Prospectus can be applied for in the dematerialised form only.

ISSUE STRUCTURE

The present Issue of [●] Equity Shares for cash at a price of Rs. [●] per Equity Share aggregating up to Rs. 7,000 million, consisting of a fresh issue of [●] Equity Shares and an offer for sale of 4,278,844 Equity Shares by the Selling Shareholder. This Issue will constitute [●]% of the fully diluted post-Issue paid-up equity share capital of our Company.

	QIBs#	**Non-Institutional Bidders (Including ASBA Bidders)**	**Retail Individual Bidders (Including ASBA Bidders)**
Number of Equity Shares*	At least [●] Equity Shares.	Not less than [●] Equity Shares or this Issue less allocation to QIBs and Retail Individual Bidders.	Not less than [●] Equity Shares or this Issue less allocation to QIBs and Non-Institutional Bidders.
Percentage of Issue size available for Allotment/ allocation	At least 60% of the Issue shall be allotted to QIBs. However, 5% of the Net QIB Portion shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining Net QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be available to QIBs.	Not less than 10% of the Issue or the Issue less allocation to QIBs and Retail Individual Bidders shall be available for allocation.	Not less than 30% of the Issue or the Issue less allocation to QIBs and Non-Institutional Bidders shall be available for allocation.
'Basis of Allocation' if respective category is oversubscribed	Proportionate as follows: (a) [●] Equity Shares shall be allocated on a proportionate basis to Mutual Funds; and (b) [●] Equity Shares shall be allocated on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate.	Proportionate.
Minimum Bid	Such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of [●] Equity Shares.	Such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares.
Maximum Bid	Such number of Equity Shares not exceeding the size of this Issue, subject to applicable limits.	Such number of Equity Shares not exceeding the size of the Net Issue subject to applicable limits.	Such number of Equity Shares whereby the Bid Amount does not exceed Rs. 100,000.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Bid/Allotment Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Trading Lot	One Equity Share.	One Equity Share.	One Equity Share.
Who can Apply **	Public financial institutions as specified in section 4A of the Companies Act, FIIs and their Sub-Accounts (other than Sub-Accounts which are foreign corporates or foreign individuals), scheduled commercial banks, Mutual Funds, multilateral and bilateral	Eligible NRIs, Resident Indian individuals, HUF (in the name of the *Karta*), companies, corporate bodies, scientific institutions, societies, trusts and eligible/permitted Sub-Accounts which are foreign	Resident Indian individuals (including ASBA Bidders and HUFs in the name of the *Karta*) and Eligible NRIs applying for Equity Shares such that the Bid Amount does

	QIBs[#]	Non-Institutional Bidders (Including ASBA Bidders)	Retail Individual Bidders (Including ASBA Bidders)
	development financial institutions, VCFs, FVCIs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, NIF, provident funds with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million in accordance with applicable law and insurance funds set up and managed by the Army, Navy or Air Force of the Union of India.	corporates or foreign individuals bidding under the Non-Institutional Portion.	not exceed Rs. 100,000 in value.
Terms of Payment	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the member of the Syndicate Members. †	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the member of the Syndicate Members. †	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the member of the Syndicate Members. †
Margin Amount	At least 10% of Bid Amount.	Full Bid Amount on bidding.	Full Bid Amount on bidding.

* *Subject to valid Bids being received at or above the Issue Price. In terms of Rule 19(2)(b) of the SCRR read with Regulation 41(1) of the SEBI Regulations, this being an Issue for less than 25% of the post-Issue equity share capital, is being made through a 100% Book Building Process wherein at least 60% of the Issue shall be Allotted to QIBs. If at least 60% of the Issue cannot be Allotted to QIBs, then the entire application money will be refunded forthwith. The Company may allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Price on a discretionary basis, out of which at least one-third will be available for allocation to domestic Mutual Funds only. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIBs in proportion to their Bids.*

Further, not less than 10% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion and Retail Portion would be allowed to be met with spill-over from other categories at the discretion of our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers and the Co-Book Running Lead Managers. For further details in this regard, see the section titled "Issue Procedure" on page 417.

\# *The Company and the Selling Shareholder may, in consultation with the Book Running Lead Managers, the Co-Book Running Lead Managers, allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Price in accordance with the SEBI Regulations. At least one-third of the Anchor Investor Portion shall be available for allocation to domestic Mutual Funds only. Allocation to Anchor Investors shall be on a discretionary basis subject to minimum number of two Anchor Investors. An Anchor Investor shall make a minimum Bid of such number of Equity Shares that the Bid Amount is at least Rs. 100 million. Further, Anchor Investors shall pay the Anchor Investor Margin Amount at the time of submission of the Bid cum Application Form to the Book Running Lead Managers and the Co-Book Running Lead Managers and the balance within the Pay-in Date which shall be a date no later than two days of the Bid/Issue Closing Date.*

** *In case the Bid cum Application Form or ASBA Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form or ASBA Form, as the case may be.*

† *In case of ASBA Bidders, the relevant SCSB shall be authorised to block the Bid Amount in the ASBA Account as specified in the ASBA Form.*

Letters of Allotment or Refund Orders or Instructions to SCSBs in case of ASBA Bidders

Our Company shall credit the Equity Shares to the valid beneficiary account with its Depository Participants within two Working Days from the date of the Allotment to all successful Allottees, including ASBA Bidders, which in any event shall not exceed 15 days of the Bid/Issue Closing Date.

Please note that only Bidders having a bank account at any of the 68 centres where the clearing houses for the ECS as notified by the RBI are eligible to receive refunds or payment through electronic transfer of funds. For all other Bidders, including Bidders having bank accounts in the said 68 centres who have not updated their bank particulars along with the nine-digit MICR code, the refund orders shall be dispatched within 15 days of the Bid/Issue Closing Date "Under Certificate of Posting" for refund orders less than or equal to Rs. 1,500 and through speed post/registered post for refund orders exceeding Rs. 1,500.

In case of ASBA Bidders, the Registrar to the Issue shall instruct the relavant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Form for withdrawn, rejected or unsuccessful or partially successful ASBAs within 13 days of the Bid/Issue Closing Date.

Interest in Case of Delay in Dispatch of Allotment Letters/ Refund Orders

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Regulations, our Company and the Selling Shareholder undertake that:

- Allotment shall be made only in dematerialised form within 15 (fifteen) days from the Bid/ Issue Closing Date;
- Dispatch of refund orders, except for Bidders who can receive refunds through Direct Credit, NEFT, RTGS or ECS, shall be done within 15 days from the Bid/Issue Closing Date and that instructions to SCSBs to unblock the funds in the relevant ASBA Account for withdrawn rejected or unsuccessful Bids shall be made within 14 (fourteen) days of the Bid/Issue Closing Date; and
- Interest shall be paid by our Company at 15% p.a. if the Allotment letters/ refund orders have not been dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner through Direct Credit, NEFT, RTGS or ECS, the refund instructions have not been given to the clearing system in the disclosed manner within 15 (fifteen) days from the Bid/Issue Closing Date or if instructions to SCSBs to unblock funds in the ASBA Accounts are not given within 14 days of the Bid/Issue Closing Date.

Our Company and the Selling Shareholder will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received, except where refund or portion thereof is made through electronic transfer of funds or in case of Bids made through ASBA. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

In case of ASBA Bidders, the relevant SCSB will unblock funds in the ASBA Account to the extent of the refund to be made based on instructions received from the Registrar to the Issue.

Bid/Issue Program

BID/ISSUE OPENS ON	**THURSDAY, MARCH 11, 2010**
BID/ISSUE CLOSES ON	**MONDAY, MARCH 15, 2010**

The Company and the Selling Shareholder, in consultation with the Book Running Lead Managers and the Co-Book Running Lead Managers, may allocate up to 30% of the QIB Portion, i.e. [●] Equity Shares, to Anchor Investors on a discretionary basis in accordance with the SEBI Regulations. The Anchor Investor Bid/ Issue Period shall be one day prior to the Bid/ Issue Opening Date and shall be completed on the same day. For further details, see the section titled "Issue Procedure" on page 417.

Except in relation to the Bids received from the Anchor Investors, Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 3.00 p.m.** (Indian Standard Time) during the Bidding Period as mentioned above at the Bidding Centres mentioned on the Bid cum Application Form or, in case of Bids submitted through ASBA Form, the Designated Branches of the SCSBs **except that on the Bid/Issue Closing Date, Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time)** and uploaded until (i) 4.00 p.m. in case of Bids by QIBs bidding in the Net QIB Portion, Non-Institutional Bidders where the Bid Amount is in excess of Rs. 100,000 and (ii) until 5.00 p.m. in case of Bids by Retail Individual Bidders, where the Bid Amount is up to Rs. 100,000 which may be extended up to such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by Book Running Lead Managers and the Co-Book Running Lead Managers to the Stock Exchanges within half an hour of such closure. Due to limitation of the time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders, except Anchor Investors, are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. Bidders other than Anchor Investors are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings in India, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under this Issue. Bids will only be accepted on Working Days.

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid form, for a particular Bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical or electronic ASBA Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask the relevant SCSB for rectified data.

On the Bid/Issue Closing Date, extension of time may be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders after taking into account the total number of Bids received up to the closure of timings for acceptance of Bid cum Application Forms and ASBA Form as stated herein and reported by the Book Running Lead Managers and the Co-Book Running Lead Managers to the Stock Exchange within half an hour of such closure.

Our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers and the Co-Book Running Lead Managers, reserve the right to revise the Price Band during the Bidding Period in accordance with the SEBI Regulations provided that the Cap Price should not be more than 120% of the Floor Price. Subject to compliance with the above mentioned condition, the Floor Price can move up or down to the extent of 20% of the Floor Price advertised at least two Working Days before the Bid/Issue Opening Date.

In case of revision in the Price Band, the Bidding Period will be extended for three additional Working Days after revision of Price Band subject to the Bidding Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bidding Period, if applicable, will be widely disseminated by notification to the SCSBs and the Stock Exchanges, by issuing a press release, and also by indicating the change on the website of the Book Running Lead Managers, the Co-Book Running Lead Managers and at the terminals of the Syndicate Members.

ISSUE PROCEDURE

Book Building Procedure

In terms of Rule 19(2)(b) of the SCRR read with Regulation 41(1) of the SEBI Regulations, this being an Issue for less than 25% of the post-Issue equity share capital of our Company, is being made through the 100% Book Building Process wherein at least 60% of the Issue shall be Allotted to QIBs. The Company may allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Price on a discretionary basis, out of which at least one-third will be available for allocation to domestic Mutual Funds only. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation to Mutual Funds on a proportionate basis. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. If at least 60% of the Issue cannot be Allotted to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

Bidders are required to submit their Bids through the Syndicate. Further, Bids by QIBs can be procured and submitted only through the Book Running Lead Managers and the Co-Book Running Lead Managers or their affiliates. In case of QIBs, our Company and the Selling Shareholder, in consultation with Book Running Lead Managers and the Co-Book Running Lead Managers, as the case may be, may reject Bids at the time of acceptance of Bid cum Application Form, provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company and the Selling Shareholder would have a right to reject the Bids only on technical grounds. The identity of QIBs bidding in the Issue (whether under the Anchor Investor Portion or the Net QIB Portion) shall not be made public.

Investors should note that Allotment will only be in the dematerialised form. Bidders will not have the option of getting Allotment in physical form and such Bids are liable to be rejected. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

The information below is given for the benefit of the Bidders. Information for the benefit of ASBA Bidders is provided further below under the section titled "Issue Procedure – Issue Procedure for ASBA Bidders". Our Company, the Selling Shareholder, the Book Running Lead Managers and the Co-Book Running Lead Managers do not accept any responsibility for the completeness and accuracy of the information stated herein. Further, our Company, the Selling Shareholder, the Book Running Lead Managers and the Co-Book Running Lead Managers are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations which may occur after the date of this Red Herring Prospectus.

Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under applicable laws, regulations or approvals. Bidders are advised to make their own enquiries about the limits applicable to them.

The Bid cum Application Form

Bidders (excluding ASBA Bidders) shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of this Red Herring Prospectus. Before being issued to the Bidders, the Bid cum Application Form shall be serially numbered and date and time stamped at the Bidding Centres and such form shall be issued in duplicate signed by the Bidder and countersigned by the relevant member of the Syndicate. The Bid cum Application Form shall contain information about the Bidder, the price and the number of Equity Shares that the Bidder wishes to Bid for. The Bidders shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids. Upon the allocation, dispatch of the CAN, and filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the Bid cum Application Form to a member of the Syndicate, the Bidder is deemed to have authorised our Company to make the necessary changes in this Red Herring Prospectus and the Bid cum Application Form as would be required for filing the Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

Bidders, excluding QIBs, can submit Bids through ASBA Forms, either in physical or electronic mode, to the SCSB with whom the bank account of the respective ASBA Bidder or bank account utilised by the ASBA Bidder ("**ASBA Account**") is maintained. The SCSB shall block an amount equal to the Bid Amount in the ASBA Account specified in the ASBA Form, physical or electronic, on the basis of an authorisation to this effect given by the account holder at the time of submitting the Bid. The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchanges. The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the 'Basis of Allocation' and consequent transfer of the Bid Amount against the allocated Equity Shares to the Public Issue Account, or until withdrawal/failure of this Issue or until withdrawal/rejection of the ASBA Form, as the case may be. Once the 'Basis of Allocation' is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful ASBA Bidders to the Public Issue Account. In case of withdrawal/failure of this Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour of Bid cum Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Eligible NRIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporates or foreign individuals bidding under the QIB Portion), FVCIs and multilateral and bilateral financial institutions and other Non-Residents, applying on a repatriation basis	Blue
Anchor Investors	Yellow*

* *Bid cum Application Forms for Anchor Investors have been made available at our Registered and Corporate Office and also at the offices of the Book Running Lead Managers.*

The physical ASBA Form shall be white in colour.

In accordance with SEBI Regulations, only QIBs can participate in the Anchor Investor Portion.

Who can Bid?

1. Persons eligible to invest under all applicable laws, rules, regulations and guidelines;
2. Indian nationals resident in India who are not minors in single or joint names (not more than three);
3. Hindu Undivided Families in the individual name of the *Karta*. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of sole or first Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids by HUFs would be considered at par with those from individuals;
4. Eligible NRIs on a repatriation basis or a non-repatriation basis subject to compliance with applicable laws. NRIs, other than Eligible NRIs, are not permitted to participate in this Issue;
5. FIIs and their Sub-Accounts (other than Sub-Accounts which are foreign corporates or foreign individuals and bidding under the QIB Portion);
6. State Industrial Development Corporations;
7. Insurance companies registered with the Insurance Regulatory and Development Authority, India;
8. NIF;
9. Provident Funds with a minimum corpus of Rs. 250 million and who are authorised under their constitution to invest in equity shares;
10. Pension funds with a minimum corpus of Rs. 250 million and who are authorised under their constitution to invest in equity shares;
11. Companies, corporate bodies and societies registered under applicable laws in India and authorised to invest in equity shares;
12. VCFs;
13. FVCIs;
14. Mutual Funds;

15. Indian financial institutions, commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to the RBI regulations and the SEBI Regulations and regulations, as applicable);
16. Multilateral and bilateral development financial institutions;
17. Trusts or societies basesd in India and registered under the Indian Trusts Act, 1852, or the Societies Registration Act, 1860, as amended, or under any other law relating to trusts and who are authorised under their constitution to hold and invest in equity shares;
18. Insurance funds set up and managed by the Army, Navy or Air Force of the Union of India;
19. Eligible/permitted Sub-Accounts which are foreign corporates or foreign individuals may Bid in the Non-Institutional Portion, subject to receipt of appropriate approvals from applicable regulatory authorities; and
20. Scientific and/or industrial research organisations in India authorised to invest in equity shares.

In accordance with the FEMA and the regulations framed thereunder, OCBs cannot Bid in the Issue. Further, sub-accounts of FIIs which are foreign corporates or foreign individuals cannot Bid in the Issue under the QIB Portion. For further details, please see the section titled "Terms of the Issue" on page 409.

Participation by Associates and Affiliates of Book Running Lead Managers, and the Co-Book Running Lead Managers and Syndicate Members

The Book Running Lead Managers, the Co-Book Running Lead Managers and Syndicate Members shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations in the manner stated in the Prospectus. However, associates and affiliates of the Book Running Lead Managers, the Co-Book Running Lead Managers and Syndicate Members may Bid either in the Net QIB Portion or in Non-Institutional Portion as may be applicable to such investors, where the allocation is on a proportionate basis. Such bidding and subscription may be on their own account or on behalf of their clients.

Participation by eligible/permitted Sub-Accounts which are foreign corporates or foreign individuals

Eligible/permitted Sub-Accounts which are foreign corporates or foreign individuals may Bid in the Non-Institutional Portion, subject to receipt of appropriate approvals from applicable regulatory authorities.

Bids by Mutual Funds

At least one-third of the Anchor Investor Portion will be available for allocation to domestic Mutual Funds only on a discretionary basis and the Mutual Fund Portion (i.e, 5% of the Net QIB Portion) shall be available for allocation on a proportionate basis. An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand is greater than [●] Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the Net QIB Portion, after excluding the allocation in the Mutual Fund Portion.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

In accordance with the current regulations, the following restrictions are applicable for investments by Mutual Funds:

No Mutual Fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any company, provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Insurance Companies

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholder reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

Bids by Provident Funds

In case of Bids made by provident funds with minimum corpus of Rs. 250 million (subject to applicable law) and pension funds with minimum corpus of Rs. 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholder reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Bids by Eligible NRIs

1. Bid cum Application Forms, and the physical ABSA Forms will be made available for Eligible NRIs at our Registered and Corporate Office and with the members of the Syndicate.

2. Eligible NRI applicants may note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under such category. Eligible NRIs who intend to make payment through Non-Resident Ordinary ("**NRO**") accounts shall use the application form meant for Resident Indians. Bid cum Application Forms by Eligible NRIs accompanied by payments through NRO accounts are liable to be rejected.

3. Eligible NRIs may also participate in this Issue through the ASBA process. For further details, see the section titled "– Issue Procedure for ASBA Bidders" on page 451.

Bids by FIIs

In accordance with the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of our post-Issue issued capital (i.e. 10% of [●] Equity Shares). In respect of an FII investing in our Equity Shares on behalf of its Sub-Accounts (other than Sub-Accounts which are foreign corporates or foreign individuals bidding under the QIB Portion), the investment on behalf of each such Sub-Account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such Sub-Account is a foreign corporate or an individual. As of now, the aggregate FII holding in our Company cannot exceed 24% of our total issued capital. The said 24% limit can be increased up to 100% by passing a resolution by the Board followed by passing a special resolution to that effect by the shareholders of our Company. Our Company has not obtained board or shareholders approval to increase the FII limit to more than 24%.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of regulation 15A(1) of the FII Regulations, an FII or its Sub-Account may issue, deal or hold, off shore derivative instruments such as "Participatory Notes", equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed on any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "know your client" requirements. An FII or Sub-Account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

Associates and affiliates of the Underwriters, including the Book Running Lead Managers and the Co-Book Running Lead Managers, that are FIIs or its Sub-Account may issue offshore derivative instruments against Equity Shares allocated to them in the Issue.

Bids by Eligible NRIs and FIIs on repatriation basis

Bids and revisions to Bids must be made:

1. on the Bid cum Application Form or the Revision Form, as applicable (blue form), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein;

2. in the names of individuals or in the names of FIIs, but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding Eligible NRIs) or their nominees;

3. in a single name or joint names (not more than three and in the same order as their Depository Participant details). Bids by Eligible NRIs for a Bid Amount of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and Bids by NRIs for a Bid Amount of more than Rs. 100,000 would be considered under the Non-Institutional Portion for the purposes of allocation.

4. Eligible NRIs may participate in this Issue through the ASBA process.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only at the rate of exchange prevailing at the time of remittance and net of bank charges and/or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. Our Company and the Selling Shareholder will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by VCFs and FVCIs

As per the current regulations, the following restrictions are applicable for VCFs and FVCIs:

The VCF Regulations and the FVCI Regulations prescribe investment restrictions on VCFs and FVCIs. Accordingly, whilst the holding by any individual VCF in one company should not exceed 25% of the corpus of the VCF, an FVCI can invest its entire funds committed for investments into India in one company. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an IPO.

The equity shares held by VCFs or FVCIs prior to an IPO are not subject to lock-in for a period of one year, if such equity shares have been held by the VCF or FVCI, as the case may be, for a period of at least one year as on the date of filing of the Draft Red Herring Prospectus with the SEBI.

All applicants will be treated on the same basis with other categories for the purpose of allocation.

Maximum and Minimum Bid Size

(a) **For Retail Individual Bidders:** The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs. 100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 100,000. In case the Bid Amount is over Rs. 100,000 due to revision of the Bid or revision of the Price Band or on exercise of the option to Bid at the Cut-Off Price, the Bid would be considered for allocation under the Non-Institutional Portion. The option to Bid at the Cut-Off Price is an option given only to the Retail Individual Bidders, indicating their agreement to Bid and purchase at the final Issue Price as determined at the end of the Book Building Process.

(b) **For Non-Institutional Bidders and QIBs:** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than the size of the Net Issue. However, the Bid by a QIB should not exceed the investment limits prescribed for them under applicable laws.

Under existing SEBI Regulations, a QIB bidding in the Net QIB Portion cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay QIB Margin upon submission of Bid. The identity of QIBs bidding in the Issue (whether under the Anchor Investor Portion or the Net QIB Portion) shall not be made public.

In case of revision in Bids, the Non-Institutional Bidders who are individuals have to ensure that the Bid Amount is greater than Rs. 100,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 100,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at the Cut-Off Price. Further QIBs cannot apply under the ASBA process.

(c) **For Bidders in the Anchor Investor Portion:** Anchor Investors must submit their Bids for such number of Equity Shares such that the Bid Amount is at least Rs. 100 million and in multiples of [•] Equity Shares thereafter. Anchor Investors cannot submit a Bid for more than 30% of the QIB Portion.

In accordance with the SEBI Regulations, QIBs cannot subscribe to this Issue under the ASBA process.

The above information is given for the benefit of the Bidders. The Bidders are advised to make their own enquiries about the limits applicable to them. The Company, the Selling Shareholder, the Book Running Lead Managers and the Co-Book Running Lead Managers do not accept any responsibility for the completeness and accuracy of the information in relation to applicable investment limits or number of Equity Shares that can be held by them stated herein.

The Company, the Selling Shareholder, the Book Running Lead Managers and the Co-Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus.

Refund amounts following a permitted withdrawal of a Bid shall be paid in the manner described under paragraph "Payment of Refund".

Method and Process of bidding/ Information for the Bidders

1. Our Company has filed this Red Herring Prospectus with the RoC at least three days before the Bid/Issue Opening Date.

2. Our Company, the Book Running Lead Managers and the Co-Book Running Lead Managers shall declare the Bid/Issue Opening Date, the Bid/Issue Closing Date in this Red Herring Prospectus to be filed with the RoC and shall publish the same in two national newspapers (one each in English and Hindi) and one regional newspaper, each with wide circulation This advertisement, subject to the provisions of Section 66 of the Companies Act, shall be in the format prescribed in Part A of Schedule XIII of the SEBI Regulations. The Price Band and the minimum bid lot as decided by the Company and the Selling Shareholder in consultation with the Book Running Lead Managers and the Co-Book Running Lead Managers, including the relevant financial ratios computed for both the Cap Price and the Floor Price and shall be published at least two Working Days prior to the Bid/Issue Opening Date in English and Hindi national newspapers, (i.e., [•] edition of [•] and [•] edition of [•]) and one regional newspaper (i.e., [•] edition of [•]), each with wide circulation.

3. The Bidding Period shall be for a minimum of three Working Days. In case the Price Band is revised, the Bidding Period shall be extended, by an additional three Working Days, subject to the total Bidding Period not exceeding 10 Working Days.

4. During the Bidding Period, Bidders except the Anchor Investors should approach the members of the Syndicate or their authorised agents to register their Bids.

5. Every member of the Syndicate shall accept Bids from all Bidders during the Bidding Period in accordance with the terms of the Syndicate Agreement and shall have the right to vet the Bids, subject to the terms of the Syndicate Agreement and this Red Herring Prospectus. The Book Running Lead Managers and the Co-Book Running Lead Managers shall accept Bids from the Anchor Investors only on the Anchor Investor Bidding Date.

6. The Book Running Lead Managers shall dispatch this Red Herring Prospectus and other issue material including ASBA Forms, to the Designated Stock Exchange, members of the Syndicate, Bankers to the Issue, investors' associations and SCSBs in advance.

7. The members of the Syndicate will circulate copies of the Bid cum Application Form to potential investors, and at the request of potential investors, copies of this Red Herring Prospectus shall be provided. Any investor (who is eligible to invest in our Equity Shares) who would like to obtain this Red Herring Prospectus and/or the Bid cum Application Form can obtain the same from the Registered and Corporate Office or from any of the members of the Syndicate.

8. The Bids should only be submitted on the prescribed Bid cum Application Form and should bear the stamp of the authorised representatives of the Syndicate. Bid cum Application Forms which do not bear the stamp of a member of the Syndicate will be rejected.

9. Each Bid cum Application Form will give the Bidder the choice to Bid for up to three Bid Prices within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. For details, please refer to the paragraph below titled "Bids at Different Price Levels and Revision of Bids" on page 423. The Bid Prices and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid Prices, will become automatically invalid.

10. The Bidder cannot Bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the 'Electronic Bidding System', or at any point of time prior to the finalisation of the 'Basis of Allocation'. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed in the section titled "Issue Procedure – Bids at Different Price Levels and Revision of Bids" on page 423. Bids submitted by a QIB in the Anchor Investor Portion and in the Net QIB Portion will not be considered as Multiple Bids.

11. Except in relation to the Bids received from the Anchor Investors, the members of the Syndicate will enter each Bid Price into the 'Electronic Bidding System' as a separate Bid and generate a Transaction Registration Slip ("**TRS**"), for each Bid Price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.

12. Along with the Bid cum Application Form, all Bidders will make payment in the manner described in the section titled "Issue Procedure – Terms of Payment and Payment into the Escrow Accounts" on page 431.

13. During the Bidding Period, Bidders may approach the members of the Syndicate to submit their Bids. Every member of the Syndicate shall accept Bids from all clients/investors who place orders through them and shall have the right to vet the Bids.

14. The identity of QIBs bidding under the Net QIB Portion shall not be made public.

Bids at Different Price Levels and Revision of Bids

1. The Bidders can Bid at any price within the Price Band, in multiples of Re. 1. The Price Band and the minimum bid lot as decided by the Company and the Selling Shareholder in consultation with the Book Running Lead Managers and the Co-Book Running Lead Managers, including the relevant financial ratios computed for both the Cap Price and the Floor Price and shall be published at least two Working Days prior to the Bid/Issue Opening Date in English and Hindi national newspapers, (i.e., [●] edition of [●] and [●] edition of [●]) and one regional newspaper (i.e., [●] edition of [●]), each with wide circulation.

2. In accordance with the SEBI Regulations, our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers and the Co-Book Running Lead Managers, reserve the right to revise the Price Band during the Bidding Period. The Cap Price should not be more than 120% of the Floor Price. The Floor Price can move up or down to the extent of 20% of the Floor Price advertised at least two Working Days before the Bid/Issue Opening Date.

3. In case the Price Band is revised, the Bidding Period shall be extended, by an additional three days, subject to the total Bidding Period not exceeding 10 Working Days. The revised Price Band and Bidding Period, if applicable, will be widely disseminated by notification to the SCSBs and Stock Exchanges, and by publishing in two national newspapers (one each in English and Hindi) and one regional newspaper, each with wide circulation in the place where our Registered and Corporate Office is situated and also by indicating the change on the websites of the Book Running Lead Managers, the Co-Book Running Lead Managers and at the terminals of the members of the Syndicate.

4. The Bidder can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific Bid Price.

5. Retail Individual Bidders applying for a maximum Bid in any of the Bid Prices and options not exceeding Rs. 100,000 may Bid at Cut-Off Price. However, bidding at Cut-Off Price is prohibited for QIBs, Non-Institutional Bidders and such Bids from QIBs and Non-Institutional Bidders shall be rejected.

6. Retail Individual Bidders who Bid at the Cut-Off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at the Cut-Off Price shall deposit the Bid Price in the Escrow Account based on the Cap Price. In the event the Bid Price is higher than the subscription amount payable by the Retail Individual Bidders who Bid at Cut-Off Price (i.e., the total number of Equity Shares allocated in this Issue multiplied by the Issue Price), the Retail Individual Bidders who Bid at Cut-Off Price, shall receive the refund of the excess amounts from the respective Escrow Account.

7. In case of an upward revision in the Price Band announced as above, a Retail Individual Bidder, who had Bid at Cut-Off Price could either (i) revise their Bid or (ii) make additional payment based on the higher end of the revised Price Band (such that the total amount i.e., original Bid Price plus additional payment does not exceed Rs. 100,000 for Retail Individual Bidders, if such Bidders want to continue to Bid at the Cut-Off Price), with the member of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e., original Bid Price plus additional payment) exceeds Rs. 100,000 for Retail Individual Bidders, the Bid will be considered for allocation under the Non-Institutional Portion in terms of this Red Herring Prospectus. If however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the Cap Price prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of Allotment, such that no additional payment would be required from such Bidder and such Bidder is deemed to have approved such revised Bid at Cut-Off Price.

8. In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have Bid at Cut-Off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account.

9. Shortfalls, if any, on accord of downward revision in the Price Band shall be met through a range of options including utilizing our internal accruals, seeking additional debt or raising further equity capital.

10. In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain [●] Equity Shares irrespective of whether the Bid Price payable on such minimum application is not in the range of Rs. 5,000 to Rs. 7,000.

11. Our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers and the Co-Book Running Lead Managers, shall finalise the Issue Price and Anchor Investor Price within the Price Band, without the prior approval of, or intimation to, the Bidders.

Build up of the Book and Revision of Bids

1. Bids registered by various Bidders, except Anchor Investors, through the members of the Syndicate shall be electronically transmitted to NSE/BSE mainframe on a regular basis in accordance with market practice.

2. The book gets built up at various price levels. This information will be available with the Book Running Lead Managers and the Co-Book Running Lead Managers on a regular basis.

3. During the Bidding Period, any Bidder who has registered his or her Bid at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid cum Application Form.

4. Revisions can be made in both the desired number of Equity Shares and the Bid Price by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options/Bid Prices in the Bid cum Application Form and he is changing only one of the options/Bid Prices in the Revision Form, he must still fill the details of the other two options/Bid Prices that are not being revised, in the Revision Form. The relevant member of the Syndicate will not accept incomplete or inaccurate Revision Forms.

5. The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she had placed the original Bid.

6. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.

7. Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Red Herring Prospectus. In case of QIBs bidding in the Net QIB Portion, the Book Running Lead Managers, the Co-Book Running Lead Managers and/or their affiliates shall collect the payment in the form of cheque or demand draft or through the electronic transfer of funds for the incremental amount in the QIB Margin Amount, if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIBs. The identity of QIBs bidding in the Issue (whether under the Anchor Investor Portion or the Net QIB Portion) shall not be made public.

8. When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the concerned member of the Syndicate. **It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.**

9. Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation. In the event of a discrepancy of data between the Bids registered on the online IPO system and the physical Bid cum Application form, the decision of our

Company and the Selling Shareholder, in consultation with Book Running Lead Managers and the Co-Book Running Lead Managers, based on the physical records of the Bid cum Application Forms, shall be final and binding on all concerned.

Electronic Registration of Bids

1. The members of the Syndicate will register the Bids, except Bids received from Anchor Investors, using the on-line facilities of the Stock Exchanges. There will be at least one on-line connectivity in each city, where a stock exchange is located in India and where Bids are being accepted.

2. The Stock Exchanges will offer a screen-based facility for registering Bids for this Issue. This facility will be available on the terminals of the members of the Syndicate and their authorised agents during the Bidding Period. The members of the Syndicate can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for book building on a regular basis. On the Bid/Issue Closing Date, the members of the Syndicate shall upload the Bids till such time as may be permitted by the Stock Exchanges. This information will be available with the Book Running Lead Managers and the Co-Book Running Lead Managers on a regular basis.

3. At the end of each day during the Bidding Period, the aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges, including allocation made to Anchor Investors, will be uploaded on a regular basis, consolidated and displayed on-line at all Bidding Centres and the website of the Stock Exchanges. A graphical representation of consolidated demand and price would be made available at the Bidding Centres during the Bidding Period.

4. At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:

    - Name of the investor:
      (*Bidders should ensure that the name given in the Bid cum Application Form is exactly the same as the name in which the Depositary Account is held. In case the Bid cum Application Form is submitted in joint names, Bidders should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form*);
    - Investor Category – individual, corporate, QIB, Eligible NRI, FVCI, FII or Mutual Fund, etc.;
    - Numbers of Equity Shares Bid for.
    - Bid Price.
    - Bid cum Application Form number.
    - Margin Amount paid upon submission of Bid cum Application Form.
    - Depository Participant Identification Number and Client Identification Number of the beneficiary account of the Bidder.

5. A system generated TRS will be given to the Bidder as a proof of the registration of each of the Bid Prices. It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate. The registration of the Bid by the member of the Syndicate does not guarantee that the Equity Shares shall be allocated either by the members of the Syndicate or our Company.

6. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

7. In case of QIBs bidding in the Net QIB Portion, the Book Running Lead Managers, the Co-Book Running Lead Managers and/or their affiliates have the right to reject the Bids. Rejection of Bids made by QIBs, if any, will be made at the time of acceptance of Bids provided that the reasons for rejecting the same shall be provided to such Bidder in writing. However, such rejection should be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders, Retail Individual Bidders, Bids would not be rejected except on the technical grounds listed in the section titled "Issue Procedure – Grounds for Technical Rejections" on page 435.

8. The permission given by the Stock Exchanges to use their network and software of the online IPO system should neither in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Book Running Lead Managers and the Co-Book Running Lead Managers are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoter, our management or any scheme or project of our Company.

9. It is also to be distinctly understood that the approval given by the Stock Exchanges should not in any way be deemed or construed to signify that this Red Herring Prospectus has been cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

10. Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation. In case of discrepancy of data between any of the Stock Exchanges and the members of the Syndicate, the decision of the Book Running Lead Managers and the Co-Book Running Lead Managers based on the physical records of Bid Application Forms shall be final and binding on all concerned.

GENERAL INSTRUCTIONS

Do's:

1. Check if you are eligible to apply having regard to the applicable laws, rules, regulations, guidelines and approvals and the terms of this Red Herring Prospectus;

2. Read all the instructions carefully and complete the prescribed Bid cum Application Form, as the case may be: (a) white in colour for Resident Indians and Eligible NRIs applying on a non-repatriation basis; or (b) Blue in colour for Eligible NRIs, FIIs or Foreign Venture Capital Funds, registered Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis; or (c) yellow in colour for the Anchor Investors;

3. Ensure that the details about Depository Participant and Beneficiary Account are correct and the Beneficiary Account is activated as Allotment will be in the dematerialised form only;

4. Ensure that the Bids are submitted at the Bidding Centres only on forms bearing the stamp of a member of the Syndicate;

5. Ensure that you have been given a TRS for all your Bid options;

6. Ensure that you Bid within the Price Band;

7. Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;

8. Each Bidder should mention its PAN allotted under the IT Act;

9. Ensure that the demographic details (as defined herein below) are updated, true and correct in all respects; and

10. Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not Bid/ revise Bid Price to less than the Floor Price or higher than the Cap Price;

3. Do not Bid for allotment of Equity Shares in physical form;

4. Do not Bid on another Bid cum Application Form after you have submitted a Bid to a member of the Syndicate;

5. Do not pay the Bid Price in cash, by money order or by postal order or by stockinvest;

6. Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate only;

7. QIBs and Non-Institutional Bidders should not Bid at Cut-Off Price;

8. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the size of the Net Issue and/or the investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations; and

9. Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.

Instructions for Completing the Bid cum Application Form

Bidders can obtain Bid cum Application Forms and/or Revision Forms from any member of the Syndicate.

Bids and revisions of Bids must be:

1. Made only in the prescribed Bid cum Application Form or Revision Form, as applicable.

2. Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected.

3. For Retail Individual Bidders, the Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, subject to a maximum Bid Amount of Rs. 100,000.

4. For Non-Institutional Bidders and QIBs bidding in the Net QIB Portion, Bids must be for a minimum of such number of Equity Shares that the Bid Price exceeds or is equal to Rs. 100,000 and in multiples of [●] Equity Shares thereafter. Bids cannot be made for more than the size of this Issue. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws or regulations. Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid Date and QIBs bidding in the Net QIB Portion canot withdraw their Bid after the Bid/ Issue Closing Date. The identity of QIBs bidding in the Issue (whether under the Anchor Investor Portion or the Net QIB Portion) shall not be made public.

5. Eligible NRIs bidding at a Bid Price of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Price of more than Rs. 100,000 would be considered under Non-Institutional Portion for the purposes of allocation.

6. Bids by Eligible NRIs, FIIs, eligible/permitted Sub-Accounts, FVCIs etc. on a repatriation basis shall be in the names of individuals, or in the names of FIIs or FVCIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding Eligible NRIs) or their nominees.

7. Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE or FCNR accounts, as the case may be, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. The Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

8. In single name or in joint names (not more than three, and in the same order as their Depository Participant details).

9. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bidder's Depository Account and Bank Details

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Bidders' bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These bank account details would be used for giving refunds (including through physical refund warrants, direct credit, ECS, NEFT and RTGS) to the Bidders. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Bidders at the Bidders sole risk and neither the Book Running Lead Managers, the Co-Book Running Lead Managers nor the Registrar to the Issue nor the Escrow Collection Banks nor our Company nor the Selling Shareholder shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. BIDDERS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the CANs/ allocation advice and printing of the bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid cum Application Form, the Bidder would be deemed to have authorised the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

In case of Bidders receiving refunds through electronic transfer of funds, delivery of refund orders/allocation advice/CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid cum Application Form would be used, only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk and neither our Company, the Selling Shareholder nor the Registrar to the Issue, Escrow Collection Bank(s), the Book Running Lead Managers nor the Co-Book Running Lead Managers shall be liable to compensate

the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Bids are liable to be rejected.

Our Company and the Selling Shareholder, in their absolute discretion, reserve the right to permit the holder of the power of attorney to request the Registrar to the Issue that for the purpose of printing particulars on the refund order and mailing of the refund order/ CANs/ allocation advice/ refunds through electronic transfer of funds, the Demographic Details given on the Bid cum Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar to the Issue shall use Demographic Details as given in the Bid cum Application Form instead of those obtained from the depositories.

Bids under Power of Attorney

1. In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be submitted along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholder reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

2. In case of Bids made pursuant to a power of attorney by FIIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholder reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

3. Our Company and the Selling Shareholder, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company, the Selling Shareholder, the Book Running Lead Managers and the Co-Book Running Lead Managers may deem fit.

4. In case of the Bids made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholder reserve the right to reject such Bid in whole or in part, without assigning any reasons therefor.

5. Our Company and the Selling Shareholder, in their absolute discretion, reserve the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the refund order/ CANs/ allocation advice, the Demographic Details given on the Bid cum Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Bid cum Application Form instead of those obtained from the Depositories.

PAYMENT INSTRUCTIONS

Escrow Mechanism

Our Company, the Selling Shareholder and the members of the Syndicate shall open Escrow Accounts with one or more Escrow Collection Bank(s) for the collection of the Bid Amount in the Escrow Account payable upon submission of the Bid cum Application Form and for amounts payable pursuant to allocation in this Issue.

The Escrow Collection Bank(s) will act in terms of this Red Herring Prospectus, the Prospectus and the

Escrow Agreement. The Escrow Collection Bank(s) shall maintain the monies in the Escrow Account for and on behalf of the Bidders. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of this Issue from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Banker(s) to the Issue. The balance amount after transfer to the Public Issue Account will be transferred to the Refund Account for the benefit of the Bidders who are entitled to refunds as per the terms of the Escrow Agreement, this Red Herring Prospectus and the Prospectus.

Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholder, the members of the Syndicate, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Bidders.

Terms of Payment and Payment into the Escrow Accounts

Escrow Accounts shall be opened for the collection of the Bid Amounts payable upon submission of the Bid cum Application Form and for amounts payable pursuant to allocation/Allotment in the Issue. Each Bidder, other than the Anchor Investors, shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation/Allotment as per the following terms.

1. Each category of Bidders i.e., i.e., Anchor Investors, QIBs, Non-Institutional Bidders and Retail Individual Bidders, shall provide the applicable Margin Amount, with the submission of the Bid cum Application Form to the Escrow Account(s).

2. The Bidder may draw a cheque or demand draft for the maximum amount of the Bid in favour of the Escrow Account(s) and submit the same to the member of the Syndicate to whom the Bid is being submitted. The Bidder may also provide the applicable Margin Amount by way of EFT or RTGS mechanism. Bid cum Application Forms accompanied by cash/stockinvest/ money order shall not be accepted.

3. The Margin Amount payable by each category of Bidders is mentioned in the section titled "Issue Structure" on page 413. The maximum Bid Price has to be paid at the time of submission of the Bid cum Application Form. However, if the applicable Margin Amount for Bidders is 100%, the full amount of payment has to be made at the time of submission of the Bid cum Application Form. QIBs will be required to deposit a margin of at least 10% at the time of submitting their Bids.

4. Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Amount, any difference between the amount payable by the Bidder for Equity Shares allocated/Allotted at the Issue Price and the Margin Amount paid at the time of bidding, shall be payable by the Bidder no later than the Pay-in-Date. If the payment is not made favouring the Escrow Account by the Pay-in-Date, the Bid is liable to be cancelled. However, if the applicable Margin Amount for Bidders is 100%, the full amount of payment has to be made at the time of submission of the Bid cum Application Form.

5. The payment instruments for payment into the Escrow Account should be drawn in favour of:

   - In case of Resident Anchor Investors: "Escrow Account– ITNL Public Issue – Anchor Investor – R"

   - In case of Non-Resident Anchor Investors: "Escrow Account– ITNL Public Issue – Anchor Investor – NR"

   - In case of resident QIBs: "Escrow Account– ITNL Public Issue – QIB – R"

   - In case of Non-Resident QIBs: "Escrow Account– ITNL Public Issue – QIB – NR"

   - In case of resident Retail and Non-Institutional Bidders: "Escrow Account– ITNL Public Issue – R"

- In case of Non-Resident Retail and Non-Institutional Bidders: “Escrow Account–ITNL Public Issue –NR”

6. In case of Bids by Eligible NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in NRE Accounts or FCNR Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of NRO Account and such Bids are liable to be rejected. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account. In case of Bids by Eligible NRIs applying on non-repatriation basis, the payments must be made out of NRO Account.

7. In case of Bids by NRIs applying on non-repatriation basis, the payments must be made through ‘Indian rupee drafts’ purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in NRE Accounts or FCNR Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of a NRO Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account.

8. In case of Bids by FIIs, the payment should be made out of funds held in Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to Special Rupee Account.

9. The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Banks, which will hold the monies deposited in the Escrow Account for the benefit of the Bidders until the Designated Date.

10. Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable on the Equity Shares allocated, will be refunded to the Bidder from the Refund Account within 15 days from the Bid/Issue Closing Date, failing which the Company shall pay interest at 15% per annum for any delay beyond eight days of the period as mentioned above.

11. On the Designated Date and no later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjusting for Allotment to the Bidders.

12. Payments should be made by cheque or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers’ clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ stockinvest /money orders/ postal orders will not be accepted.

13. Bidders are advised to mention the number of application form on the reverse of the cheque/ demand draft to avoid misuse of instruments submitted along with the Bid cum Application Form.

14. In case clear funds are not available in the Escrow Accounts as per final certificates from the Escrow Collection Bank(s), such Bids are liable to be rejected.

Payment Instructions for Anchor Investors

1. Anchor Investors shall provide the Anchor Investor Margin Amount, i.e. at least 25% of the Bid Amount along with the submission of the Bid cum Application Form by drawing a cheque or

demand draft for the Bid Amount in favour of the Escrow Account of the Escrow Collection Bank(s) and submit the same to the member of the Syndicate to whom the Bid cum Application Form is being submitted. Bid cum Application Forms accompanied by cash shall not be accepted.

2. Our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers and the Co-Book Running Lead Managers, in their absolute discretion, shall decide the list of Anchor Investors to whom the provisional CAN or CAN shall be sent, pursuant to which the details of the Equity Shares allocated to them and the details of the amounts payable for Allotment of such Equity Shares in their respective names shall be notified to such Anchor Investors.

3. Any difference between the amount payable by the Anchor Investor for Equity Shares allocated/ Allotted and the Anchor Investor Margin Amount paid at the time of bidding, shall be payable by the Anchor Investor within two days of the Bid/Issue Closing Date. If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Anchor Investor is liable to be cancelled.

4. The instruments for payment into the Escrow Account should be drawn in favour of:

   - In case of Resident Anchor Investors: "Escrow Account– ITNL Public Issue – Anchor Investor – R"
   - In case of Non-Resident Anchor Investors: "Escrow Account– ITNL Public Issue – Anchor Investor – NR"

The Equity Shares are being offered and sold outside of the United States in reliance on Regulation S. The Equity Shares have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the first date upon which the securities were *bona fide* offered to the public, an offer of the Equity Shares within the United States by a dealer may violate the registration requirements of the Securities Act.

Each purchaser of the Equity Shares will be deemed to have made the acknowledgements, representations and agreements as described in "Transfer Restrictions" below.

Transfer Restrictions

Because the following restrictions will apply to the Issue, purchasers are advised to consult their own legal counsel prior to making any offer, resale, pledge or transfer of the Equity Shares. Each purchaser of the Equity Shares, by accepting delivery of this document, will be deemed to have represented, agreed and acknowledged that:

1. It is purchasing the Equity Shares outside the United States in an offshore transaction in accordance with Regulation S under the Securities Act.

2. It is relying on this document and not on any other information or representation concerning us or the Equity Shares and neither we nor any other person responsible for this document or any part of it, nor the Underwriters, will have any liability for any such other information or representation.

3. We, the Underwriters and their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Payment by Stockinvest

Under the terms of the RBI Circular No. DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the option to use the stockinvest instrument in lieu of cheques or bank drafts for payment of Bid money has been withdrawn. Payment through stockinvest would not be accepted in this Issue.

Submission of Bid cum Application Form

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid.

Separate receipts shall not be issued for the money payable on the submission of Bid cum Application Forms or Revision Forms. However, the collection centre of the members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in the case of individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made. Anchor Investors can Bid under the Anchor Investor Portion and also in the QIB Portion and such Bids shall not be treated as multiple Bids.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

1. All applications with the same name and age will be accumulated and taken to a separate process file which would serve as probable multiple master.

2. In this master, a check will be carried out for the same PAN. In cases where the PAN is different, the same will be deleted from this master.

3. The addresses of all these applications from the multiple master will be strung from the address master. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters, i.e., commas, full stops, hashes etc. Sometimes, the name, the first line of the address and pin code will be converted into a string for each application received and a photo match will be carried out among all the applications processed. A print-out of the addresses will be made to check for common names. Applications with the same name and same address will be treated as multiple applications.

4. The applications will be scanned for similar DP ID and client identity numbers. In cases where applications bear the same numbers, these will be treated as multiple applications.

5. After the aforesaid procedures, a print-out of the multiple master will be taken and the applications physically verified to tally signatures and also father's/husband's names. On completion of this, the applications will be identified as multiple applications.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

Our Company and the Selling Shareholder reserve the right to reject, in consultation with Book Running Lead Managers and the Co-Book Running Lead Managers, all or any multiple Bids in any or all categories.

In cases where there are more than 20 valid applicants having a common address, such shares will be kept in abeyance, post Allotment and released on confirmation of KYC norms by the depositories.

Permanent Account Number or PAN

Each Bidder or in the case of a Bid in joint names, each of the Bidders, should mention his/her PAN. Applications without this information and documents will be considered incomplete and are liable to be rejected. **It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground**. In case the sole/First Bidder and Joint Bidder(s) is/are not required to obtain PAN, each of the Bidder(s) shall mention "Not Applicable" and in the event that the sole Bidder and/or the joint Bidder(s) have applied for PAN which has not yet been allotted each of the Bidder(s) should Mention "Applied for" in the Bid cum Application Form.

Unique Identification Number ("UIN")

Pursuant to circulars dated April 27, 2007 (No. MRD/DoP/Cir-05/2007) and June 25, 2007 (No. MRD/DoP/Cir-08/2007) issued by SEBI, the requirement of UIN under the SEBI (Central database of Market Participants) Regulations, 2005 has been discontinued and irrespective of the amount of transaction, PAN has been made the sole identification number for all participants in the securities market.

THE RIGHT TO REJECT BIDS OF OUR COMPANY AND THE SELLING SHAREHOLDER

In case of QIBs bidding in the Net QIB Portion, our Company and the Selling Shareholder, in consultation with Book Running Lead Managers and the Co-Book Running Lead Managers, may reject Bids provided that the reason for rejecting the Bid shall be provided to such Bidders in writing at the time of acceptance/ rejection of the Bids.

Our Company and the Selling Shareholder, in consultation with Book Running Lead Managers and the Co-Book Running Lead Managers, reserve the right to reject any Bid received from Anchor Investors without assigning any reasons therefor.

In case of Non-Institutional Bidders, and Retail Individual Bidders who Bid, our Company and the Selling Shareholder have a right to reject Bids based on technical grounds.

Consequent refunds shall be made as described in this Red Herring Prospectus and will be sent to the Bidder's address at the Bidder's risk.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected *inter alia* on the following technical grounds:

1. Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for;

2. Age of First Bidder not given;

3. In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no partnership firm as such shall be entitled to apply;

4. Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors and insane persons;

5. PAN not mentioned in the Bid cum Application Form, except for the case of Central Government, State Government, and the officials appointed by the courts as per SEBI circular dated June 30, 2008;

6. Bids for lower number of Equity Shares than specified for that category of investors;

7. GIR number furnished instead of PAN where PAN is required;

8. Bids at a price less than Floor Price;

9. Bids at a price more than the Cap Price;

10. Bids or revision thereof by QIBs and Non-Institutional Bidders where the Bid Amount is in excess of Rs. 100,000, uploaded after 5.00 p.m. on the Bid/Issue Closing Date;

11. Bids for number of Equity Shares which are not in multiples of [●];

12. Category not ticked;

13. Multiple Bids as defined in this Red Herring Prospectus;

14. In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;

15. Bids accompanied by stockinvest/money order/postal order/cash;

16. Signature of sole and/or Joint Bidders missing;

17. Bid cum Application Form does not have the stamp of the Book Running Lead Managers and the Co-Book Running Lead Managers or the the members of the Syndicate;

18. Bid cum Application Form does not have Bidder's Depository account details;

19. Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and this Red Herring Prospectus and as per the instructions in this Red Herring Prospectus and the Bid cum Application Forms;

20. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depositary Participant's identity (DP ID) and the beneficiary's account number;

21. Bids for amounts greater than the maximum permissible amounts prescribed by the applicable regulations;

22. Bids in respect where the Bid cum Application Form do not reach the Registrar to the Issue prior to the finalisation of the 'Basis of Allocation';

23. Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;

24. Bids by QIBs not submitted through the members of the Syndicate;

25. Bids by OCBs;

26. Bids at Cut-Off Price by QIBs and Non-Institutional Bidders;

27. Bids by any person outside India if not in compliance with applicable foreign and Indian Laws;

28. Bids by U.S. residents other than in reliance on Regulation S under the Securities Act;

29. Bids not uploaded in the book would be rejected;

30. Bids by persons who are not eligible to acquire Equity Shares in terms of any applicable law, rule, regulation, guideline or approval;

31. Bids for allotment of Equity Shares in physical form;

32. Bank account details (for refund) are not given; and

33. Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority.

Price Discovery and Allocation

1. After the Bid/Issue Closing Date, the Book Running Lead Managers and the Co-Book Running Lead Managers will analyse the demand generated at various price levels and discuss the pricing strategy with our Company and the Selling Shareholder.

2. Our Company and the Selling Shareholder, in consultation with Book Running Lead Managers and the Co-Book Running Lead Managers, shall finalise the Anchor Investor Price and the Issue Price.

3. If at least 60% of the Issue cannot be allotted to QIBs, then the entire application money will be refunded forthwith. The Company and the Selling Shareholder may, in consultation with the Book Running Lead Managers and the Co-Book Running Lead Managers, allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Price on a discretionary basis, out of which at least one-third will be available for allocation to domestic Mutual Funds only. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion.

4. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIBs in proportion to their Bids.

5. Not less than 10% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, in a manner specified in the SEBI Regulations and this Red Herring Prospectus, in consultation with the Designated Stock Exchange and subject to valid Bids being received at or above the Issue Price.

6. Under-subscription, if any, in the Non-Institutional category and the Retail Individual category would be met with spill-over from any other category, at the sole discretion of our Company and the Selling Shareholder in consultation with Book Running Lead Managers and the Co-Book Running Lead Managers. In the event that the aggregate demand in the Net QIB Portion has been met, under subscription, if any, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company and the Selling Shareholder, in consultation with Book Running Lead Managers and the Co-Book Running Lead Managers.

7. In the event of an oversubscription in the Net QIB Portion, all QIBs who have submitted Bids above the Issue Price in the QIB Portion shall be allocated Equity Shares on a proportionate

basis for up to 95% of the Net QIB Portion. In the event of an oversubscription in the Non-Institutional Portion and Retail Portion, allocation shall be made on a proportionate basis.

8. Any oversubscription to the extent of 10% of this Issue can be retained for the purpose of rounding off and making allotments in minimum lots, while finalising the 'Basis of Allocation'.

9. Allocation to Eligible NRIs, FIIs, eligible/permitted Sub-Accounts, FVCIs etc. applying on repatriation basis will be subject to applicable law and the terms and conditions stipulated by the RBI, while granting permission for Allotment to them in this Issue.

10. The Book Running Lead Managers and the Co-Book Running Lead Managers, in consultation with our Company and the Selling Shareholder, shall notify the Syndicate Members of the Issue Price and the Anchor Investor Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.

11. Our Company and the Selling Shareholder reserve the right to cancel this Issue at any time including after the Bid/Issue Opening Date, but before the Allotment, without assigning any reason thereof.

12. In terms of the SEBI Regulations, QIBs bidding in the Net QIB Portion shall not be allowed to withdraw their Bids after the Bid/Issue Closing Date. Further, Anchor Investors shall not be allowed to withdraw their Bids after the Anchor Investor Bidding Date.

13. Our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers and the Co-Book Running Lead Managers, reserve the right to reject any Bid procured from QIBs. Rejection of Bids made by QIBs, if any, will be made at the time of acceptance of Bids provided that the reasons for rejecting the same shall be provided to such Bidder in writing.

14. The Allotment details shall be put on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and RoC Filing

1. Our Company, the Selling Shareholder and the members of the Syndicate shall enter into an Underwriting Agreement on finalisation of the Issue Price.

2. After signing the Underwriting Agreement, our Company would update and file the updated Red Herring Prospectus with RoC, which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price, Issue size, underwriting arrangements and would be complete in all material respects.

Filing of the Prospectus with the RoC

Our Company will file a copy of the Prospectus with the RoC in terms of Sections 56, 60 and 60B of the Companies Act.

Announcement of pre-Issue Advertisement

Subject to Section 66 of the Companies Act, our Company shall, upon registering this Red Herring Prospectus with the RoC, publish an advertisement, in the form prescribed under the SEBI Regulations, in two national newspapers (one each in English and Hindi) and a regional newspaper, each with wide circulation.

Advertisement regarding Issue Price and Prospectus

A statutory advertisement will be issued by our Company after the filing of the Prospectus with the RoC in an English national newspaper, a Hindi national newspaper and a regional newspaper, each with wide circulation. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price along with a table showing the number of Equity Shares and the amount payable by an investor. Any material updates between the date of this Red Herring Prospectus and the Prospectus shall be included in such statutory advertisement.

Issuance of Confirmation of Allocation Note ("CAN")

1. Upon approval of the 'Basis of Allocation' by the Designated Stock Exchange, the Book Running Lead Managers, the Co-Book Running Lead Managers, or Registrar to the Issue shall send to the Syndicate Members a list of their Bidders who have been allocated Equity Shares in this Issue. The approval of the 'Basis of Allocation' by the Designated Stock Exchange for QIBs in the Net QIB Portion may be done simultaneously with or prior to the approval of the 'Basis of Allocation' for the Retail and Non-Institutional Bidders. However, the investor should note that our Company shall ensure that the instructions by our Company for demat credit of the Equity Shares to all investors in this Issue shall be given on the same date as the date of Allotment. For Anchor Investors, see "*Notice to Anchor Investors- Allotment Reconciliation and Revised CANs*"

2. The Book Running Lead Managers, the Co-Book Running Lead Managers, Syndicate Members and/or their affiliates would dispatch a CAN to their Bidders who have been allocated Equity Shares in this Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder. Those Bidders who have not paid the entire Bid Amount into the Escrow Account at the time of bidding shall pay in full the amount payable into the Escrow Account by the Pay-in Date specified in the CAN.

3. Bidders who have been allocated Equity Shares and who have already paid the Bid Amount into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realisation of his or her cheque or demand draft paid into the Escrow Account. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for the Allotment to such Bidder.

4. The Issuance of CAN is subject to "*Notice to Anchor Investors- Allotment Reconciliation and Revised CANs*" and "*Notice to QIBs in the Net QIB Portion - Allotment Reconciliation and Revised CANs*" as set forth below.

Notice to Anchor Investors: Allotment Reconciliation and revised CANs

After the Anchor Investor Bidding Date, a physical book will be prepared by the Registrar on the basis of Bid cum Application Forms received in the Anchor Investor Portion. Based on the physical book and at the discretion of the Company and the Selling Shareholder, in consultation with the Book Running Lead Managers and the Co-Book Running Lead Managers, select Anchor Investors may be sent a CAN, within two working days of the Anchor Investor Bidding Date, indicating the number of Equity Shares that may be allocated to them. The provisional CAN shall constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the Anchor Investor to pay the entire Issue Price for all the Equity Shares allocated to such Anchor Investor. This provisional CAN and the final allocation is subject to (a) physical application being valid in all respects along with stipulated documents being received by the Registrar to the Issue, (b) the Issue Price being finalized at a price not higher than the higher than the Anchor Investor Price, and (c) the Allotment. Subject to SEBI Regulations, certain Bids/ applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, among other things, and these rejected Bids/ applications will be reflected in the reconciliation and 'Basis of Allocation' as approved by the Designated Stock Exchange. In such instances or in the event the Issue Price is fixed higher than the Anchor Investor Price, a revised CAN may be sent to Anchor Investors, price of the Equity Shares in such revised CAN may be different from that specified in the earlier CAN. Anchor Investors should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased allocation or price of Equity Shares, which shall in no event be later than two days after the Bid/Issue Closing Date. Any revised CAN, if issued, will supersede in entirety, the earlier CAN.

Notice to QIBs in the Net QIB Portion: Allotment Reconciliation and Revised CANs

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar to the Issue on the basis of Bids uploaded on the BSE/NSE system. This shall be followed by a physical book prepared by the Registrar to the Issue on the basis of the Bid cum Application Forms received. Based on the electronic book or the physical book, as the case may be, QIBs bidding in the Net QIB Portion may be sent a CAN, indicating the number of Equity Shares that may be allocated to them. This CAN is subject to the final 'Basis of Allocation', which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar to the Issue, prior to Allotment by the Board. Subject to SEBI Regulations, certain Bids/ applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciliation and the 'Basis of Allocation' as approved by the Designated Stock Exchange, prior to Allotment by the Board. As a result, a revised CAN may be sent to QIBs bidding in the Net QIB Portion and the allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. QIBs bidding in the Net QIB Portion should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased allocation of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for such QIB to pay the entire Issue Price for all the Equity Shares allocated to such QIB. The revised CAN, if issued, will supersede in entirety, the earlier CAN.

Designated Date and Allotment

1. Our Company will ensure that the Allotment is done within 15 days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account and to the Refund Account on the Designated Date, our Company would ensure the credit to the successful Bidders depository account. Allotment of the Equity Shares to the Allottees shall be within two Working Days of the date of Allotment.

2. In accordance with the SEBI Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/Allotted to them pursuant to this Issue.

BASIS OF ALLOCATION

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allocation to all the successful Retail Individual Bidders will be made at the Issue Price.

- The size of this Issue less allocation to Non-Institutional and QIBs shall be available for allocation to Retail Individual Bidders who have Bid at a price that is equal to or greater than the Issue Price.

- If the valid Bids in this portion are less than or equal to [●] Equity Shares at or above the Issue Price, full allocation shall be made to the Retail Individual Bidders to the extent of their valid Bids.

- If the valid Bids in this portion are greater than [●] Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate 'Basis of Allocation', refer below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allocation to all successful Non-Institutional Bidders will be made at the Issue Price.

- The size of this Issue less allocation to QIBs and Retail Portion shall be available for allocation to Non-Institutional Bidders who have Bid at a price that is equal to or greater than the Issue Price.

- If the valid Bids in this portion are less than or equal to [●] Equity Shares at or above the Issue Price, full allocation shall be made to Non-Institutional Bidders to the extent of their demand.

- If the valid Bids in this portion are greater than [●] Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis up to a minimum of [●] Equity Shares. For the method of proportionate 'Basis of Allocation', refer below.

C. For QIBs in the Net QIB Portion

- Bids received from QIBs bidding in the Net QIB Portion at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allocation to QIBs will be made at the Issue Price.

- The Net QIB Portion shall be available for allocation to QIBs who have Bid at a price that is equal to or greater than the Issue Price.

- Allotment shall be undertaken in the following manner:

    (a) In the first instance allocation to Mutual Funds for up to 5% of the Net QIB Portion shall be determined as follows:

        (i) In the event that Bids by Mutuals Fund exceed 5% of the Net QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the Net QIB Portion.

        (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion then all Mutual Funds shall get full allocation to the extent of valid Bids received above the Issue Price.

        (iii) Equity Shares remaining unsubscribed, if any, and not allocated to Mutual Funds shall be available for allocation to all QIBs as set out in (b) below;

    (b) In the second instance allocation to all QIBs shall be determined as follows:

        (i) In the event of over subscription in the Net QIB Portion, all QIBs who have submitted Bids above the Issue Price shall be allocated Equity Shares on a proportionate basis for up to 95% of the Net QIB Portion.

        (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs.

        (iii) Under-subscription below 5% of the Net QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIBs on a proportionate basis.

- The aggregate Allotment to QIBs bidding in the Net QIB Portion shall not be less than [●] Equity Shares.

D. For Anchor Investors

Allocation of Equity Shares to Anchor Investors at the Anchor Investor Price will be at the discretion of the Company and the Selling Shareholder, in consultation with the Book Running Lead Managers and the Co-Book Running Lead Managers, subject to compliance with the following requirements:

(i) not more than 30% of the QIB Portion will be allocated to Anchor Investors.
(ii) at least one-third of the Anchor Investor Portion shall be available for allocation to domestic Mutual Funds only.
(iii) Allocation to a minimum number of two Anchor Investors.

The number of Equity Shares Allotted to successful Anchor Investors and the Anchor Investor Price shall be made available in the public domain by the Book Running Lead Managers and the Co-Book Running Lead Managers before the Bid/Issue Opening Date

The Book Running Lead Managers, the Co-Book Running Lead Managers, the Registrar to the Issue and the Designated Stock Exchange shall ensure that the 'Basis of Allocation' is finalized in a fair and proper manner in accordance with the SEBI Regulations. The drawing of lots (where required) to finalize the 'Basis of Allocation' shall be done in the presence of a public representative on the Governing Board of the Designated Stock Exchange.

Method of Proportionate Basis of Allocation in this Issue

Except in relation to Anchor Investors, in the event of this Issue being over-subscribed, our Company and the Selling Shareholder shall finalize the 'Basis of Allocation' in consultation with the Designated Stock Exchange. The Executive Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the Book Running Lead Managers, the Co-Book Running Lead Managers and the Registrar to the Issue shall be responsible for ensuring that the 'Basis of Allocation' is finalized in a fair and proper manner.

Except in relation to Anchor Investors, the allocation shall be made in marketable lots, on a proportionate basis as explained below:

1. Bidders will be categorized according to the number of Equity Shares applied for.

2. The total number of Equity Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

3. Number of Equity Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.

4. In all Bids where the proportionate allocation is less than [●] Equity Shares per Bidder, the allocation shall be made as follows:

    - The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and
    - Each successful Bidder shall be allocated a minimum of [●] Equity Shares.

5. If the proportionate allocation to a Bidder is a number that is more than [●] but is not a multiple of one (which is the marketable lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower whole number. Allocation to all in such categories would be arrived at after such rounding off.

6. If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allocated to the Bidders in that category, the remaining Equity Shares available for allocation shall be first adjusted against any other category, where the allocated shares are not sufficient for proportionate allocation to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

7. Investors should note that the Equity Shares will be allocated to all successful Bidders in dematerialised form only. Bidders will not have the option of being allocated Equity Shares in physical form.

Illustration of Allotment to QIBs and Mutual Funds ("MF")

A. Issue Details

Sr. No.	Particulars	Issue details
1.	Issue size	200 million equity shares
2.	Allocation to QIB (60%)	120 million equity shares
3.	Anchor Investor Portion	36 million equity shares
4.	Portion available to QIBs other than Anchor Investors [(2) minus (3)]	84 million equity shares
	Of which:	
	a. Allocation to MF (5%)	4.20 million equity shares
	b. Balance for all QIBs including MFs	79.8 million equity shares
3	No. of QIB applicants	10
4	No. of shares applied for	500 million equity shares

B. Details of QIB Bids

Sr. No.	Type of QIB bidders#	No. of shares bid for (in million)
1	A1	50
2	A2	20
3	A3	130
4	A4	50
5	A5	50
6	MF1	40
7	MF2	40
8	MF3	80
9	MF4	20
10	MF5	20
	Total	**500**

A1-A5: (QIB bidders other than MFs), MF1-MF5 (QIB bidders which are MFs)

C. Details of Allotment to QIB Bidders/ Applicants

(Number of equity shares in million)

Type of QIB bidders	Shares bid for	Allocation of 4.20 million Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 79.80 million Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
(I)	(II)	(III)	(IV)	(V)
A1	50	0	7.98	0
A2	20	0	4.00	0
A3	130	0	20.74	0
A4	50	0	7.98	0
A5	50	0	7.98	0
MF1	40	0.84	6.38	7.22
MF2	40	0.84	6.38	7.22
MF3	80	1.68	12.76	14.44
MF4	20	0.42	3.19	3.61
MF5	20	0.42	3.19	3.61
	500	**4.20**	**79.80**	**36.10**

Please note:

1. The illustration presumes compliance with the requirements specified in this Red Herring Prospectus in the section titled "Issue Structure" on page 413.

2. Out of 84 million equity shares allocated to QIBs, 4.2 million (i.e. 5%) will be allocated on proportionate basis among 5 Mutual Fund applicants who applied for 200 shares in QIB category.

3. The balance 79.80 million equity shares (i.e. 84 - 4.2 (available for MFs)) will be allocated on proportionate basis among 10 QIB applicants who applied for 500 equity shares (including 5 MF applicants who applied for 200 equity shares).

4. The figures in the fourth column titled "Allocation of balance 79.80 million Equity Shares to QIBs proportionately" in the above illustration are arrived as under:

   - For QIBs other than MFs (A1 to A5)= No. of shares bid for (i.e. in column II) X 79.80 / 495.80.

   - For MFs (MF1 to MF5)= [(No. of shares bid for (i.e. in column II of the table above) less equity shares allotted (i.e., column III of the table above)] X 79.80 / 495.80.

   - The numerator and denominator for arriving at allocation of 84 million shares to the 10 QIBs are reduced by 4.2 million equity shares, which have already been allotted to MFs in the manner specified in column III of the table above.

Procedure and Time of Schedule for Allotment and demat Credit of Equity Shares

This Issue will be conducted through the '100% Book Building Process' pursuant to which the members of the Syndicate will accept Bids for the Equity Shares during the Bidding Period. The Bidding Period will commence on March 11, 2010 and expire on March 15, 2010. Following the expiration of the Bidding Period, our Company and the Selling Shareholder, in consultation with Book Running Lead Managers and the Co-Book Running Lead Managers, will determine the Issue Price, and, in consultation with Book Running Lead Managers and the Co-Book Running Lead Managers, the 'Basis of Allocation' and entitlement to Allotment based on the Bids received and subject to confirmation by the Stock Exchange(s). Successful Bidders will be provided with a confirmation of their allocation (subject to a revised confirmation of allocation) and will be required to pay any unpaid amount for the Equity Shares within a prescribed time. The SEBI Regulations require our Company to complete the Allotment to successful Bidders within 15 days of the expiration of the Bidding Period. The Equity Shares will then be credited and Allotted to the investors' demat accounts maintained with the relevant Depository Participant. Upon approval by the Stock Exchanges, the Equity Shares will be listed and trading will commence.

PAYMENT OF REFUNDS

Bidders must note that on the basis of name of the Bidders, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain, from the Depositories, the Bidders' bank account details, including the nine digit MICR code as appearing on a cheque leaf. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Bidders' sole risk and neither our Company, the Selling Shareholder, the Registrar to the Issue, Escrow Collection Bank(s), Bankers to the Issue, the Book Running Lead Managers nor the Co-Book Running Lead Managers shall be liable to compensate the Bidders for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

Mode of making refunds

The payment of refund, if any, would be done through various modes in the following order of preference:

1. **ECS** – Payment of refunds would be mandatorily done through ECS for applicants having an account at any of the 68 centers notified by the SEBI through its notification (Ref. No. SEBI/CFD/DILDIP/29/2008/01/02) dated February 1, 2008. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of the abovementioned 68 centers, except where the applicant, being eligible, opts to receive refund through direct credit or RTGS. Refunds through ECS may also be done at other locations based on operational efficiency and in terms of demographic details obtained by Registrar to the Issue from the Depository Participants.

2. **Direct Credit** – Applicants having bank accounts with the Refund Banker(s), as mentioned in the Bid cum Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company.

3. **RTGS** – Applicants having a bank account at any of the abovementioned 68 centres and whose refund amount exceeds Rs. 1 million, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the Indian Financial System Code (IFSC) code in the Bid cum Application Form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

4. **NEFT** – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the IFSC, which can be linked to a MICR, if any, available to that particular bank branch. IFSC code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency. The process flow in respect of refunds by way of NEFT is at an evolving stage hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.

5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched under certificate of posting for value up to Rs. 1,500 and through speed post/ registered post for refund orders of Rs. 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

Interest on refund of excess Bid Amount

Our Company shall pay interest at the rate of 15% p.a. on the excess Bid Amount received if refund orders are not dispatched within 15 days of the Bid/Issue Closing Date for any delay beyond such 15 day time period.

Letters of Allotment or Refund Orders

Our Company and the Selling Shareholder shall give credit to the beneficiary account with Depository Participants within two Working Days from the date of Allotment. Applicants residing at the 68 ECS centers notified by the SEBI, through its notification (Ref. No. SEBI/CFD/DILDIP/29/2008/01/02) dated February 1, 2008, will get refunds through ECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit and RTGS. Our Company shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500, by "Under Certificate of Posting", and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post at the sole or First Bidder's sole risk within 15 days of the Bid/Issue Closing Date, except for Bidders who have opted to receive refunds through the ECS facility or RTGS or direct credit. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within 15 days of the Bid/Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Regulations, our Company and the Selling Shareholder undertake that:

- Allotment shall be made only in dematerialised form within 15 (fifteen) days from the Bid/ Issue Closing Date;
- Dispatch of refund orders, except for Bidders who can receive refunds through Direct Credit, NEFT, RTGS or ECS, shall be done within 15 days from the Bid/Issue Closing Date; and
- Interest shall be paid by our Company at 15% p.a., if the Allotment letters/ refund orders have not been dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner through Direct Credit, NEFT, RTGS or ECS, the refund instructions have not been given to the clearing system in the disclosed manner within 15 (fifteen) days from the Bid/Issue Closing Date .

Refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received, except where the refund or portion thereof is made in electronic mode/manner. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Our Company and the Selling Shareholder will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar to the Issue.

Other than refunds effected through electronic transfer of funds, refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by our Company, as the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

Our Company and the Selling Shareholder shall ensure that "at par" facility is provided for encashment of refund orders for Applications other than the ASBA process.

Disposal of applications and application moneys and interest in case of delay

Our Company shall ensure dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges, within two Working Days of date of Allotment.

In case of applicants who receive refunds through electronic transfer of funds, the refund instructions will be given to the clearing system within 15 days from the Bid/ Issue Closing Date. A suitable communication shall be sent to the Bidders receiving refunds through this mode within 15 days of Bid/ Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within seven Working Days of finalization of the 'Basis of Allocation' for this Issue.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, our Company and the Selling Shareholder further undertake that:

- Allotment shall be made only in dematerialised form within 15 days of the Bid/Issue Closing Date;

- Dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 15 days of the Bid/Issue Closing Date would be ensured;

- Interest shall be paid by our Company at 15% (fifteen) p.a. for any delay beyond the 15 day time period as mentioned above, if Allotment is not made and refund orders are not dispatched, instructions to SCSB are not issued, or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within the 15 day time prescribed above, as per the SEBI Regulations; and

- That adequate arrangements shall be made to collect all ASBA Forms and to consider them similar to non-ASBA applications while finalizing the basis of allotment

Our Company and the Selling Shareholder will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar to the Issue.

UNDERTAKINGS BY OUR COMPANY

The Company undertakes the following:

- That the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;

- That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within seven Working Days of finalisation of the 'Basis of Allocation';

- That the Company shall apply in advance for the listing of Equity Shares;

- That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue;

- That except as disclosed in the section titled "Capital Structure" on page 29, no further issue of Equity Shares shall be made until the Equity Shares offered through this Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription, etc.;

- That there would be no further transfer of Equity Shares during the period commencing from registration of this Red Herring Prospectus with the RoC until the Equity Shares Allotted/ to be Allotted pursuant to the Issue have been listed or until the Bid monies are refunded on account of non-listing, under-subscription, etc.;

- That the Equity Shares are free and clear of all liens or encumbrances and shall be Allotted to the successful Bidders within the specified time;

- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of the Bid/ Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- That the Allotment advice or refund orders to the Non-Resident Indians shall be dispatched within specified time; and

- That adequate arrangements shall be made to collect all ASBA Forms and to consider them similar to non-ASBA applications while finalizing the basis of Allotment

The Company shall not have recourse to the proceeds of the Issue until the final listing and trading approvals from all the Stock Exchanges have been obtained.

UNDERTAKINGS BY TRINITY CAPITAL (TWO) LIMITED AS THE SELLING SHAREHOLDER:

The Selling Shareholder undertakes the following:

- That the Equity Shares being sold pursuant to the Offer for Sale have been held by them for a period of more than one year and the Equity Shares are free and clear of all liens or encumbrances and shall be transferred to the successful Bidders within the specified time;

- That there would be no further transfer of Equity Shares during the period commencing from registration of this Red Herring Prospectus with the RoC until the Equity Shares Allotted/ to be Allotted pursuant to the Issue have been listed or until the Bid monies are refunded on account of non-listing, under-subscription, etc.;

- That they shall not have recourse to the proceeds of the Offer for Sale until the final listing and trading approvals from all the Stock Exchanges have been obtained.

Utilisation of proceeds of the Fresh Issue

Our Board certifies that:

1. All monies received out of this Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;

2. Details of all monies utilised out of the Fresh Issue shall be disclosed under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilised;

3. Details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilised monies have been invested; and

4. Our Company shall comply with the requirements of Clause 49 of the Listing Agreement in relation to the disclosure and monitoring of the utilization of the Net Proceeds.

5. Our Company shall not have recourse to the proceeds of the Fresh Issue and the Selling Shareholder shall not have recourse to the proceeds of the Offer for Sale until the approval for trading of the Equity Shares from the Stock Exchanges has been received.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

As per the provisions of Section 68B of the Companies Act, the Equity Shares shall be Allotted only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

a) Agreement dated May 12, 2005 among NSDL, our Company and the Registrar to the Issue.

b) Agreement dated October 16, 2009 with CDSL, our Company and the Registrar to the Issue.

All Bidders can seek Allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

1. A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.

2. The Bidder must necessarily fill in the details (including the beneficiary account number and Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form.

3. Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.

4. Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

5. If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.

6. The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.

7. Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

8. The trading of the Equity Shares of our Company would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

9. Non-transferable Allotment advice or refund orders will be directly sent to the Bidders by the Registrar to the Issue.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof.

Investors can contact the Compliance Officer or the Registrar to the Issue or the Book Running Lead Managers and Co-Book Running Lead Managers in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, credit of Allotted shares in the respective beneficiary accounts, refund orders etc.

Anchor Investor Portion

The Company and the Sellling Shareholders may consider participation by Anchor Investors in the Issue for up to [●] Equity Shares in accordance with the applicable SEBI Regulations. The Anchor Investor Bid/Issue Period shall be one day prior to the Bid/Issue Opening Date. The QIB Portion shall be reduced in proportion to the allocation under the Anchor Investor category. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are as follows:

a. Anchor Investors shall be QIBs as defined in the SEBI Regulations.

b. The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds Rs. 100 million and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than 30% of the QIB Portion.

c. One-third of the Anchor Investor Portion shall be reserved for allocation to domestic Mutual Funds subject to valid bids received from domestic Mutual Funds at or above the price at which allocation is being made to the Anchor Investors.

d. The bidding for the Anchor Investor Portion shall open one day before the Bid/Issue Opening Date and shall be completed on the same day.

e. The Company and the Selling Shareholder, in consultation with the Book Running Lead Managers and the Co-Book Running Lead Managers, shall finalise allocation to the Anchor Investors on a discretionary basis, subject to compliance with requirements regarding minimum number of allottees. Refund on account of rejection of Bids shall be made on the Anchor Investor Bidding Date.

f. The number of Equity Shares allocated to successful Anchor Investors and the price at which the allocation is made, shall be made available in public domain by the Book Running Lead Managers and the Co-Book Running Lead Managers before the Bid/Issue Opening Date.

g. Anchor Investors shall pay Anchor Investor Margin Amount representing 25% on the Bid Amount at the time of submission of the Bid. Any difference between the amount payable by the Anchor Investor for Equity Shares allocated and the Anchor Investor Margin Amount paid at the time of bidding, shall be payable by the Anchor Investor within two days of the Bid/ Issue Closing Date.

h. In case the Issue Price is greater than the price at which Equity Shares are allocated to Anchor Investors, the additional amount being the difference between the Issue Price and the price at which Equity Shares were allocated to the Anchor Investors shall be paid by the Anchor Investors. In the event the Issue Price is lower than the price at which Equity Shares are allocated to Anchor Investors, the allotment to Anchor Investors shall be at the higher price i.e. the price at which Equity Shares were allocated under the Anchor Investor Portion.

i. The Equity Shares Allotted in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

j. The Book Running Lead Managers and the Co-Book Running Lead Managers or any person related to them, our Promoter, members of our Promoter Group or Group Companies shall not participate in the Anchor Investor Portion.

k. Bids made by QIBs under both the Anchor Investor Portion and the Net QIB Portion shall not be considered as multiple Bids. However, as Anchor Investors can only Bid on the Anchor Investor Bidding Date (i.e., one day prior to the Bid/Issue Opening Date), the Anchor Investor Margin Amount cannot be utilised towards meeting the Margin Amount requirement for the Bids in the Net QIB Portion.

l. The instruments for payment into the Escrow Account should be drawn in favour of:
- In case of Resident Anchor Investors: "Escrow Account– ITNL Public Issue – Anchor Investor – R"
- In case of Non-Resident Anchor Investor: "Escrow Account– ITNL Public Issue – Anchor Investor – NR"

The minimum number of Allotees in the Anchor Investor Portion shall not be less than:

(a) two, where the allocation under Anchor Investor Portion is up to Rs. 2,500 million; and
(b) five, where the allocation under Anchor Investor Portion is more than Rs. 2,500 million.

Additional details, if any, regarding participation in the Issue under the Anchor Investor Portion shall be disclosed in the advertisement for the Price Band published by the Company and the Selling Shareholder in consultation with the Book Running Lead Managers and the Co-Book Running Lead Managers in a national English and Hindi newspaper at least two Working Days prior to the Bid/Issue Opening Date.

Any Equity Shares allotted to Anchor Investors in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

This Red Herring Prospectus, in so far as it relates to terms of the Issue should be read in conjunction with the aforestated paragraphs, to the extent applicable.

Foreign Ownership of Indian Securities

Eligible NRIs, FIIs, FVCIs and multilateral and bilateral development financial institutions are eligible to participate in this Issue. There is no reservation for Eligible NRIs and FIIs. All Eligible NRIs and FIIs will be treated on the same basis with other categories for the purpose of allocation. Further, as per existing regulations, OCBs cannot participate in this Issue. For further details, see the section titled "Regulations and Policies" on page 133.

The Equity Shares are being offered and sold outside of the United States in reliance on Regulation S. The Equity Shares have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the first date upon which the securities were *bona fide* offered to the public, an offer of the Equity Shares within the United States by a dealer may violate the registration requirements of the Securities Act.

Each purchaser of the Equity Shares will be deemed to have made the acknowledgements, representations and agreements as described in "Transfer Restrictions" below.

Transfer Restrictions

Because the following restrictions will apply to the Issue, purchasers are advised to consult their own legal counsel prior to making any offer, resale, pledge or transfer of the Equity Shares. Each purchaser of the Equity Shares, by accepting delivery of this document, will be deemed to have represented, agreed and acknowledged that:

1. It is purchasing the Equity Shares outside the United States in an offshore transaction in accordance with Regulation S under the Securities Act.

2. It is relying on this document and not on any other information or representation concerning us or the Equity Shares and neither we nor any other person responsible for this document or any part of it, nor the Underwriters, will have any liability for any such other information or representation.

3. We, the Underwriters and their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Our Company and the Selling Shareholder have obtained all the necessary approvals from the concerned governmental authorities for this Issue. The RBI has, pursuant to its letter (FE.CO.FID. No. 15858/10.21.168/2009-10) dated December 21, 2009, accorded its 'no-objection' for the transfer of 4278844 Equity Shares by Selling Shareholder pursuant to the Offer for Sale, subject to compliance with the terms and conditions stipulated in the A.P (Dir) Series Circular No. 16 dated October 4, 2004 issued by the RBI. For further details, see the section titled "Government and Other Approvals" on page 373.

The Book Running Lead Managers and the Co-Book Running Lead Managers undertake that the complaints or comments received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.

ISSUE PROCEDURE FOR ASBA BIDDERS

SEBI, by its circular dated July 30, 2008, had introduced the "Application Supported by Blocked Amount" as a supplementary facility of applying in public issues, which facility was available only to Retail Individual Bidders, wherein the application money remained in the "ASBA Account" until allotment in the public issue. However, pursuant to a circular dated December 30, 2009 ("**ASBA Phase II Circular**"), SEBI has, *inter alia*, extended the facility of ASBA to all categories of investors, except QIBs. This extended facility of ASBA has been referred to as 'ASBA Phase – II'. The said circular dated July 30, 2008 has been withdrawn pursuant to the ASBA Phase II Circular. The ASBA Phase – II shall be applicable to all public issues which are opening on or after January 1, 2010. Since ASBA Phase – II introduces a new mode of payment, set forth below is the procedure for bidding under the "ASBA" procedure, for the benefit of the ASBA Bidders.

This section is only to facilitate better understanding of aspects of the procedure for bidding which is specific to ASBA Bidders. ASBA Bidders should nonetheless read this Red Herring Prospectus in entirety.

Our Company, the Selling Shareholder, the Book Running Lead Managers and the Co-Book Running Lead Managers are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Form is correctly filled up, as described in this section.

The list of banks who have been notified by SEBI to act as SCSBs for the ASBA Process are provided at http://www.sebi.gov.in. For details on designated branches of SCSB collecting the ASBA Form, please refer to http://www.sebi.gov.in.

ASBA Process

Investors, except QIBs, can submit Bids through ASBA Forms, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Bidder or bank account utilised by the ASBA Bidder ("**ASBA Account**") is maintained. The SCSB shall block an amount equal to the Bid Amount in the ASBA Account specified in the ASBA Form, physical or electronic, on the basis of an authorisation to this effect given by the account holder at the time of submitting the Bid. The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchanges. The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the 'Basis of Allocation' and consequent transfer of the Bid Amount against the allocated Equity Shares to the Public Issue Account, or until withdrawal/failure of this Issue or until withdrawal/rejection of the ASBA, as the case may be. Once the 'Basis of Allocation' is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful ASBA Bidders to the Public Issue Account. In case of withdrawal/failure of this Issue, the Book Running Lead Managers and the Co-Book Running Lead Managers, through the Registrar to the Issue, shall notify the SCSBs to unblock the blocked amount of the ASBA Bidders within one day from the date of receipt of such notification.

In order to be eligible to apply under the ASBA process, the Bid by an ASBA Bidder should be made through the blocking of funds in an ASBA Account.

ASBA Form

An ASBA Bidder shall use the ASBA Form obtained from the Designated Branches for the purpose of making a Bid in terms of this Red Herring Prospectus. ASBA Bidders are required to submit their Bids, either in physical or electronic mode. In case of application in physical mode, the ASBA Bidder shall submit the ASBA Form at the relevant Designated Branch. In case of application in electronic form, the ASBA Bidder shall submit the ASBA Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for bidding and blocking funds in the ASBA Account held with SCSB, and accordingly registering such Bids.

- After determination of the Issue Price, the number of Equity Shares Bid for by the ASBA Bidders will be considered for allocation along with the other investors, except QIBs, who have Bid for the Equity Shares at or above the Issue Price or at the Cut-Off Price, as applicable.

- In the ASBA Form, the ASBA Bidder shall, *inter alia,* give the following confirmations/declarations:

a. That such person is an ASBA Bidder as per the SEBI Regulations;

b. That such person has authorized the relevant SCSB to do all acts as are necessary to make an application in this Issue, upload his/her Bid, block or unblock the funds in the ASBA Account and transfer the funds from the ASBA Account to the Public Issue Account after finalization of the 'Basis of Allocation' entitling the ASBA Bidder to receive Equity Shares in this Issue etc.; and

c. That such person has authorized the Registrar to the Issue to issue instructions to the SCSBs to unblock the funds in the ASBA Account upon finalization of the 'Basis of Allocation' and to transfer the requisite money to the Public Issue Account.

- An ASBA Bidder cannot Bid, either in physical or electronic mode, on another ASBA Form or Bid cum Application Form after bidding on one ASBA Form either in physical or electronic mode. Submission of a second ASBA Form to either the same or another Designated Branch of the SCSB or a Bid cum Application to the members of Syndicate will be treated as a multiple Bid and will be liable to be rejected either before entering the Bid into the electronic Bidding System, or at any point of time prior to the Allotment of Equity Shares in this Issue.

- Upon completing and submitting the ASBA Form to the relevant Designated Branch of the SCSB, the ASBA Bidder is deemed to have authorized our Company to make the necessary changes in this Red Herring Prospectus as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder.

Maximum and Minimum Bid Size for ASBA Bidders

The ASBA Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. ASBA Bidders who are Resident Individual Bidders (including HUFs) who have Bid for Equity Shares for an amount less than or equal to Rs. 100,000 in any of the Bidding options in the Issue, will be categorised as Retail Individual Bidders. ASBA Bidders who have Bid for Equity Shares for an amount over Rs. 100,000 will be categorised as Non-Institutional Bidders.

Information for the ASBA Bidders:

1. ASBA Bidders who would like to obtain this Red Herring Prospectus and/or the ASBA Form can obtain the same from the Designated Branches of the SCSBs. ASBA Bidders can also obtain a copy of this Red Herring Prospectus and/or the ASBA Form in electronic form on the websites of the SCSBs.

2. The Bids should be submitted to the SCSBs on the prescribed ASBA Form if applied in physical mode. SCSBs may provide the electronic mode of Bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the ASBA Account.

3. Our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers and the Co-Book Running Lead Managers, shall finalise the Issue Price within the Price Band, without the prior approval of, or intimation to, the ASBA Bidders.

4. The SCSBs shall accept Bids only from the ASBA Bidders during the Bidding Period.

Mode of Payment

The ASBA Bidders shall specify the ASBA Account number in the ASBA Form and the SCSB shall block an amount equivalent to the Bid Amount in the ASBA Account specified in the ASBA Form.

Upon submission of an ASBA Form with the relevant SCSB, whether in physical or electronic mode, each ASBA Bidder shall be deemed to have agreed to block the entire Bid Amount and authorized the relevant Designated Branch to block the Bid Amount, in the ASBA Account.

ASBA Form should not be accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account.

SCSBs shall block the Bid Amount in the ASBA Account till the Designated Date, after verifying that sufficient funds are available in the ASBA Account. On the Designated Date, the relevant SCSB shall unblock and transfer the Bid Amount from the ASBA Account for successful Bids into the Public Issue Account and the balance amount, if any, shall be unblocked.

The Bid Amount shall remain blocked in the ASBA Account until finalization of the 'Basis of Allocation' in this Issue and consequent transfer of the Bid Amount against allocated shares to the Public Issue Account, or withdrawal/failure of this Issue or withdrawal/failure of the Bid through ASBA, as the case may be. The balance amount, if any against the said Bid in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

In the event the ASBA Account does not have a sufficient credit balance for the Bid Amount, the ASBA shall be rejected by the relevant SCSB and no funds shall be blocked in the said ASBA Account.

In the event of withdrawal or rejection of an ASBA Form or for unsuccessful ASBA Forms, the Registrar to the Issue shall give instructions to the Controlling Branch of the relevant SCSB to unblock the funds in the relevant ASBA Account within one day of receipt of such instruction.

Information for ASBA Bidders:

a. The Book Running Lead Managers and Co-Book Running Lead Managers shall ensure that adequate arrangements are made to circulate copies of this Red Herring Prospectus and ASBA Form to the SCSBs and the SCSBs will then make available such copies to investors applying under the ASBA process. Additionally, the Book Running Lead Managers and shall ensure that the SCSBs are provided with soft copies of the abridged prospectus and the ASBA Form and that the same are made available on the websites of the SCSBs.

b. An ASBA Bidder who would like to obtain this Red Herring Prospectus and/or the ASBA Form can obtain the same from the Designated Branches of the SCSBs or the Book Running Lead Managers and Co-Book Running Lead Managers. ASBA Bidders can also obtain a copy of the abridged prospectus and/or the ASBA Form in electronic form on the websites of the SCSBs.

c. The Bids should be submitted on the prescribed ASBA Form if applied in physical mode. SCSBs may provide the electronic mode of bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the accounts of the respective eligible investors.

d. ASBA Forms should bear the stamp of the Syndicate Member and/or Designated Branch of the concerned SCSB. ASBA Forms which do not bear the stamp will be rejected.

e. ASBA Bidders shall correctly mention the bank account number in the ASBA Form and should ensure that funds equal to the Bid Amount are available in the bank account maintained with the concerned SCSB before submitting the ASBA Form to the respective Designated Branch. In case the amount available in the bank account specified in the ASBA Form is insufficient for blocking the amount equivalent to the Bid Amount, the concerned SCSB shall reject the application.

f. If the ASBA Account holder is different from the ASBA Bidder, the ASBA Form should be signed by the account holder as provided in the ASBA Form. No more than five ASBA Foms can be submitted per bank account.

Method and Process of Bidding

a. ASBA Bidders are required to submit their Bids, either in physical or electronic mode. ASBA Bidders submitting their Bids in physical mode should approach the Designated Branches of the SCSBs. ASBA Bidders submitting their Bids in electronic form shall submit their Bids either using the internet enabled bidding and banking facility of the SCSBs or such other electronically enabled mechanism for bidding and blocking funds in the accounts of the respective eligible investors, and accordingly registering such Bids. Every Designated Branch of the SCSBs shall accept Bids from all such investors who hold accounts with them and desire to place Bids through them. Such SCSBs shall have the right to vet the Bids, subject to the terms of the SEBI Regulations and Red Herring Prospectus.

b. The Designated Branches of the SCSBs shall give an acknowledgment by giving their counterfoils or specifying the application number to the ASBA Bidders as a proof of acceptance of the ASBA Form. Such acknowledgment does not in any manner guarantee that the Equity Shares bid for shall be Allotted to the ASBA Bidders.

c. Upon receipt of the ASBA Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Form, prior to uploading such Bids with the Stock Exchanges.

d. If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchanges.

e. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Form. The Designated Branch shall thereafter enter the Bid details from the prescribed ASBA Form, if submitted in physical mode, or the Bid information submitted through the electronic mode made available by the SCSBs, as the case may be, into the electronic bidding system of the Stock Exchanges and generates a Transaction Registration Slip ("**TRS**"). The TRS shall be furnished to the ASBA Bidder on request.

f. An ASBA Bidder cannot bid, either in physical or electronic mode, on another ASBA Form or a Bid cum Application Form after bidding on one ASBA Form, either in physical or electronic mode, has been submitted to the Designated Branches of SCSBs or uploaded by the ASBA Bidder, as the case may be. Submission of a second ASBA Form to either the same or to another Designated Branch of the SCSB will be treated as multiple Bids and will be liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the Allocation or Allotment of Equity Shares in this Issue.

g. ASBA Bidders shall correctly mention their DP ID and Client ID in the ASBA Form. For the purpose of evaluating the validity of Bids, the demographic details of ASBA Bidders shall be derived from the DP ID and Client ID mentioned in the ASBA Bid cum Application Form.

Electronic Registration of Bids by SCSBs

Upon receipt of the ASBA Form whether in physical or electronic mode, the Designated Branch of the SCSBs shall register and upload the Bid using the online facilities of the Stock Exchanges. **The Book Running Lead Managers, the Co-Book Running Lead Managers, our Company, the Selling Shareholder and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Bids accepted by SCSBs, Bids uploaded by SCSBs, Bids accepted but not uploaded by SCSBs or Bids accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Bids uploaded by SCSBs, the Bid Amount has been blocked in the relevant ASBA Account.**

At the time of registering each Bid, the Designated Branches of the SCSBs shall enter the information pertaining to the investor into the online system, including the following details:

- Name of the Bidder(s);
- Application Number;
- PAN;
- Number of Equity Shares Bid for;
- Details of Bid options of (a) number of Equity Shares for each Bid, (b) Bid rate for each Bid;
- Depository Participant identification number; and
- Client identification number of the Bidder's beneficiary account.

In case of electronic ASBA, the ASBA Bidder shall fill in all the above mentioned details, except the application number which shall be system generated. The SCSBs shall thereafter upload all the abovementioned details in the electronic bidding system provided by the Stock Exchange(s).

A system generated TRS will be given to the ASBA Bidder upon request as proof of the registration of the Bid. **It is the ASBA Bidder's responsibility to obtain the TRS from the releant Designated Branche.** The registration of the Bid by the Designated Branch of the SCSB does not guarantee that the Equity Shares Bid for shall be allocated to the ASBA Bidders. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

The Stock Exchanges offer a screen-based facility for registering Bids for this Issue which will be available on the terminals of Designated Branches during the Bidding Period. The Designated Branches can also set up facilities for offline electronic registration of Bids subject to the condition that they will subsequently upload the offline data file into the online facilities for book building on a regular basis. On the Bid/Issue Closing Date, the Designated Branches of the SCSBs shall upload the Bids till such time as may be permitted by the Stock Exchanges.

Unblocking of ASBA Account

Once the 'Basis of Allocation' is finalized, the Registrar to the Issue shall send an appropriate request to the SCSBs for unblocking the ASBA Accounts and for the transfer of requisite amount to the Public Issue Account. On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and shall unblock excess amount, if any in the ASBA Account. However, the Bid Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the relevant Controlling Branch regarding finalisation of the 'Basis of Allocation', in the event of withdrawal or failure of this Issue or withdrawal or rejection of the ASBA Bid, as the case may be.

After the Bid/Issue Closing Date, the Registrar to the Issue shall aggregate the demand generated under the ASBA process and which details are provided to them by the SCSBs along with the demand generated by other Bidders, except QIBs, to determine the total demand generated by such Bidders.

Interest in Case of Delay in Dispatch of Allotment Letters/ Refund Orders or Instructions to SCSBs

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Regulations, our Company and the Selling Shareholder undertake that:

- Allotment shall be made only in dematerialised form within 15 (fifteen) days from the Bid/ Issue Closing Date;
- Instructions to SCSBs to unblock the funds in the relevant ASBA Account for withdrawn rejected or unsuccessful Bids shall be made within 14 (fourteen) days of the Bid/Issue Closing Date.
- Our Company shall pay interest at 15% p.a. if instructions to SCSBs to unblock funds in the ASBA Accounts are not given within 14 days of the Bid/Issue Closing Date.

Our Company and the Selling Shareholder will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar to the Issue.

Issuance of CAN

(a) Upon approval of the 'Basis of Allocation' by the Designated Stock Exchange, the Registrar to the Issue shall send the Controlling Branches of the SCSBs, a list of the ASBA Bidders who have been allocated Equity Shares in this Issue, along with:

    - The number of Equity Shares to be allotted against each successful ASBA Form;
    - The amount to be transferred from the ASBA Account to the Public Issue Account, for each successful ASBA Form;

- The date by which the funds referred to in sub-para (ii) above, shall be transferred to the Public Issue Account; and
- The details of rejected ASBAs, if any, along with reasons for rejection and details of withdrawn/ unsuccessful ASBAs, if any, to enable SCSBs to unblock the respective ASBA Accounts.

Investors should note that our Company shall ensure that the instructions by our Company for demat credit of the Equity Shares to all investors in this Issue shall be given on the same date; and

(b) The ASBA Bidders shall directly receive the CAN from the Registrar. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the ASBA Bidder.

Allotment

- Our Company and the Selling Shareholder will ensure that the Allotment is done within 15 days of the Bid/Issue Closing Date. After the funds are transferred from the ASBA Accounts to the Public Issue Account on the Designated Date, to the extent applicable, our Company would ensure the credit of the Allotted Equity Shares to the depository accounts of all successful ASBA Bidders' within two Working Days from the date of Allotment.

- As per the SEBI Regulations, Equity Shares will be issued, transferred and allotted only in the dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares so Allotted, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

GENERAL INSTRUCTIONS

DO's:

1. Ensure that you use the ASBA Form specified for the purposes of ASBA process.

2. Read all the instructions carefully and complete the ASBA Form.

3. Ensure that the details of your Depository Participant and beneficiary account are correct and that your beneficiary account is activated, as Equity Shares will be Allotted in dematerialised form only.

4. Ensure that your Bid is submitted at the relevant Designated Branch, where the ASBA Bidder or a person whose bank account will be utilized by the ASBA Bidder for bidding has a bank account, and not to the Bankers to the Issue/Collecting Banks (assuming that such Collecting Bank is not a SCSB), to our Company, the Selling Shareholder or the Registrar, the Book Running Lead Managers or the Co-Book Running Lead Managers.

5. Ensure that the ASBA Form is signed by the account holder in case the applicant is not the account holder.

6. Ensure that you have mentioned the correct ASBA Account number in the ASBA Form.

7. Ensure that you have funds equal to the Bid Amount in your ASBA Account before submitting the ASBA Form to the respective Designated Branch of the SCSB.

8. Ensure that you have correctly checked the authorisation box in the ASBA Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for the Designated Branch to block funds equivalent to the Bid Amount mentioned in the ASBA Form in your ASBA Account maintained with a branch of the concerned SCSB.

9. Ensure that you receive an acknowledgement from the Designated Branch of the concerned SCSBs for the submission of your ASBA Form.

10. Ensure that you have mentioned your PAN.

11. Ensure that the name(s) given in the ASBA Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the ASBA Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the ASBA Form.

12. Ensure that the Demographic Details are updated, true and correct, in all respects.

DON'Ts:

1. Do not submit an ASBA Form if you are a QIB.

2. Do not Bid for lower than the minimum Bid size.

3. Do not Bid on another ASBA Form or on a Bid cum Application Form after you have submitted a Bid to a Designated Branch of the SCSB.

4. Payment of Bid Amounts in any mode other than blocked amounts in the ASBA Accounts shall not be accepted under the ASBA process.

5. Do not send your physical ASBA Form by post; instead submit the same to a Designated Branch of the SCSB only.

6. Do not submit the GIR number instead of the PAN.

7. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process.

INSTRUCTIONS FOR COMPLETING THE ASBA FORM

1. Bids through ASBA must be made only in the prescribed ASBA Form (if submitted in physical mode) or electronic mode.

2. The Bid may be made in single name or in joint names (not more than three, and in the same order as their Depository Participant details).

3. Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein and in the ASBA Form.

4. The maximum and minimum Bid size of a particular ASBA Bidder shall be as prescribed in the section titled "—Maximum and Minimum Bid Size for ASBA Bidders" on page 453.

5. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

6. ASBA Bidders should correctly mention the ASBA Account number in the ASBA Form and ensure that funds equal to the Bid Amount are available in the ASBA Account before submitting the ASBA Form to the respective Designated Branch.

7. If the ASBA Account holder is different from the ASBA Bidder, the ASBA Form should be signed by the account holder as provided in the ASBA Form.

8. ASBA Bidders should correctly mention their DP ID and Client ID in the ASBA Form. For the purpose of evaluating the validity of Bids, the demographic details of ASBA Bidders shall be derived from the DP ID and Client ID mentioned in the ASBA Form.

Build up of the book and revision of Bids

a. Bids registered through the Designated Branches of the SCSBs shall be electronically transmitted to the BSE or the NSE mainframe on a regular basis.

b. The SCSBs shall provide aggregate information about the numbers of ASBA Forms uploaded, total number of Equity Shares and total amount blocked against the uploaded ASBA Form and other information pertaining to the ASBA Bidders. The Registrar to the Issue shall reconcile the electronic data received from the Stock Exchanges and the information received from the SCSBs. In the event of any error or discrepancy, the Registrar to the Issue shall inform the concerned SCSB of the same. The concerned SCSB shall be responsible to provide the rectified data within the time stipulated by the Registrar to the Issue. Further, the decision of the Registrar to the Issue in consultation with the Book Running Lead Managers, our Company, the Selling Shareholder and the Designated Stock Exchange, in this regard shall be final and binding.

c. During the Bid/Issue Period, any ASBA Bidder is free to revise the Bid using the printed ASBA Revision Form, which is a part of the ASBA Form. Revisions can be made in both the desired number of Equity Shares and the Bid Amount (including the price per Equity Share). Apart from mentioning the revised options in the revision form, the ASBA Bidder must also mention the details of all the options in the ASBA Form or earlier ASBA Revision Form. For example, if an ASBA Bidder has Bid for three options in the ASBA Form and such ASBA Bidder wishes to change only one of the options in the ASBA Revision Form, he must still fill the details of the other two options that are not being revised, in the ASBA Revision Form. The concerned SCSB will not accept incomplete or inaccurate Revision Forms.

d. The ASBA Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the ASBA Bidders will have to use the services of the same Designated Branch of the concerned SCSB with whom such ASBA Bidder holds the bank account. ASBA Bidders are advised to retain copies of the ASBA Revision Form and the revised Bid must be made only in such ASBA Revision Form or copies thereof.

e. Any revision of the Bid by the ASBA Bidder in the event of an upward revision of Bid, shall be accompanied by an instruction to block the incremental amount. Any excess amount, resulting from downward revision of the Bid would be unblocked by the SCSB.

f. When an ASBA Bidder revises his/her or its Bid, such ASBA Bidder shall surrender the earlier TRS and get a revised TRS from the SCSBs. **It is the responsibility of the ASBA Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.**

g. The SCSBs shall provide aggregate information about the numbers of ASBA Forms uploaded, total number of Equity Shares and total amount blocked against the uploaded ASBA Form and other information pertaining to the ASBA Bidders. The Registrar to the Issue shall reconcile the electronic data received from the Stock Exchanges and the information received from the SCSBs. In the event of any error or discrepancy, the Registrar to the Issue shall inform the concerned SCSB of the same. The SCSB shall be responsible to provide the rectified data within the time stipulated by the Registrar to the Issue. Further, the decision of the Registrar to the Issue in consultation with the Book Running Lead Managers, our Company, the Selling Shareholder and the Designated Stock Exchange, in this regard shall be final and binding.

h. Only Bids that are uploaded on the online IPO system of the BSE and NSE shall be considered for allocation/ Allotment.

ASBA Bidder's Depository Account and Bank Details

ALL ASBA BIDDERS SHALL RECEIVE THE EQUITY SHARES ALLOTTED TO THEM IN DEMATERIALISED FORM. ALL ASBA BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE ASBA FORM. ASBA BIDDERS MUST ENSURE THAT THE NAME GIVEN IN THE ASBA FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE ASBA FORM IS SUBMITTED IN

JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE ASBA FORM.

ASBA Bidders should note that on the basis of name of the ASBA Bidders, Depository Participant's name and identification number and beneficiary account number provided by them in the ASBA Form, the Registrar to the Issue will obtain from the Depository, demographic details of the ASBA Bidders including address, ("**Demographic Details**"). Hence, ASBA Bidders should carefully fill in their Depository Account details in the ASBA Form.

As these Demographic Details would be used for all correspondence with the ASBA Bidders they are advised to update their Demographic Details as provided to their Depository Participants.

By signing the ASBA Form, the ASBA Bidder is deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

CAN/ allocation advice would be mailed at the address of the ASBA Bidder as per the Demographic Details received from the Depositories. ASBA Bidders may note that delivery of CAN/ allocation advice may be delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Note that any such delay shall be at the sole risk of the ASBA Bidders and neither of the Designated Branches of the SCSBs, the members of the Syndicate, our Company, the Selling Shareholder or the Registrar to the Issue shall be liable to compensate the concerned ASBA Bidder for any losses caused to him due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, namely, names of the ASBA Bidders (including the order of names of joint holders), the DP ID and the beneficiary account number, then such Bids are liable to be rejected.

ASBA Bidders are required to ensure that the beneficiary account is activated, as Equity Shares will be Allotted in dematerialised form only.

ASBA Bids under Power of Attorney

In case an ASBA Bidder makes a Bid pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the ASBA Form. Failing this, our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers and the Co-Book Running Lead Managers, reserve the right to reject such Bids. Our Company and the Selling Shareholder, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the ASBA Form (if submitted in physical form), subject to such terms and conditions that we, in consultation with the Book Running Lead Managers and the Co-Book Running Lead Managers may deem fit.

Our Company and the Selling Shareholder, in their absolute discretion, reserve the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the refund order/ CANs/ allocation advice, the Demographic Details given on the ASBA Form (if submitted in physical form) should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar to the Issue shall use Demographic Details as given on the ASBA Form instead of those obtained from the Depositories.

OTHER INSTRUCTIONS

Withdrawal of ASBA Bids

In case an ASBA Bidder wants to withdraw his/her ASBA during the Bidding Period, such ASBA Bidder shall submit his/her withdrawal request to the concerned SCSB, which shall do the necessay, including deletion of details of the withdrawn ASBA from the electronic bidding system of the Stock Exchanges and unblocking of funds in the relevant bank accounts. In case an ASBA Bidder wants to withdraw his/her ASBA after the Bid/Issue Closing Date, such ASBA Bidder shall submit a withdrawal request to the Registrar to the Issue. The Registrar to the Issue shall delete the withdrawn bid from the bid file and give instruction to the SCSB for unblocking the ASBA Account after finalisation of the

‘Basis of Allocation’.

Joint ASBA Bids

ASBA Bids may be made in single or joint names (not more than three). In case of joint ASBA Bids, all communication will be addressed to the first Bidder and will be dispatched to his address.

Multiple ASBA Bids

An ASBA Bidder should submit only one Bid for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or first Bidder is one and the same.

Permanent Account Number

The ASBA Bidder or in the case of a Bid in joint names, each of the Bidders, should mention his/her PAN allotted under the I.T. Act. **Applications without this information will be considered incomplete and are liable to be rejected by the SCSBs**. It is to be specifically noted that ASBA Bidders should not submit the GIR number instead of the PAN, as the Bid is liable to be rejected on this ground.

RIGHT TO REJECT ASBA BIDS

The Designated Branches of the SCSBs shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the ASBA Account, the respective Designated Branch ascertains that sufficient funds are not available in the ASBA Account.

Further, in case any DP ID, Client ID or PAN mentioned in the ASBA Form does not match with one available in the depository’s database, such ASBA Bid shall be rejected by the Registrar to the Issue.

Grounds for Technical Rejections under the ASBA Process

ASBA Bidders are advised to note that Bids under the ASBA Process are liable to be rejected on, *inter alia*, the following technical grounds:

1. Application on plain paper or on split form;
2. In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no partnership firm as such shall be entitled to apply;
3. Bids by persons not competent to contract under the Indian Contract Act, 1872 including minors and insane persons;
4. Amount mentioned in the ASBA Form does not tally with the amount payable for the value of Equity Shares Bid for;
5. Age of the first Bidder not given;
6. Bid made by a QIB;
7. PAN not stated, or GIR number furnished instead of PAN;
8. Authorisation for blocking funds in the ASBA Account not ticked or provided;
9. Multiple Bids as defined in this Red Herring Prospectus;
10. In case of Bid under power of attorney, relevant documents are not submitted;
11. Signature of sole and/or joint Bidders missing in case of ASBA Forms submitted in physical mode;
12. ASBA Form does not have the Bidder’s depository account details;

13. ASBA Form is not delivered, either in physical or electronic form, by the Bidder within the time prescribed and as per the instructions provided in the ASBA Form and this Red Herring Prospectus;

14. Inadequate funds in the ASBA Account to block the Bid Amount specified in the ASBA Form at the time of blocking such Bid Amount in the ASBA Account; and

15. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the DP ID and the beneficiary account number.

COMMUNICATIONS

All future communication in connection with ASBA Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First ASBA Bidder, ASBA Form number, details of Depository Participant, number of Equity Shares applied for, date of ASBA Form, name and address of the relevant Designated Branch and bank account number of the ASBA Account, with a copy to the relevant SCSB. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances. The relevant SCSB shall be responsible for any damage or liability resulting from any errors, fraud or willful negligence on the part of any employee of the concerned SCSB, including its Designated Branches and the branches where the ASBA Accounts are held.

ASBA Bidders can contact the Compliance Officer, the relavant Designated Branch, or the Registrar to the Issue in case of any pre or post-Issue related problems such as non-receipt of credit of Allotted Equity Shares in the respective beneficiary accounts, unblocking of excess Bid Amount, etc.

Disposal of Investor Grievances

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, Bid Amount blocked on application, bank account number of the ASBA Account number and the Designated Branch or the collection centre of the SCSB where the ASBA Form was submitted by the ASBA Bidders.

Impersonation

For details, see section titled "Other Regulatory and Statutory Disclosures- Impersonation" on page 403.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY IN INSTRUCTIONS TO SCSBs BY THE REGISTRAR TO THE ISSUE

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Regulations, our Company and the Selling Shareholder undertake that:

- Allotment shall be made only in dematerialised form within 15 days from the Bid/Issue Closing Date;
- Instructions for unblocking of the ASBA Bidder's ASBA Account shall be made; and
- Interest shall be paid by our Company at 15% p.a. for any delay beyond the 15 day period mentioned above, if Allotment is not made and/or demat credits are not made to investors within the time period prescribed above or if instructions to SCSBs to unblock ASBA Accounts are not issued within 14 days of the Bid/Issue Closing Date.

Basis of Allocation and Method of Proportionate Basis of Allocation

Bids received from ASBA Bidders will be considered at par with Bids received from other Bidders, except QIBs. No preference shall be given vis-à-vis ASBA and other Bidders, except QIBs. The 'Basis of Allocation' to such valid ASBA and other Bidders, except QIBs, will be that applicable to the respective category of Bidders. For details, see section titled "Issue Procedure- Basis of Allocation" on page 440.

Undertaking by our Company

In addition to our undertakings described under "Issue Procedure – Undertakings by our Company" on page 447, with respect to the ASBA Bidders, we undertake that adequate arrangements shall be made to collect all ASBA Forms and ASBA Bidders shall be considered similar to other Bidders while finalizing the 'Basis of Allocation'.

Undertakings by Trinity Capital (Two) Limited as the Selling Shareholder in relation to ASBA

In addition to the undertakings by Trinity Capital (Two) Limited as the Selling Shareholder described under "Issue Procedure - Undertakings by Trinity Capital (Two) Limited as the Selling Shareholder" on page 448, with respect to the ASBA Bidders, the Selling Shareholder undertake that adequate arrangements shall be made to collect all ASBA Forms and ASBA Bidders shall be considered similar to other Bidders while finalizing the 'Basis of Allocation'.

SECTION VIII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Pursuant to Schedule II of the Companies Act and the SEBI Regulations, the main provisions of our Articles relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in our Articles and capitalized/defined terms herein have the same meaning given to them in our Articles.

The regulations contained in Table A in the First Schedule to the Companies Act, 1956, shall apply to the Company except in so far as they are now modified or excluded or supplemented in these articles.

II. Share Capital	
4.	**Further Issue of Shares**
4.1	Where at any time after the expiry of two years from formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares, then: a) Such further shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on these shares at that date. b) The offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than thirty days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined. c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any person and the notice referred to in sub-clause (b) shall contain a statement of this right. d) After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner as they may think, most beneficial to the company.
4.2	Notwithstanding anything contained in sub-clause (1), the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub-clause (1) hereof) in any manner whatsoever. a) if a Special Resolution to that effect is passed by the Company in general meeting; or b) where no such Resolution is passed, if the votes cast (whether on a show of hands, or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by members who being entitled to do so vote in person, or where proxies are allowed, by proxy, exceed the votes, if any cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.
4.3	Nothing in sub-clause (c) of (1) hereof above shall be deemed: a) to extend the time within which the offer should be accepted; or b) to authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation
4.4	Nothing in this Article shall apply to the increase of the subscribed capital caused by the exercise of an option attached to the debentures issued by the Company (a) to convert such debentures or loans into shares in the Company; or (b) to subscribe for shares in the Company. PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term provided for such option and such term:

	i) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with Rules; if any, made by, that Government in this behalf; and ii) In the case of debentures or loans or other than debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in general meeting before the issue of the loans.
5.	**Shares at the disposal of Directors**
	Subject to the provisions of Section 81 of the Act and these Articles, the Shares in the capital of the Company for the time being shall be under the control of the Directors, who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at premium or at par or (subject to the compliance with the provisions of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in general meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that the option or right to call of shares shall not be given to any person or persons without the sanction of the company in the general meeting.
6	**Power to Issue Equity Capital with Differential Voting Rights**
	The Company shall have power to issue equity capital:
6.1	with voting rights
6.2	with differential rights as to dividend, voting or otherwise,
	in accordance with such rules and subject to such conditions as may be prescribed
7.	**New capital same as existing capital**
	Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new shares shall be considered as a part of the existing capital and shall be subject to the provisions herein contained, with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
8.	**Power to issue Preference Shares**
	Subject to the provisions of the Act, the Company shall have power to issue preference shares liable to redemption at the option of the Company and Resolution authorising such issue shall prescribe the manner, terms and conditions of redemption, out of the profit of the Company or out of Share Premium account of the Company in accordance with and subject to the provisions of Section 80 of the Act
(a)	The Redeemable Cumulative Preference Shares shall carry a fixed cumulative preference dividend at such rate as may be determined by the Board and/or Committee of Directors of the Company in its absolute discretion and shall be redeemable as may be determined at the time of issue of the said shares.
(b)	The said shares shall rank for dividend in priority to the equity shares for the time being of the Company.
(c)	The said shares shall rank, on winding up, in priority to equity shares, and shall not be entitled to any further participation in profits or assets.
(d)	The voting rights of the persons holding the said shares shall be in accordance with the provisions of Section 87 of the Act.
9.	**Buy-back of shares**
	Notwithstanding anything contained in these Articles, in accordance with the provisions of Section 77A of the Act, the Company may purchase its own shares or specified securities as it may think necessary, subject to such limits, upon such terms & conditions, and subject to such approvals as may be prescribed/ required in terms of the provisions of the Act.
10.	**Instalment on shares to be duly paid**
	If by the conditions of allotment of any share, the whole or part of the amount or issue price thereof, shall be payable by instalment, every such instalment shall when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share, or his legal representative.
11.	**Commission for placing shares**
	In accordance with the provisions of Section 76 of the Act, the Company may, at any time, pay a commission to any person, for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares, debentures, debenture stock of the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares, debentures or debenture-stock of the Company. Such Commission may be paid or satisfied in cash or in

	shares, debentures or debenture-stock of the Company.
12.	**Liability of Joint Holders**
	The joint holder of a share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such shares.
14.	**Liability of Members**
	Every member or his heirs, executors or administrators shall pay to the Company, the portion of the capital represented by his share or shares which may, for the time being remain unpaid thereon, in such amounts, at such time or times and in such manner as the Board of Directors shall, from time to time, require or fix for the payment thereof.
15.	**Trust not recognized**
	Except as ordered by a Court of competent jurisdiction or as provided by the Act, no notice of any trust, express, implied or constructive shall be entered on the register of members or of debenture holders of the Company.
17.	**Acceptance of shares**
	Any application signed by or on behalf of any applicant for shares in the Company followed by an allotment of any of the shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall, for the purposes of these Articles, be a Member.
18.	**Reduction of capital**
	The Company may (subject to the provisions of Section 78, 80, 100 to 105 inclusive, of the Act and these Articles) from time to time by special resolution reduce its capital and any capital redemption reserve account, premium account in any manner for the time being authorised by law, and in particular, capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power of the Company would have if it were omitted.
19.	**Sub-division, consolidation and cancellation of shares**
	Subject to the provisions of Section 94 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is subdivided, may determine that, as between the holders of the shares resulting from such sub-division, one or more of such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other or others. Subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
III. SHARES & CERTIFICATES	
20	**Certificates how to be issued**
	The certificate(s) of shares or debentures shall be issued under the Seal of the Company and shall bear the signature of any person or persons authorised by the Board in that behalf. Every person whose name is entered as a member in the Register shall be entitled to receive within three months after allotment or within two months after the application for the registration of transfer (or within such period as the conditions of issue shall provide), the shares to which it relates and the amount paid thereon provided however no share certificate shall be issued for shares held by Depository. The Director may sign a share certificate by affixing his signature thereon by means of any machine equipment or other mechanical means such as engraving in metal or lithography. Provided always that notwithstanding anything contained in this Article, the certificates of title to shares may be executed and issued in accordance with such other provisions of the Act or the Rules made thereunder, as may be in force for the time being and from time to time.
22	**Shares to be allotted in marketable lot**
	The share certificates shall be issued in market lots and where share certificates are issued more or less that the market lots, consolidation and sub-division of share certificates into market lots, shall be done free of charge.
23.	**Fractional Certificates**
	The Company may issue such fractional certificates as the Directors may approve in respect of any of the shares of the Company on such terms as the Directors think fit as to the period within which the fractional certificates are to be converted into share certificates.
24.	**Issue of new certificate in place of one defaced, lost or destroyed**
24.1	If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificates may be issued in lieu, thereof, and if any certificate is lost or destroyed, then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the Articles shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.2 for each certificate) as the Directors shall prescribe.

	Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer. Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under the Securities Contract (Regulation) Act, 1956 or any other act, or rules applicable in this behalf.
24.2	The provisions of this Article shall mutatis mutandis apply to the debenture certificates of the Company
25	**Issue of Certificates to joint holders**
	The certificate of shares registered in names of two or more persons shall be delivered to the person first named in the Register.
26.	**The first named of joint holders deemed sole holder**
	If any share stands in the names of two or more persons, the person first named in the Register shall as regards receipt of dividends or cash bonus, or service of notices or any other matter connected with the Company except voting at meetings and the transfer of the shares, be deemed the sole holder thereof but the joint holders of a share shall be severally as well as jointly liable for, the payment of all instalments and calls due in respect of such shares and for all incidents thereof according to the provisions of the Act.
27.	**Dematerialisation of securities**
	Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer them in a dematerialised form pursuant to the Depositories Act, 1996.
27.1	Option for Shareholders/Holders of Debentures
	Company may exercise an option to issue, deal in, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialised, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act, as amended from time to time or any statutory modification thereto or re-enactment thereof If a person opts to hold his security with a Depository, the Company shall intimate to such Depository the details of allotment of the security and on receipt of the information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the security. If a beneficial owner seeks to opt out of a depository in respect of any security, the beneficial owner shall inform the depository accordingly. The depository shall on receipt of intimation as above make appropriate entries in the records and shall inform the Company. The Company shall after receipt of intimation from the depository and on fulfilment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial owner or the transferee as the case may be.
27.2	Securities in Depositories to be in fungible form
	All securities held by a Depository shall be dematerialised and in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B and 187C of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.
27.3	Rights of Depositories and beneficial Owners
	Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner. Save as otherwise provided in (a) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it. Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities, which are held by a Depository.
27.4	Allotment of securities dealt with on a Depository
	Notwithstanding anything in the Act or these Articles where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.

27.5	Distinctive numbers of securities held in a depository
	Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a Depository.
27.7	Company not to recognise any interest in shares other than member
	Except as ordered by a court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or where the name appears as the beneficial owner of shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognise benami trust or equitable, contingent future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has express or implied notice thereof, but the Board shall be at liberty at their sole discretion to register any share in the joint names of any two or more persons or survivor or survivors of them.
27.8	Disclosure of Beneficial Interest
	a) Notwithstanding anything herein contained a person whose name is at any time entered in the Register of Members of the Company as the holder of a share in the Company, but who does not hold the beneficial interest in such share, shall, within such time and in such form as may be prescribed, make a declaration to the Company specifying the name and other particulars of the person or persons who hold the beneficial interest in such share in the manner provided in the Act: b) A person who holds a beneficial interest in a share or a class of shares of the Company shall, within the time prescribed, after his becoming such beneficial owner, make a declaration to the Company specifying the nature of his interest, particulars of the person in whose name the share stands in the Register of members of the Company and such other particulars as may be prescribed in the Act; c) Whenever there is a change in the beneficial interest in a share referred to above, the beneficial owner shall, within the time prescribed from the date of such change make a declaration to the Company in such form and containing such particulars as may be prescribed as provided in the Act; d) Notwithstanding anything contained in the Act and Article 30 where any declaration referred to above is made to the Company, the Company shall make note of such declaration in the Register of Members and file within the time prescribed from the date of receipt of the declaration a return in the prescribed form with the Registrar of Companies with regard to such declaration.
IV. CALLS	
29.	**Calls**
	The Directors may, from time to time by resolution passed at a meeting of the Directors and not by a circular resolution, make such calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times. Each member shall pay the amount of every call so made on him to the persons and at the time and place appointed by the Directors. A call may be made payable by instalments and shall be deemed to have been made when the resolution of the Directors authorising such calls was passed.
30.	**Notice of call**
	At least 14 days' notice of any call shall be given by the Company specifying the time and place of payment and to whom such call shall be paid, provided that before the time for payment of such call, the Directors may, by notice in writing to the members, revoke the same or extend the time for payment thereof.
31.	**Amount payable at fixed times or by instalments payable as calls**
	If by the terms of issue of any share or otherwise any amount is or becomes payable on allotment or at any fixed date or by instalments at fixed times whether on account of the nominal amount of the share or by way of premium, every such amount or instalment shall be payable as if it were a call duly made by the Directors and payable on the date on which by the terms of issue or otherwise such sum becomes payable and of which due notice has been given. In case of non-payment of such sum, all the relevant provisions herein contained as to payment of interest and expenses, forfeiture or otherwise shall apply as if such amount had become payable by virtue of a call duly made and notified.
32.	**Payment in anticipation of call may carry interest**
32.1	The Directors may, if they think fit, subject to provisions of Section 92 of the Act, agree to and receive from any Member willing to advance the same, whole or any part of the moneys due upon the shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceed the amount of the call then made upon the shares in respect of which such advance has been made, the

	Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.
32.2	The Members shall not be entitled to any voting rights in respect of the money so paid by him until the same would but for such payment, become presently payable.
32.3	The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company
33.	**Evidence in action for call**
	On the trial or hearing of any action for the recovery of any money due for any call, it shall be sufficient to prove that the name of the member sued is entered in the Register as the holder or one of the holders, of the shares, in respect of which such debt accrued, that the resolution making the call is duly recorded in the minute book and that notice of such call was duly given to the member sued, in pursuance of these Articles and it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made nor any other matters whatsoever and the proof of the matters aforesaid shall be conclusive evidence of the debt.
34.	**Partial payment not to preclude forfeiture**
	Neither a judgement nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein provided.
35.	**Payments of call in advance**
	The Directors may, if they think fit, receive from any member willing to advance the same, all or any part of the sum due upon the shares held by him beyond the sums actually called for; and upon the moneys so paid in advance or so much thereof as from time to time exceeds the amount of calls then made upon the shares in respect of which such advance has been made, the Company may (until the same would but for such advance become presently payable) pay interest at such as the member paying such sum in advance and the Directors may agree upon and the Directors may at any time repay the amount so advanced upon giving to such member, notice in writing as agreed upon at the time of receiving the advance. The member making such advance payment shall not, however, be entitled to dividend or to participate in profits of the Company or exercise any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable.
36.	**Members not entitled to privileges of membership until all calls paid**
	No member shall be entitled to receive any dividend or to exercise any privilege as a member until he shall have paid all Calls for the time being due and payable on every share held by him, whether alone or jointly with any other person together with interest and expenses, if any.
V. FORFEITURE AND LIEN	
37.	**If a call or instalment not paid, notice may be given**
	If any member fails to pay any call or instalment on or before the day appointed for the payment of the same, the Directors may at any time thereafter, during such time as the call or instalment remains unpaid serve a notice on such member requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non- payment.
38.	**Form of notice**
	The notice shall name a day (not being earlier than the expiry of fourteen days from the date of service of the notice) and a place or places, on and at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment on or before the time and at the place appointed, the shares in respect of which the call was made or instalment is payable will be liable to be forfeited.
39.	**If notice not complied with, shares may be forfeited**
	If the requisitions of any such notice as aforesaid are not complied with, any shares, in respect of which such notice has been given may, at any time thereafter, before payment on all calls or instalments, interest and expenses, due in respect thereof, be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends and other benefits declared in respect of the forfeited shares and not actually paid or effected, as the case maybe, before the forfeiture.
41.	**Forfeited shares to become property of the Company**
	Any shares so forfeited shall be deemed to be the property of the Company and the Directors may sell, re-allot and otherwise dispose of the same in such manner, as they think fit.
44.	**Effect of forfeiture**
	The forfeiture of a share shall involve the extinction of all interest in and also of all claims

	and demand against the Company in respect of the share and all other rights incidental to the same except only such of those rights as by these Articles are expressly saved.
45.	**Certificate of forfeiture**
	A certificate in writing under the hands of any Director and countersigned by the Secretary of the Company, that the call in respect of a share was made and notice thereof was given and that default in payment of the call was made and that the forfeiture of the shares was made by a resolution of the Board of Directors to that effect, shall be conclusive evidence of that fact stated therein as against all persons entitled to such share.
46.	**Title of purchaser and allottee of forfeited shares**
	The Company may receive the consideration, if any, given for any share forfeited, on any sale, re-allotment or other disposal thereof and may execute transfer of the share in favour of the person to whom the share is sold or disposed of and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share. Any such purchaser or allottee shall not (unless by express agreement) be liable to pay any calls, amounts, instalments, interest and expenses owing to the Company prior to such purchase or allotment nor shall he be entitled (unless by express agreement) to any of the dividends, interest or bonus accrued or which might have accrued upon the share before the time of completing such purchase or before such allotment. Such purchaser or allottee shall not be bound to see the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.
47.	**Company's lien on shares**
	The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid up shares/debentures) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures, and no equitable interest in any shares shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed, the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien, if any, on such shares/debentures. The Directors may at any time declare any share/debenture wholly or in part exempt from the provisions of this clause
48.	**Enforcement of lien by sale**
	For the purpose of enforcing such lien, the Board of Directors may sell the shares subject thereto in such manner as they think fit; but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell have been served as provided in Article 41 hereof on such member, his heirs, executors or administrators and default shall have been made by him or them in the payment, fulfilment, or discharge of such debts, liabilities, or engagements for seven days after such notice. To give effect to any such sale, the Board may authorise some person to execute an instrument of transfer in respect of the shares sold and to transfer the shares sold to the purchaser thereof and the purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as aforesaid the certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new certificate in lieu thereof to the purchaser or purchasers concerned.
51.	**Board of Directors may issue new certificates**
	Where any shares under the powers in that behalf herein contained are sold by the Board of Directors after forfeiture or for enforcing a lien and the certificate in respect thereof has not been delivered up to the Company by the former holder of such shares, the Board of Directors may issue a new certificate of such shares distinguishing it in such manner as they may think fit from the certificate not so delivered.
52.	**Application of forfeiture provisions**
	The provisions of the Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of the issue of a share becomes payable at a fixed time, whether on account of the amount of the share, or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
53.	**Articles to apply to debentures**
	The provisions contained in Articles 38 to 53 shall mutatis mutandis apply to debentures of the Company.
VI.	**TRANSFER AND TRANSMISSION OF SHARES**
54.	**Execution of transfer, etc**
	No transfer of shares in or debentures of the Company shall be registered unless in accordance with the provisions of Section 108 of the Act and these Articles a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company along with the certificates relating to the shares

	or debentures or if no such certificate is in existence, along with the letter of allotment of the shares or debentures provided the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register in respect thereof.
55.	**Instrument of transfer**
	The instrument of transfer shall be in writing and all provisions of Section 108 of the Companies Act, 1956 and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof
56.	**Directors may refuse to Register Transfer**
	Subject to the provisions of Section 111A, these Articles and other applicable provision of the Act or any other law for the time being in force, the Board of Directors may refuse whether in pursuance of any power of the company under these Articles or otherwise, to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a Member in or debentures of the Company. The Company shall, within one month from the date on which the instrument of transfer or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the Transferee and the Transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal, notice of the refusal to register such transfer, provided that registration of a transfer shall not be refused on the ground of the Transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares
59.	**Transfer to be left at office and evidence of title given when transfer to be retained**
	Every instrument of transfer duly executed and stamped shall be left at the office of the Company for registration accompanied by the certificate of the shares to be transferred and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares. All instruments of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Directors may decline to register shall on demand, be returned to the person depositing the same.
60.	**No fee on Transfer or Transmission**
	No fees shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or Marriage, Power of Attorney or similar other document
62	**Title to share of deceased holder**
	The executors or administrators of a deceased member shall be the only persons recognised by the Company as having any title to his share except in case of joint holders, in which case the surviving holder or holders or the executors or administrators of the last surviving holder shall be the only persons entitled to be so recognised; but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share jointly held by him. The Company shall not be bound to recognise such executor or administrator unless he shall have obtained probate or letters of administration or other legal representation, as the case may be from a duly constituted Court in India to grant such probate or letters of administration provided nevertheless that in cases, which the Board in its discretion considers to be special cases and in such cases only, it shall be lawful for the Board of Directors to dispense with the production of probate or letter of administration or such other legal representation upon such terms as to indemnify or otherwise as the Board of Directors may deem fit. The holder of succession certificate relating to the share of a deceased member and operative in the State of Maharashtra shall be deemed to be an administrator for the purposes of this Article.
63.	**Nomination facility**
	Notwithstanding anything contained in these Articles, every holder of shares in or debentures of the Company may at any time, nominate, in prescribed manner, a person to whom his shares or debentures shall vest in case of his death, in terms of the provisions of the Act
65.	**Persons entitled may receive dividends without being registered as members**
	A person entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends or moneys as hereinafter provided, be entitled to receive, and may give a discharge for, any dividends or other moneys payable in respect of the share.
67.	**Transfer by legal representative:**
	A transfer of the share in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member, be as valid as if he had been a member at the time of the execution of the instrument of transfer.
68.	**Certificate of transfer**
	The certification by the Company of any instrument of transfer of shares in or debentures of the Company, shall be taken as a representation by the Company to any person acting on the faith of the certification that there have been produced to the Company such documents as on the face of them show a prima facie title to the shares or debentures in the transferor named in the instrument of transfer but not as a representation that the transferor has any title to the

	shares or debentures.
69.	**Service of documents**
	Notwithstanding anything in the Act or these Articles to the contrary, where the securities are held in a Depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies of discs.
70.	**Transfer of securities**
	Nothing contained in the Section 108 of the Act or these Articles shall apply to transfer of securities effected by a transferor and transferee, both of whom are entered as beneficial owners in the records of a Depository
72.	**Applicability of the Depository Act**
	The provisions of Depository Act shall apply in respect of issue, transfer, and transmission and other relevant / incidental matters relating to securities held with a Depository
VII. JOINT HOLDERS	
73.	**Joint holders**
	Where two or more persons are registered as the holders of any share, the person first named in the Register as one of the joint holders of the share shall be deemed the sole holder for matters connected with the Company subject to the following and other provisions contained in these Articles:
73.1	The joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.
73.2	On the death of any such joint holders the survivor or survivors shall be the only person or persons, recognised by the Company as having any title to the share but the Directors may require such evidence of death, as they may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other persons.
73.3	Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends and payment on account of dividends in respect of such share.
73.4	Only the person whose name stands first in the Register of Members as one of the joint holders of any shares shall be entitled to the delivery of the certificates relating to such share or to receive documents (which expression shall be deemed to include all documents referred to in these Articles, from the Company and any documents served on or sent to such person shall be deemed to be served on all the joint holders.
73.5	Any one of two or more joint holders may vote at any meeting either personally or by attorney duly authorised under power of attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney then one of such persons so present whose name stands first or higher (as the case may be) on the Register in respect of such share shall alone be entitled to vote in respect thereof but the other or others of the joint holders shall be entitled to be present at the meeting provided always that a joint holder present at any meeting personally shall be entitled to vote in preference to a joint holder present by attorney or proxy although the name of such joint holder present by an attorney or proxy stands first or higher (as the case may be) in the Register in respect of such shares. Several executors or administrators of a deceased member in whose (deceased member's) sole name any share stands, shall, for the purpose of this sub-clause, be deemed joint holders.
VIII. MODIFICATION OF RIGHTS	
74.	**Power to vary shareholders' rights**
	Whenever the capital, by reason of the issue of preference shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class, may subject to the provisions of Section 106 and 107 of the Act, be modified, commuted, affected, abrogated or dealt with by agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified in writing by the holders of at least three-fourths in nominal value of the issued shares of the class or is confirmed by special resolution passed at a separate general meeting of the holders of shares of that class.
IX. BORROWING POWERS	
75.	**Power to borrow**
	Subject to the provisions of Section 292 of the Act, the Board of Directors may from time to time by a resolution passed at a Meeting of the Board, accept deposits from members, either in advance of calls or otherwise and may generally raise or borrow or secure the payment of any sum or sums of money for the Company.
76.	**Conditions for repayment of moneys borrowed**
	The payment or repayment of moneys borrowed pursuant to Article 75 of these Articles may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit including by the issue of debentures or debenture stock of the Company charged upon all or any part of the undertakings or property of the Company (both present and future) and its uncalled share capital for the time being pursuant to a resolution

	passed at the meeting of Board of Directors but not by its circular resolution.
79.	**Mortgage uncalled capital**
	If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Board of Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed or, if permitted by the Act, may, by instrument under the Company's Seal, authorise the person in whose favour such mortgage or security is executed or any other person in trust for him, to make calls on the members in respect of such uncalled capital, and the provisions herein before contained in regard to calls shall, mutatis mutandis, apply to calls made under such authority, and such authority may be made exercisable either conditionally or unconditionally and either presently or contingently and either to the exclusion of the Board's power or otherwise, and shall be assignable if expressed so to be.
81.	**Indemnity may be given**
	If the Directors or any of them or any other persons shall become personally liable for the payment of any sum primarily due from the Company under the due process of law or under the authority of any law enforcement agencies, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.
X. GENERAL MEETINGS	
82.	**Annual or ordinary general meeting**
	The Annual General Meeting shall be held in accordance with Section 166 of the Act and shall be called for a time during business hours on a day that is not a public holiday and shall be held either at the Registered Office of the Company or at such place in the city, town or village in which the Registered Office of the Company is situated, as the Board of Directors may determine and the notices calling the meeting shall specify it as the Annual General Meeting.
83.	**Right to attend general meetings**
	Every member of the Company shall be entitled to attend every general meeting either in person or by proxy, and the Auditor of the Company shall have the right to attend and to be heard at any general meeting on any part of the business which concerns him as Auditor.
85.	**Distinction between Ordinary and Extra-Ordinary General Meeting**
	All general meetings other than Annual General Meetings shall be called Extra-ordinary General Meetings.
87.	**Calling of Extra-ordinary General Meeting on requisition**
	The Board of Directors of the Company shall on the requisition of such number of members of the Company as is specified in sub-section (4) of Section 169 of the Act, forthwith proceed duly to call an Extraordinary General Meeting of the Company, and in respect of any such requisition and of any meeting to be called pursuant thereto, all the other provisions of Section 169 of the Act and of any statutory modification thereof for the time being shall apply.
88.	**Notice of meeting**
	A general meeting of the Company may be called by giving to the Shareholders not less than 21 days' notice in writing accompanied with the agenda for such meeting`. However, a general meeting may be called after giving a shorter notice than that of 21 days, if consent is accorded thereto : a) in the case of an Annual General Meeting, by all the members entitled to vote thereat; and b) in the case of any other meeting, by members of the Company holding not less than 95 per cent of such part of the paid up share capital of the Company as gives them a right to vote at that meeting; Provided that where any members of the Company are entitled to vote only on some resolutions or resolution to be passed at the meeting and not on the others, those members shall be taken into account for the purpose of this Article in respect of the former resolution or resolutions but not in respect of the latter.
91.	**Service of notice**
	Notice of every meeting shall be given to every member of the Company as provided in Section 53 of the Act.
92.	**Notice to be given to Auditors**
	Notice of every meeting of the Company shall be given to the Auditor or Auditors for the time being of the Company, in the manner provided in Section 53 of the Act.
93.	**Omission to give notice not to invalidate meeting**
	The accidental omission to give notice of any meeting to or the non-receipt of any notice by any member or other person to whom it should be given shall not invalidate the proceedings

	at the meeting.
94.	**Resolution requiring Special Notice**
	Where by any provision contained in the Act or in these Articles, Special Notice is required of any resolution, notice in respect of the same shall be given to the Company and by the Company as provided in Section 190 of the Act.
XI.	**PROCEEDINGS AT GENERAL MEETINGS**
95.	**Business of Ordinary Meeting**
	The business of an Annual General Meeting shall be to receive and consider the Profit and Loss Account, the Balance Sheet and the Reports of the Directors and of the Auditors, to elect Directors in place of those retiring, to appoint Auditors and to fix their remuneration, to declare dividends and to transact any other business which, under these Articles, ought to be transacted at an Annual General Meeting.
96.	**Business of Ordinary Meeting - Special Business**
	All other business transacted at an Annual General Meeting and all business transacted at an Extraordinary General Meeting shall be deemed Special.
114.	**Chairman to be the sole judge of the validity of the vote tendered at meeting and at poll**
	The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of all polls shall be the sole judge of the validity of every vote tendered at such poll.
115.	**Right of member to use his vote**
	On a poll taken at meeting of the Company, a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.
118.	**Inspection of Minute Books of general meetings**
	The books containing the aforesaid minutes shall be kept at the Registered Office of the Company and be open to the inspection of any member without charge as provided in Section 196 of the Act. Any member shall be furnished with a copy of any minutes in accordance with the terms of that section.
XII.	**VOTING RIGHTS**
121.	**Voting right in proportion to share of paid up capital of the Company**
	Every member who being an individual present in person or by a proxy or by attorney duly authorised under power of attorney, or being a Corporation is present by a representative or his proxy shall, on a poll, have a voting right in proportion to his share of the paid up equity capital of the Company.
123.	**Person entitled under the Transmission Clause may vote at general meeting**
	Any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such share, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting as the case may be, at which he proposes to vote he shall satisfy the Board of Directors of his right to Transmission of such shares, unless the Directors shall have previously admitted his right to Transmission of such shares or his right to vote at such meeting in respect thereof.
124.	**Instrument appointing Proxy**
	The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or, if such appointer is a corporation, under his common seal or the hand of an officer or an attorney duly authorised by it. A person may be appointed a proxy though he is not a member of the Company, but such proxy shall not have any right to speak at any meeting.
126.	**Instrument appointing Proxy to be deposited at Office**
	The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Registered Office of the Company not less than forty-eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote in case of a poll and in default the instrument of proxy shall not be treated as valid.
130.	**No member entitled to vote etc while call due to Company**
	No member shall be entitled to vote either personally or by proxy at any general meeting of a class of shareholders either upon a show of hands or on poll in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien
XIII.	**DIRECTORS**
133.	**Appointment of Alternate Directors**
	The Board may appoint an Alternate Director to act for a Director (hereinafter called "the Original director") during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. An Alternate Director appointed under this Article shall not hold office for a period longer

	than that permissible to the original director in whose place he has been appointed and shall vacate office if and when the original director returns to that State. If the term of office of the Original director is determined before he so returns to that State, any provisions in the Act or these Articles for the automatic re-appointment of retiring director in default of another appointment, shall apply to the original director and not to the alternate director.
136.	**Nominee Directors**
	In case the Company obtains any loans /other facilities from financial institutions and it is a term thereof that the said financial institution shall have right to nominate one or more directors, then subject to such terms and conditions as may be agreed upon the said financial institutions shall be entitled to nominate one or more directors as the case may be, on the Board of Directors of the Company and to remove from office any such director so appointed and to nominate another in his place or in place of the director so appointed who resigns or otherwise vacates his office. Any such nomination or removal shall be made in writing and by a resolution of the Board of Directors of such financial institution or by any person duly authorized by it.
139.	**Remuneration of Directors**
139.1	Subject to the provisions of the Act, a Managing Director or a Director who is in the wholetime employment of the Company, may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by another.
139.2	Subject to the provisions of the Act, a Director, who is neither in the wholetime employment nor a Managing Director may be paid remuneration either: a) by way of a monthly, quarterly or annual payments, or b) by way of commission if the Company by a Special Resolution authorises such payment.
141.	**Remuneration for extra services**
	If any Director, being willing, shall be called upon to perform extra services or to make any special exertions in going or residing abroad or otherwise for any of the purposes of the Company, the Company shall remunerate such Director, in such manner as may be determined by the Board of Directors and such remuneration may be in addition to the fee payable to him under the preceding Article. Attendance at a Board Meeting or Committee Meeting at the Registered Office of the Company shall not be deemed to be extra service or special exertion within the meaning of this Article.
144.	**Directors may contract with the Company**
144.1	A Director or his relative, a firm in which such Director or relative is a partner, any other person in such firm or a private company of which the Director is a member or Director, may enter into any contract with the Company for the sale, purchase of supply of any goods, materials or services or for underwriting the subscription of any shares in or debentures of the Company only after obtaining the sanction of the Board of Directors. Provided that in the case of the Company having a paid up Capital of not less than such amount as may be prescribed under the Act no such contract shall be entered into except with the previous approval of the Central Government.
144.2	No sanction, however, shall be necessary for : a) any purchase of goods and materials from the Company or the sale of goods or materials to the Company, by any such Director, relative, firm, partner or private company as aforesaid for cash at prevailing market price; or b) any contract or contracts between the Company on one side and any such Director, relative, firm, partner or private company on the other for sale, purchase or supply of any goods, materials and services in which either the Company or the Director, relative, firm, partner or private company, as the case may be, regularly trades or does business where the value of the goods and materials or the cost of such services do not exceed such amounts as may be prescribed under the Act in the aggregate in any year comprised in the period of the contract or contracts Provided that in circumstances of urgent necessity, the Company may without obtaining the consent of the Board enter into any such contract or contracts with the Director, relative, firm, partner or private company even if the value of such goods or materials or the cost of such services exceeds such amounts as may be prescribed under the Act in the aggregate in any year comprised in the period of the agreement, if the consent of the Board shall be obtained to such contract or contracts at a meeting within three months of the date on which the contract was entered into.
144.3	A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement entered into or a proposed contract or arrangement to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 299(2) of the Act. A general notice given to the Board by the Director to the effect that he is a Director or Member

	of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the financial year in which it is given but may be renewed for a further period of one financial year at a time by a fresh notice given in the last month of the financial year in which it would have otherwise expired. No such general notice and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.
146.	**Director may be a director of companies promoted by the Company**
	A Director of this Company may be or become a director of any company promoted by this Company or in which it may be interested as a vendor, purchaser, shareholder or otherwise and no such Director shall be accountable for any benefits received as director or member of such company.
XVI.	**POWERS OF THE BOARD OF DIRECTORS**
164.	**General power of the Board**
	Subject to the provisions of the Act, the Board of Directors shall be entitled to exercise all such powers, and to do all such acts and things, as the Company is authorised to exercise and do; provided that the Directors shall not exercise any power or do any act or thing which is directed or required, whether by the Act or any other Act or by the Memorandum of Association of the Company or these Articles or otherwise, to be exercised or done by the Company in general meeting; provided further that in exercising any such power or doing any such act or thing, the Board of Directors shall be subject to the provisions contained in that behalf in the Act or in any other Act or in the Memorandum of Association of the Company or these Articles or in any regulations not inconsistent therewith and duly made thereunder including regulations made by the Company in general meeting.
166.	**Specific powers given to Directors**
	Without prejudice to the general powers conferred by the last preceding Article and the other powers conferred by these Articles it is hereby expressly declared that the Board shall have the following powers, that is to say, power:
166.1	To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company
166.2	To purchase or otherwise acquire for the Company, any property, rights or privileges which the Company is authorised to acquire at such price and generally on such terms and conditions, as they think fit and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be necessarily satisfactory
166.3	To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other movable property of the Company either separately or jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power
166.4	To open accounts with any bank or bankers or with any company, firm or individual and to pay moneys into and draw moneys from any such account from time to time as the Directors may think fit
166.5	At their discretion, to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures, mortgages or other securities of the Company and any such shares may be issued either as fully paid up or with such amounts credited as fully paid up thereon as may be agreed upon, and any such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged
166.6	To secure the fulfilment of any contracts or agreements entered into by the Company by mortgage or charge of all or any of the properties of the Company and its uncalled capital for the time being or in such other manner as they may think fit
166.7	To appoint and at their discretion, remove or suspend, such committee or committees of experts, technicians or advisers, such managers, secretaries, officers, clerks, agents and servants for permanent, temporary or special services, as they may from time to time think fit and to determine their powers and duties and fix their salaries or emoluments and to require security in such instances and to such amount as they think fit
167.	**Appointment of Managing Director**
167.1	The Board of Directors may appoint a Director from amongst themselves as the Managing Director of the Company on such conditions and for such term not exceeding five years at a time as they may think fit and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office

	and appoint another or others in his or their place or places. The Managing Director shall have experience in field of the Company's business. He shall be appointed for exercising powers of management subject to the superintendence, control and direction of the Board and shall be responsible for the day-to-day management of the Company and its business. The Board has the power to prescribe and stipulate any limitations on the powers of the Managing Director.
167.2	Subject to the provisions of the Act and of these Articles, a Managing Director or a Whole-time Director shall not, while he continues to hold that office, be subject to retirement by rotation under Article 147 but he shall, subject to the provisions of any contract between him and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company and he shall ipso facto and immediately cease to be a Managing Director or Whole- time Director if he ceases to hold the office of Director for any cause, provided that if at any time the number of Directors (including the Managing Director or Whole-time Director) as are not subject to retirement by rotation shall exceed one-third of the total number of the Directors for the time being, then such Managing Director or Managing Directors or Whole-time Director or Whole-time Directors, as the Directors, may from time to time select, shall be liable to retirement by rotation to the intent that the Directors so liable to retirement by rotation shall not exceed one-third of the total number of Directors for the time being
167.3	Subject to the provisions of the Act and to the approval of the Company in general meeting the remuneration of a Managing Director or Whole-time Director shall from time to time be fixed by the Directors, and may be by way of fixed salary, or commission on profits of the Company, or by participation in any such profits or by any or all of those modes.
XXII. DIVIDENDS	
178.	**Dividends**
	The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these Articles and subject to the provisions of these Articles and the Act as to the Reserve Fund, the Depreciation Fund or other special fund or funds, shall be divisible among the members in proportion to the amount of capital paid up on the shares held by them respectively Provided always that (subject as aforesaid) any capital paid upon a share during the period in respect of which a dividend is declared shall unless the Directors otherwise determine, entitle and shall be deemed always to have entitled the holders of such share only to an apportioned amount of such dividend as from the date of payment. Provided that where capital is paid up on any shares in advance of calls upon the footing that the same shall carry interest, such capital shall not whilst carrying interest, confer a right to participate in profit.
179.	**Declaration of dividends, restrictions on amount of Dividend**
	The Company in general meeting may declare a dividend to be paid to the members according to their rights and interests in the profits and may fix the time for payment. No larger dividend shall be declared than is recommended by the Directors, but the Company in general meeting may declare a smaller dividend.
183.	**Interim dividends**
	The Directors may from time to time pay to the members such interim dividends as in their judgement the position of the Company justifies.
185.	**Dividend and call together set off allowed**
	Any general meeting declaring a dividend may make a call on the members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the member, be set off against the call. The making of a call under this Article shall be deemed ordinary business of an Annual General Meeting which declares a dividend.
188.	**No member to receive dividend whilst indebted to the Company and the Company's right to reimbursement thereof**
	No member shall be entitled to receive payment of any interest or dividend in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares or otherwise howsoever, either alone or jointly with any other person or persons; and the Directors may deduct from the interest or dividend payable to any member all sums of money so due from him to the Company.
XXIV. CAPITALISATION	
197	**Capitalisation of Reserves**
197.1	Any general meeting may upon the recommendations of the Directors, resolve that any moneys, investments or other assets forming part of the undivided profits of the Company, standing to the credit of any of the Company's Reserve Funds or to the credit of the Profit and

	Loss Account or any Capital Redemption Reserve Fund or in the hands of the Company and available for dividend or representing premium received on the issue of shares and standing to the credit of the Share Premium Account be, subject to the provisions of Section 78 of the Act, capitalised and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund shall not be paid in cash but shall be applied subject to the provisions contained in clause (b) hereof on behalf of such shareholders in full or towards a) paying either at par or at such premium as the Resolution may provide, any unissued shares or debentures or debenture-stock of the Company which shall be allotted, distributed and credited as fully paid up to and amongst such members in the proportions as aforesaid; or b) paying up any amounts for the time being remaining unpaid on any shares or debentures or debenture-stock held by such members respectively; or c) paying up partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii) and that such distribution or payment shall accepted by such shareholders in full satisfaction of their interest in the said capitalised sum.
197.2	Any moneys, investments or other assets representing premiums received on the issue of shares and standing to the credit of Share Premium Account; and if the Company shall have redeemed any Redeemable Preference Shares, all or any part of any Capital Redemption Fund arising from the redemption of such shares, may by resolution of the Company be applied only in paying up in full or in part any new shares or any shares then remaining unissued to be issued to such members of the Company as the general meeting may resolve up to an amount equal to the nominal amount of the shares so issued;
197.3	Any general meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the Company or any investments representing the same or any other undistributed profits of the Company not subject to charge for income-tax be distributed among the members of the footing that they receive the same as capital
197.4	For the purposes of giving effect to any such resolution under this Article, the Director may settle any difficulty which may arise in regard to the distribution of payment as aforesaid as they think expedient and in particular, may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that cash payment shall be made upon the footing of the value so fixed or that fractions of less value than Rs 1 may be disregarded in order to adjust the rights of all parties and may vest any such cash or specific assets in trustees upon such trust for the persons entitled to the dividend capitalised fund as may seem expedient to the Directors and generally may make such arrangements for the acceptance allotment and sale of such shares or other specific assets and fractional certificates or otherwise as they may think fit
197.5	If and whenever any shares become held by any member in fraction, the Directors may subject to the provisions of the Act and these Articles and to the directions of the Company in general meeting if any sell these shares which members hold in fractions for the best price reasonably obtainable and shall pay and distribute to any amongst the members entitled to such shares in due proportion the net proceeds of the sale thereof. For the purpose of giving effect to any such sale, the Directors may authorise any person to transfer the shares sold to the purchaser thereof comprised in any such transfer and he shall not be bound to see the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale
197.6	Where requisite, a proper contract shall be delivered to the Registrar of Companies for registration in accordance with Section 75 of the Act and Directors may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalised fund and such appointment shall be effected.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These contracts, copies of which will be attached to the copy of this Red Herring Prospectus, delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at our Registered and Corporate Office from 10.00 a.m. to 4.00 p.m. on Working Days from the date of this Red Herring Prospectus until the Bid/Issue Closing Date.

Material Contracts in relation to this Issue

1. Letter of appointment dated September 26, 2009 to the Book Running Lead Managers and the Co-Book Running Lead Managers from our Company and the Selling Shareholder appointing them as the Book Running Lead Managers and the Co-Book Running Lead Managers.

2. Memorandum of Understanding among our Company, the Selling Shareholder, the Book Running Lead Managers and the Co-Book Running Lead Managers dated September 26, 2009.

3. Amendment agreement dated February 23, 2010 to the memorandum of understanding dated September 26, 2009, among our Company, the Selling Shareholder, the Book Running Lead Managers and the Co-Book Running Lead Managers.

4. Memorandum of Understanding between our Company, the Selling Shareholder and Registrar to the Issue dated September 21, 2009 and letter dated February 1, 2010 signed by our Company, the Selling Shareholder and Registrar to the Issue, amending the said Memorandum of Understanding dated September 21, 2009.

5. Escrow Agreement dated [●] among our our Company, the Selling Shareholder, the Registrar, the Escrow Collection Banks, the Book Running Lead Managers, the Co-Book Running Lead Managers and the Syndicate Members.

6. Syndicate Agreement dated [●] among our Company, the Selling Shareholder, the Book Running Lead Managers, the Co-Book Running Lead Managers and the Syndicate Members.

7. Underwriting Agreement dated [●] among our Company, the Selling Shareholder, the Book Running Lead Managers, the Co-Book Running Lead Managers and the Syndicate Members.

8. Agreement dated May 12, 2005 among NSDL, our Company and the Registrar to the Issue.

9. Agreement dated October 16, 2009 among CDSL, our Company and the Registrar to the Issue.

Material Documents

1. Our Memorandum and Articles, as amended from time to time.

2. Our certification of incorporation.

3. Resolution passed by our Board dated June 30, 2009 approving this Issue.

4. Resolution passed by our shareholders dated August 4, 2009 approving this Issue.

5. Resolution dated August 20, 2009 passed by the board of directors of Trinity Capital (Two) Limited approving this Issue.

6. Resolution dated June 30, 2009 passed by our Board appointing the Associate Vice President and Company Secretary of our Company as the Compliance Officer.

7. Shareholders' resolution dated August 29, 2008 confirming appointment and fixing remuneration of the Managing Director of our Company, Mr. K. Ramchand.

8. Shareholders' resolution dated August 29, 2008 confirming appointment and fixing remuneration of the Executive Director of our Company, Mr. Mukund Gajanan Sapre.

9. Report of the Auditors, M/s Deloitte Haskins & Sells, Chartered Accountants dated February 18, 2010 prepared in accordance with Indian GAAP as required by Part II of Schedule II to the Companies Act and mentioned in this Red Herring Prospectus.

10. Copies of annual reports of our Company for the Fiscals 2005, 2006, 2007, 2008 and 2009.

11. Consent of the Auditors, M/s Deloitte Haskins & Sells, Chartered Accountants, for inclusion of their report in the form and context in which it appears in this Red Herring Prospectus

12. Statement of Tax Benefits from M/s Deloitte Haskins & Sells, Chartered Accountants dated February 18, 2010 available to our Company and its shareholders.

13. Letter dated January 21, 2010, appointing Axis Bank Limited as the Monitoring Agency in relation to this Issue.

14. Report of the IPO grading agency, Fitch Ratings India Private Limited, furnishing the rationale for its grading.

15. Report of the IPO grading agency, Credit Analysis and Research Limited, furnishing the rationale for its grading.

16. Consents of the IPO Grading Agencies, Fitch Ratings India Private Limited and Credit Analysis and Research Limited, for inclusion of their IPO grading reports furnishing the rationale for their grading, in the form and context in which appear in this Red Herring Prospectus.

17. Consents of Banker to the Company, Book Running Lead Managers, the Co-Book Running Lead Managers, members of the Syndicate, the Monitoring Agency, Registrar to the Issue, Escrow Collection Bank(s), Bankers to the Issue, lenders of the Company, domestic legal counsel to the Company, domestic legal counsel to the Underwriters, international legal counsel to the Underwriters, Directors, Company Secretary and Compliance Officer, as referred to, in their respective capacities.

18. Applications dated September 29, 2009 filed with the NSE and the BSE, respectively, for obtaining their in-principle listing approval.

19. In-principle listing approvals dated October 21, 2009 and November 4, 2009 received from the NSE and the BSE, respectively.

20. Due diligence certificate dated September 29, 2009 provided to the SEBI from the Book Running Lead Managers and the Co-Book Running Lead Managers.

21. SEBI observation letter No. CFD/DIL/ISSUES/SP/EB/191751/2010 dated January 20, 2010 and reply to the same dated February 23, 2010.

22. Inter-corporate deposit receipts dated August 31, 2009, entered into with our Group Company, IL&FS Securities Services Limited for grant of a loan facility of Rs. 1,000.00 million.

23. 'Agreement for Short Term Loan' dated November 30, 2009 between our Company and Bank of India.

24. 'Agreement for Short Term Loan' dated July 16, 2009 between our Company and Canara Bank.

25. ‘Agreement for Term Loan’ dated December 29, 2009 between our Company and Bank of Maharashtra.

26. ‘Agreement for Term Loan’ dated March 30, 2009 between our Company and United Bank of India.

27. Certificate dated January 22, 2010 issued by A.P. Shah & Associates, Chartered Accountants, certifying the purpose and utilisation of the loans obtained by our Company to be repaid from the Net Proceeds.

28. Subscription Agreement dated February 9, 2007 between our Company, IL&FS and GS Strategic Investments Limited.

29. Shareholders Agreement dated February 9, 2007 between our Company, IL&FS, IL&FS EWT, GS, Trinity Capital (Two) Limited and deed of Adherence dated March 5, 2009 between our Company and Standard Chartered IL&FS Asia Infrastructure Growth Fund Company Pte. Limited.

30. Share Purchase Agreement dated September 22, 2009 between Bessemer India Capital Holdings II Limited and Mr. Ravi Parthasarathy, Mr. Hari Sankaran, Mr. Arun K. Saha, Mr. Vibhav Kapoor, Mr. Ramesh C. Bawa, Mr. K. Ramchand, Mr. Shahzaad Dalal and Mr. Sachin Gupta (as trustees of IL&FS Employees’ Welfare Trust).

31. Amended and Restated Subscription-cum-Shareholders’ Agreement dated December 18, 2008 between Vansh Nimay Infraprojects Private Limited, our Company, Vansh Infotech Private Limited, Dayajeet Nimay Bus Logistics Private Limited and ORIX Auto Infrastructure Services Limited.

32. Shareholders’ Agreement dated June 20, 2005 between West Gujarat Expressway Limited, IL&FS and our Company.

33. Share Subscription Agreement dated March 14, 2007 between West Gujarat Expressway Limited, IL&FS and our Company.

34. Shareholders’ Agreement dated April 21, 2006 between Andhra Pradesh Expressway Limited, IL&FS and our Company.

35. Shareholders’ Agreement dated March 29, 2004 between Thiruvananthapuram Road Development Company Limited, Punj Lloyd Limited and our Company.

36. Shareholders’ Agreement dated December 31, 2001 between North Karnataka Expressway Limited, IL&FS, Punj Lloyd Limited and our Company.

37. Subscription-cum-Shareholders Agreement dated October 30, 2007 between our Company, East Hyderabad Expressway Limited and KMC Constructions Limited.

38. Shareholders’ Agreement dated February 15, 2001 between Gujarat Road and Infrastructure Company Limited, formerly, Gujarat Toll Roads Investment Company Limited, IL&FS and IL&FS Trust Company Limited.

39. Deed of Adherence dated December 28, 2006 between our Company and Gujarat Road and Infrastructure Company Limited in relation to the Gujarat Road and Infrastructure Company Limited Shareholders’ Agreement.

40. Joint Venture Agreement dated February 4, 2008 between our Company, ENSO Limited and Mr. Sanjiv Rai.

41. Deed of adherence dated March 24, 2006 entered between our Company and Noida Toll Bridge Company Limited.

42. Agreements representing the economic interests of our Company in Andhra Pradesh Expressway Limited and North Karnataka Expressway Limited.

43. Agreements representing the economic interests of our Company in West Gujarat Expressway Limited.

44. Subscription agreements with IL&FS for 'covered warrants' representing our economic interests in Road Infrastructure Development Company of Rajasthan Limited, Jharkhand Accelerated Road Development Company Limited and Chhattisgarh Highways Road Development Company Limited dated March 14, 2007, August 28, 2009 respectively.

45. Trust deed dated February 22, 2007 entered into by our Company and IL&FS Trust Company Limited.

46. Concession agreement dated November 20, 2001 between National Highways Authority of India and North Karnataka Expressway Limited.

47. Concession agreement dated March 22, 2005 between National Highways Authority of India and West Gujarat Expressway Limited.

48. State Support Agreement dated September 21, 2005 between West Gujarat Expressway Limited, National Highways Authority of India and the Government of Gujarat.

49. Concession Agreement dated November 12, 1997 between New Okhla Industrial Development Authority, IL&FS and Noida Toll Bridge Company Limited.

50. Support Agreement dated January 14, 1998 between Noida Toll Bridge Company Limited, National Highways Authority of India and the Government of Uttar Pradesh.

51. Concession agreement dated October 17, 1998 between the Governor of the State of Gujarat and the Vadodara Halol Toll Road Company Limited (formerly known as the "Gujarat Toll Road Company Limited").

52. Concession agreement dated May 12, 1999 between the Governor of the State of Gujarat and the Ahmedabad Mahesana Toll Road Company Limited.

53. Partnership Development Agreement dated August 7, 2005 between the Government of Rajasthan, IL&FS and Road Infrastructure Development Company of Rajasthan Limited.

54. Agreement dated February 9, 2007 between the Municipal Corporation of the city of Nagpur and Vansh Nimay Infra Projects Limited, formerly, Vansh Nimay Infra Projects Private Limited.

55. Concession agreement dated March 20, 2006 between National Highways Authority of India and Andhra Pradesh Expressway Limited.

56. State Support Agreement dated November 4, 2006 between Andhra Pradesh Expressway Limited, National Highways Authority of India and the Government of Andhra Pradesh.

57. Concession agreement dated August 3, 2007 between Hyderabad Urban Development Authority, Hyderabad Growth Corridor Limited and East Hyderabad Expressway Limited.

58. Concession agreement dated May 1, 2009 between the Kerala Road Fund Board, the Public Works Department, Government of Kerala and Thiruvananthapuram Road Development Company Limited.

59. Concession agreement dated April 1, 2009 between the Department of Road Transport and Highways, Government of India and ITNL Road Infrastructure Development Company Limited.

60. State Support Agreement dated July 14, 2009 between ITNL Road Infrastructure Development Company Limited, National Highways Authority of India and the Government of Rajasthan and the Ministry of Road Transport and Highways, GoI.

61. Programme Development Agreement dated February 6, 2008 between IL&FS and the Governor of the State of Jharkhand, Road Construction Department.

62. Concession Agreement dated September 23, 2009 between the Governor of the State of Jharkhand, Jharkhand Accelerated Road Development Company Limited and Jharkhand Road Projects Implementation Company Limited.

63. Programme Development Agreement dated January 29, 2007 between IL&FS and the Governor of the State of Chhattisgarh, Public Works Department.

64. Concession Agreement dated August 18, 2007 between Hyderabad Urban Development Authority, Hyderabad Growth Corridor Limited and Ramky Hyderabad Ring Road Limited.

65. Concession Agreement dated September 30, 2009 between the National Highways Authority of India and Pune Sholapur Road Development Company Limited.

66. Concession Agreement dated October 8, 2009 between the National Highways Authority of India and Hazaribagh Ranchi Expressway Limited.

67. Concession Agreement dated October 14, 2009 between the Governor of the State of Jharkhand, Jharkhand Accelerated Road Development Company Limited and Jharkhand Road Projects Implementation Company Limited. (For Ranchi Patratu Dam Road – Package RPR I).

68. Concession Agreement dated October 14, 2009 between the Governor of the State of Jharkhand, Jharkhand Accelerated Road Development Company Limited and Jharkhand Road Projects Implementation Company Limited. (For Patratu Dam Road to Ramgarh – Package RPR II).

69. Concession Agreement dated December 9, 2009 between the Haryana Urban Development Authority and Rapid MetroRail Gurgaon Limited.

70. Supervision cum Operation & Maintenance Contract dated January 21, 2002 between North Karnataka Expressway Limited and our Company.

71. Project Management, Procurement cum Operations & Maintenance Contract dated April 26, 2005 between West Gujarat Expressway Limited and our Company.

72. Services and Operation & Maintenance Contract dated March 27, 2006 between Andhra Pradesh Expressway Limited and our Company.

73. Programme Management Services, Implementation Services, Construction Supervision Services cum Operations & Maintenance Contract dated September 6, 2007 between East Hyderabad Expressway Limited and our Company.

74. Operations & Maintenance Agreement dated March 22, 2007 between Gujarat Road and Infrastructure Company Limited and our Company.

75. Operations & Maintenance Agreement dated January 22, 1999 between Gujarat Toll Road Company Limited, Punj Lloyd Limited and IRCON Limited.

76. Operations & Maintenance Agreement dated August 1, 2007 between Noida Toll Bridge Company Limited and ITNL Toll Management Services Limited.

77. Amendment agreement dated January 1, 2009 to the Operations & Maintenance Agreement dated August 1, 2007 between Noida Toll Bridge Company Limited and ITNL Toll Management Services Limited.

78. Operations & Maintenance Contract dated April 6, 2009 between ITNL Road Infrastructure Development Company Limited and our Company.

79. Management and Supervision Agreement dated September 18, 2008 between Road Infrastructure Development Company of Rajasthan Limited and our Company.

80. Operations & Maintenance Contract dated March 30, 2004 between Thiruvananthapuram Road Development Company Limited and our Company.

81. Development Agreement dated October 1, 2009 between Pune Sholapur Road Development Company Limited and our Company.

82. Design cum Services cum Operations and Management Agreement dated October 5, 2009 between Pune Sholapur Road Development Company Limited and our Company.

83. Development Agreement dated October 9, 2009 between Hazaribagh Ranchi Expressway Limited and our Company.

84. Design cum Services cum Operations and Management Agreement dated October 15, 2009 between Hazaribagh Ranchi Expressway Limited and our Company.

85. Programme Management Services, Implementation Services, Construction Supervision Services cum O&M Contracts dated October 18, 2009 between Jharkhand Road Projects Implementation Company Limited and our Company.

86. Trademark license agreement dated March 26, 2007 between our Company and IL&FS.

87. Letter issued by the RBI (FE.CO.FID. No. 15858/10.21.168/2009-10) dated December 21, 2009, according its 'no-objection' for the transfer of 4,278,844 Equity Shares by Selling Shareholder pursuant to the Offer for Sale.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time, if so required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

In accordance with Section 61 of the Companies Act, in the event any of the material contracts mentioned in this section are required to be modified or amended, post the filing of the Prospectus with the RoC, reference shall be made to the shareholders of our Company for the same.

DECLARATION

We, the Directors, certify that all relevant provisions of the Companies Act and the regulations issued by the GoI or the SEBI, as applicable, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SEBI Act or the rules made or regulations issued thereunder, and that all approvals and permissions required to carry on the business of our Company have been obtained, are currently valid and have been complied with. We further certify that all the statements in this Red Herring Prospectus are true and correct. Please see chapter titled "Other Regulatory and Statutory Disclosures – Disclaimer from the Company, the Directors, the Selling Shareholder, the Book Running Lead Managers and the Co-Book Running Lead Managers" on page 400 in relation to information pertaining to the Selling Shareholder.

SIGNED BY THE MANAGING DIRECTOR Sd/- **Mr. K. Ramchand**	**SIGNED BY THE CHIEF FINANCIAL OFFICER** Sd/- **Mr. Cherian George**

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/- **Mr Deepak Dasgupta,** Chairman, Independent Director	**Sd/-** **Mr. Mukund Gajanan Sapre,** Executive Director
Sd/- **Mr. Ravi Parthasarathy,** Director	**Sd/-** **Mr. Hari Sankaran,** Director
Sd/- **Mr. Arun K. Saha,** Director	**Sd/-** **Mr. Vibhav Kapoor,** Director
Sd/- **Mr. H.P. Jamdar,** Independent Director	**Sd/-** **Mr. Ramesh Chandra Sinha,** Independent Director
Sd/- **Mr Deepak Satwalekar,** Independent Director	**Sd/-** **Mr. Pradeep Puri,** Director

SIGNED BY THE SELLING SHAREHOLDER

We certify that all statements in respect of Trinity Capital (Two) Limited are true and correct.

(For Trinity Capital (Two) Limited)

Date: March 4, 2010
Place: Mumbai.

ANNEXURE A

FitchRatings
KNOW YOUR RISK

Mr.Krishna Ghag
Company Secretary
IL&FS Transportation Networks Ltd
IL&FS Financial Center
III Floor
Bandra Kurla Complex
Mumbai 400051

January 28, 2010

Dear Sir,

Re: IPO Grading for IL&FS Transportation Networks Limited, in connection with an initial public offering of 3,42,78,844 equity shares of INR 10 each (the "Shares")

You have requested the IPO Grading described above from Fitch Ratings India Pvt. Ltd.("**Fitch India**"). This IPO Grading is a point-in-time assessment and does not constitute a credit rating by Fitch India of IL&FS Transportation Networks Limited or, for the avoidance of doubt, of the Shares. Our procedures for issuing a credit rating differ from the procedures used to issue the IPO Grading. In addition, a point-in-time assessment will not be monitored by Fitch India and therefore will not be updated to reflect changed circumstances or information that may affect the IPO Grading referred to in this letter.

This letter notifies you that, based largely upon our assessment of the fundamental financial strength of IL&FS Transportation Networks Limited, Fitch India assigns an IPO Grading for IL&FS Transportation Networks Limited of '4(ind)', out of a maximum of '5(ind)'.

This IPO Grading is based on the information and documents provided to us by you and other parties. Fitch India relies on all these parties for the accuracy of such information and documents. Fitch India did not audit or verify the truth or accuracy of such information and does not take responsibility for the appropriateness of the information provided and used in our analysis. Fitch India provides this IPO Grading "as is" and does not represent, warrant or guarantee (i) the accuracy, correctness, integrity, completeness or timeliness of any part of this IPO Grading, or (ii) that this IPO Grading and the information and analyses contained in, and constituting a part of, this IPO Grading will fulfill any of your or any third party's particular purposes or needs.

Fitch India is not your advisor, nor is Fitch India providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. This IPO Grading should not be viewed as a replacement for such advice or services. Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between you and us or between us and any third party, including, without limitation, any user of this IPO Grading.

Fitch Ratings India Private Limited
Apeejay House, 6th Floor, 3 Dinshaw Vachha Road, Churchgate, Mumbai 400 020, India.
T +91 22 4000 1700 • F +91 22 4000 1701

FitchRatings
KNOW YOUR RISK

As set out in the Fitch India fee letter, dated 14 October 2009, (i) Fitch India is not responsible for any underwriting, credit, loan, purchase, strategic or investment decision, or damages or other losses resulting from use of this IPO Grading and (ii) none of Fitch India, its officers, employees, affiliated companies and their officers and employees shall have any liability in contract, tort, or otherwise (including, without limitation, for any direct indirect, special, incidental, consequential, punitive or exemplary damages, including lost profits) in relation to the use of this IPO Grading by any third party. The report providing this IPO Grading is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by you and your agents in connection with the sale of the Shares. In providing this IPO Grading, Fitch India is not making any recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan, or security of any issuer. This IPO Grading does not comment on the suitability of the issue process, the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. Any person who uses this IPO Grading does so entirely at its own risk. Investors are advised to obtain individual financial advice based on their risk profile before taking any action based on this IPO Grading.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please contact either of undersigned at +91 22 4000 1700.

Sincerely,

Amit Tandon
Managing Director

Rakesh Valecha
Senior Director

Infrastructure/
Transportation
India
IPO Grading Report

IL&FS Transportation Networks Limited

Fitch IPO Grade 4(ind)

Fitch has assigned a grade of '4 (ind)' out of a maximum of '5 (ind)' to the proposed initial public offer of IL&FS Transportation Networks Limited (ITNL). The grade indicates the above-average fundamentals of the issue, relative to other listed equity securities in India

IPO Details

ITNL is proposing an IPO of 3,42,78,844 equity shares of INR10 each. This includes an offer for sale of 42,78,844 shares by Trinity Capital Two Limited, an existing shareholder.

Financial Snapshot (Stand-Alone)

(INRm)	2009	2008
Revenues	2,277	2,499
EBITDA	1,423	1,458
EBIT	1,397	1,437
Net income	421	765
Total debt	7,640	4,332
Shareholders funds	7,665	7,362
EBITDA margin (%)	63	58
EBIT margin (%)	61	58
Net income margin (%)	18.50	30.60
Earnings per share	2.45	4.71
Total debt/equity	1.00	0.59

Source: Company, Fitch

Analysts

Venkataraman Rajaraman
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S. Nandakumar
+91 44 4340 1710
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Grading Rationale

The grading assigned to IL&FS Transportation Networks Limited (ITNL) reflects its established presence in India's transportation sector - in particular roads. Both ITNL and prior to its incorporation, its promoter, Infrastructure Leasing & Financial Services Ltd (IL&FS, 'AAA(ind)'/Stable), have had a long and successful track record in the Indian infrastructure sector, many times playing a pioneering role in introducing new business models and execution formats. A mix of operating road assets, combined with projects that are under development or in various stages of construction, lend considerable visibility to the business prospects; recent forays outside of the road sector, such as managing city bus transport services and implementing a rail transit project, provide a measure of diversification, although they also carry risks by virtue of being relatively new models in the Indian context.

Aided by a long-term vision and expertise in the road sector, built up as an integrated player with experience in managing the various phases in the project lifecycle - eg concept to development, project management to operations - ITNL is well positioned to capitalize on the growing opportunities in the sector as the Government of India (GoI) and several state governments seek to secure greater private sector participation through the public private partnership (PPP) model.

Unlike several competitors - which have transformed from being construction companies to project developers - ITNL has been able to differentiate itself by its ability to generate value in the pre-construction phase, including through selling innovative concepts and ideas to various governments. The quality and stability of ITNL's management and the financial flexibility that it enjoys - including access to IL&FS's financial (though not explicitly articulated) and managerial resources - and its brand, give it an advantage in realizing very ambitious business plans. ITNL has a moderately sound financial history of growing revenues and dividend pay-outs, although it is now attempting to chart a growth trajectory that is substantially higher, in keeping with its market potential.

Fitch believes that the infrastructure sector in general, and the roads segment in particular, will see increasing activity in the medium term. That said, ITNL will still be confronted with a number of challenges in its quest to build a continuous and rapidly expanding pipeline of new project wins (which are critical to its current revenue model, which relies heavily on generation of upfront project development and supervision fees). Key risks emanate from policy changes, vagaries of the political discourse, and regulatory hurdles (which can slow the pace at which new projects are bid out by various governments, as was the case with the highways development programme in FY08 and FY09). Completion risk, frequently encountered by numerous road projects, can necessitate higher than anticipated investment outlays, calls for additional financial support, and also delay returns. As governments rely predominantly on a bidding process for awarding new projects, competitive pressures may stymie ITNL's growth plans and/or lower returns.

The proceeds from ITNL's proposed issue are expected to be largely applied towards retiring existing short-term debt and facilitating fund-raising for future investments, through broadening the equity base.

Key Grading Issues

Areas of Strength

- Established position in the sector; one of the earliest entrants.
- Strong parent; benefit of financial and managerial resources; ability to leverage relationships with government because of the brand.
- The government's strong impetus to create infrastructure as a key input to sustainable economic growth; the road sector has been at the forefront of India's PPP programme and is poised to see heightened activity in the next two to three years

Risks - Factors Constraining the Grading

- Changes in government policies/political preferences may slow the sector's growth.
- Construction and completion risk (many times caused by factors outside the company's control) and patronage risk, at least in the initial years of some of the toll road assets.
- Need to extend higher-than-budgeted financial support - during both construction and operations phases - to the special purpose vehicles (SPVs) sponsored by it; possible need to continue supporting the overseas subsidiary, Elsamax
- Since the government is the counterparty for bulk of the projects in the sector, concessions are awarded on the basis of 'lowest-cost bids'. This implies that ITNL's revenue and profits for a particular year depend upon the new concessions it is able to secure during the year in a competitive bidding scenario.

Company Background

ITNL was incorporated in the year 2000 to consolidate the parent, IL&FS's transportation (roads, rail and related services) initiatives under one roof. ITNL's role includes project development, project management, construction management, operations and maintenance Management, design engineering, and policy advisory. All of the road projects through various SPVs are domiciled in ITNL.

ITNL is one of India's largest Build-Own-Operate (BOT) road operators, with approximately 8000 lane kms under its management. In early 2008, ITNL established its global presence in the road sector by acquiring a 100% equity stake in Elsamex, S.A., a Spanish enterprise involved in construction and operations and maintenance (O&M) operations in the road sector in approximately 10 countries.

ITNL has a diverse portfolio of 16 road projects, one rail project and one urban transportation system project at various stages of development/construction/operation. ITNL has a mix of "annuity/assured payments" and "toll"-based projects, with "annuity" projects comprising the majority. ITNL also implements projects in partnership with local state governments, which include the states of Rajasthan, Chhattisgarh and Jharkhand.

Promoters

ITNL is a part of the IL&FS group, which was one of the earliest private sector entrants into the infrastructure development business. It has a demonstrated track record of developing, structuring and the commercialization of various infrastructure projects, particularly in the transportation sector. IL&FS is also involved in infrastructure advisory services and benefits from a strong and experienced management team. An unlisted company, Life Insurance Corporation of India (LIC) is the single largest shareholder in IL&FS, with a stake of 25.25%.

Utilisation of Proceeds

The proceeds of the issue are planned to be utilized to prepay INR4,000m of short-term debt, which the company has availed from commercial banks, and a INR1,000m inter-corporate deposit from one of its group companies. The balance will be utilized for general corporate purposes.

Business Overview

ITNL is an established surface transportation infrastructure company and is one of the largest private sector BOT operators in India. ITNL is involved in the development, operation and facilitation of surface transportation infrastructure projects, taking projects from conceptualization through commissioning to operation and maintenance. In March 2008, ITNL commenced its international operations through the acquisition of Elsamex SA, (Spain) a provider of maintenance services, primarily for highways and roads in Spain and other countries.

Besides six operating road projects, ITNL is developing 12 road projects in the states of Andhra Pradesh, Chattisgarh, Jharkhand, Kerala, Rajasthan and Maharashtra. Out of the 12 projects, six are under construction and six are in the pre-construction phase of development.

An ITNL led consortium comprising ITNL Enso Rail Systems Ltd and DLF has been selected for the development of the 5 km elevated metro rail link project in Gurgaon. Besides, ITNL through one of its subsidiaries also operates buses on a few selected routes in the Nagpur city on a BOT basis.

Presently, ITNL's revenue model depends upon the fee income that it generates from the various SPVs, formed for implementing projects won by the group. Concessions from the various governments vary from 10 to 30 years. Once a project is bid and won, ITNL invests in its equity to the extent of about 15% to 25%, sourcing the balance from a combination of debt (from banks) and sub-debt (from IL&FS). While the debt is raised on a non-recourse basis, ITNL is not averse to extending financial support, contractually (loan agreements usually require the sponsor to fund project cost overruns) as well as to help projects tide over temporary cash flow difficulties.

ITNL's major sources of revenue are fees received on account of rendering the following services:

- project development services;
- advisory and project management services;
- construction supervision services;
- Operations and maintenance (comprising an upfront fee and an annual recurring fee);
- tolling supervision;
- dividend and interest income on investments.

Since the projects have a long gestation, it usually takes between seven to 10 years to realize return from equity investments

Since the majority of the fees (except O&M fee) are one-time and non-recurring in nature, the company's annual revenue depends on the ability to keep winning new projects for development. This is dependent on external factors, including government policies, pace of economic growth and behaviour of competitors.

Market/Industry Position

The development and improvement of roads is a key ingredient in the GoI's efforts to place infrastructure at the heart of economic growth. The Road Transport &

Highways Ministry has an ambitious plan of developing 35000 km of national highways in the next five years. It is estimated that an investment of about USD70bn would be needed in the Indian road sector until 2012. Of this, private sector participation is expected to comprise approximately USD41bn. By the end of FY10, the government expects to invite bids for 135 road projects (with a total length of 14,395 km and an estimated cost of USD21bn).

ITNL's established track record in operating toll roads, its diversified revenue base, the strong support of IL&FS, and its experienced management team should equip it to capitalize on this huge opportunity. That said, given the competitive bidding process by which government concessions are granted, ITNL will have to strike a careful balance between aggressively bidding for new projects and managing the risk profile/return thresholds. Besides several established developers and construction companies, the market potential has also attracted a number of smaller players in recent years, making the landscape fiercely competitive. ITNL's experience in working with state governments - in evolving new formats for implementing projects - should give it a measure of diversification.

Financial Performance

The last three years have witnessed a surge in the number of new contracts won by ITNL via successful bids; a stand-alone financial profile follows:

On a consolidated basis, gross revenues increased to INR13320m in FY09 from INR1981.49m in FY07. EBIDTA has grown at a compounded annual growth rate (CAGR) of 68% between FY07 to FY09. Net income fell from INR513.82m in FY07 to FY278.78m in FY09, primarily because of the steep rise in interest costs on account of rising borrowings (to INR19.25bn in FY09 from INR11.20bn in FY07).

Operations and Maintenance expenses rose to INR2.6bn (FY09) from INR72m (FY07), owing to expenses on newer projects and a rise in the cost of inputs. Net income/revenue steeply dropped to 2.09% (FY09) from 25.94% in FY07, due to an increase in interest costs, administrative and construction costs; for the same reason, earnings per share (EPS) dropped to INR1.52 from INR5.35 during the same period.

ITNL's leverage (debt/equity) has been at consistently low levels (2x) and the proposed equity infusion via the IPO should provide the company with financial flexibility to fund its growth plans. That said, the realisation of the aggressive growth plans will warrant higher levels of borrowing.

Outlook

The renewed impetus to the National Highway Development Programme (NHDP), coupled with the easing of financial market conditions, has increased market potential for players in the sector. Given its track record, financial strength and competitive advantage, Fitch expects ITNL to be well placed to exploit the opportunities in the sector and realise its growth plans, at least in the medium term.

Annex 1 – Financial Performance

Consolidated Summary (Year-Ended March 31)

(INRm)	M 09	M 08	M 07
Income statement			
Revenue	13,320.08	4,374.54	1,981.49
Revenue growth (%)	204.50	120.77	-
EBITDA	2,999.88	2,588.99	1,062.78
EBIT	2,546.44	2,412.85	926.95
Net income	278.78	932.55	513.82
Balance sheet			
Total debt	19,345.68	16,987.37	11,196.33
Shareholder funds	8,860.97	9,156.66	7,380.85
Share capital	1,714.15	1,714.15	1,624.90
Reserves	7,146.82	7,442.51	5,755.95
Average capital employed[b]	27,174.84	22,360.11	15,577.18
Average assets[b]	36,378.55	28,264.44	20,649.10
Cash flow			
Cash flow from operating activities	747.64	2,593.96	627.99
Capital expenditure	183.91	2,562.93	3,895.40
Ratios			
EBITDA/revenue (%)	22.53	59.18	53.64
EBIT/revenue (%)	19.12	55.16	46.78
Net income/revenue (%)	2.09	21.31	25.94
Earnings per share (basic)	1.52	5.62	5.35
Total debt/equity	2.18	1.85	1.52
Return on average equity (%)[a]	3.09	11.28	6.96
Return on average capital employed (%)[a]	1.03	4.17	2.77
Return on average assets(%)[a]	0.77	3.30	2.49
Number of shares (m) - weighted average	171.41	162.66	94.78

[a] Based on Net Income

[b] Figures for FY07 are not averaged

Source: Company, Fitch

ANNEXURE B

CARE Ratings

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Mr. Krishna Ghag,
Company Secretary,
IL&FS Transportation Networks Ltd.
The IL&FS Financial Centre,
Plot C-22, G Block
Bandra-Kurla Complex,
Bandra (E),
Mumbai – 400 051.

January 25, 2010

Confidential

Dear Sir,

IPO Grading

Please refer to your letter dated October 26, 2009 for grading of your Initial Public Offering (IPO) of 342.79 Lac equity shares of face value of Rs.10 each.

2. CARE has assigned a **'CARE IPO Grade 4' [Grade Four]** to the proposed IPO issue of IL&FS Transportation Networks Ltd (ITNL). **CARE IPO Grade 4** indicates **above average fundamentals.** CARE assigns IPO grades on a scale of Grade 5 to Grade 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals. CARE's IPO grading is an opinion on the fundamentals of the issuer. The grade assigned to any individual issue represents a relative assessment of the 'fundamentals' of the issuer.

3. Please note that wherever **'CARE IPO Grade 4' [Grade Four]** appears, it should invariably be followed by the definition 'CARE IPO Grade 4 [Grade Four] indicates above average fundamentals'.

4. The explanatory notes regarding the grading symbols of CARE for IPO grading are given in **Annexure 1**. The rationale for this grading will be communicated to you separately.

5. Please arrange to get the grading revalidated, in case the proposed IPO issue is not made within two months from the date of this letter.

Sd/-

6. Please note that the IPO grading is a one time exercise undertaken before an IPO issue and it does not have any ongoing validity.
7. Please note that as per the existing regulations, CARE is required to disclose all IPO gradings. As such, in the absence of any request for review of rating within a week of this letter, CARE will disclose this IPO grading to the public.
8. Please note that the disclaimer as given hereunder should be disclosed wherever the IPO grading assigned by CARE is mentioned, including offer document and issue prospectus.
9. If you need any clarification, you are welcome to approach us in this regard.

Thanking You,

Yours faithfully,

N.m. Shanghvi

[Niral Shanghvi]
Analyst

Rajashree

[Rajashree Murkute]
Manager

Encl : As above

DISCLAIMER:
CARE's IPO grading is a one time assessment and the analysis draws heavily from the information provided by the issuer as well as information obtained from sources believed by CARE to be accurate and reliable. However, CARE, does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. CARE's IPO grading does not take cognizance of the price of the security and it is not a recommendation to buy, sell or hold shares/securities. It is also not a comment on the offer price or the listed price of the scrip. It does not imply that CARE performs an audit function or forensic exercise to detect fraud. It is also not a forecast of the future market performance and the earnings prospects of the issuer; also it does not indicate compliance/violation of various statutory requirements. CARE shall not be liable for any losses incurred by users from any use of the IPO grading.

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Annexure 1

CARE IPO grading Scale

CARE IPO grade	Evaluation
CARE IPO Grade 5	Strong fundamentals
CARE IPO Grade 4	Above average fundamentals
CARE IPO Grade 3	Average fundamentals
CARE IPO Grade 2	Below average fundamentals
CARE IPO Grade 1	Poor fundamentals

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Mr. Krishna Ghag,
Company Secretary,
IL&FS Transportation Networks Ltd.
The IL&FS Financial Centre,
Plot C-22, G Block
Bandra-Kurla Complex,
Bandra (E),
Mumbai – 400 051.

February 17, 2010

Confidential

Dear Sir,

IPO Grading

Please refer to our letter dated January 25, 2010, on the above subject.

2. The rationale for the grading is attached as an **Annexure - I**. Kindly note that the rationale would be published in the forthcoming issue of our quarterly journal, 'CAREVIEW'.

3. A write-up on the above grading is proposed to be issued to the press shortly. A draft of the press release is enclosed for your perusal as **Annexure - II**.

4. We request you to peruse the Rationale and Press Release and offer your comments, if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by February 23, 2010, will proceed on the basis that you have no comments to offer.

5. CARE IPO grading is not a recommendation to buy, sell, or hold any security.

6. If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,

Rajshree Ganguly.
[Rajshree Ganguly]
Analyst

[Rajashree Murkute]
Manager

Encl: As above

CARE Ratings

Annexure-I

Grading Rationale

IL&FS Transportation Networks Ltd.

IPO Grading **CARE IPO Grade 4**

CARE has assigned a **'CARE IPO Grade 4'** to the proposed (Initial Public Offer) IPO of IL&FS Transportation Networks Ltd (ITNL). CARE IPO Grade 4 indicates above average fundamentals. CARE assigns IPO grades on a scale of Grade 5 to Grade 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals. CARE's IPO grading is an opinion on the fundamentals of the issuer. The grade assigned to any individual issue represents a relative assessment of the 'fundamentals' of the issuer. ITNL proposes an IPO aggregating Rs.700 crore including an Offer for Sale by Trinity Capital (Two) Ltd. of 42,78,844 equity shares and the balance constituting fresh equity issue.

The grading factors in the strong promoter background and support, professional management, well-entrenched position in the domestic road sector, diverse road project portfolio, foray into other surface transport segments, extensive and advanced execution capabilities, established global presence through its subsidiary, Elsamex, S.A and sustained Government focus on development of infrastructure in India.

The grading is however, constrained by project execution risk of its SPV's, impending support towards its road SPV's which are at a nascent stage of operations and inherent risks associated with various road projects with long gestation period.

Further, any delay in the implementation of projects, exposure to vagaries in global economy and successful integration with Elsamex, S.A. operations would have a bearing on the financial risks on ITNL.

Background of the company

ITNL is an established surface transportation infrastructure company with expertise in development, operation and facilitation of BOT Road Projects. It was incorporated in 2000 by Infrastructure Leasing & Financial Services Limited (IL&FS), an infrastructure development and finance company, in order to consolidate its existing road infrastructure projects and to pursue various new project initiatives in the area of surface transportation

Dated: February 17, 2010

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infrastructure. Since inception, ITNL has been involved in the development, operation and maintenance of national and state highways, roads (including urban roads), flyovers and bridges across India. In March 2008, ITNL commenced its international operations through the acquisition of Elsamex S.A. (Elsamex), a provider of maintenance services primarily for highways and roads based in Spain and having operations in few other countries. The acquisition of Elsamex not only complemented with ITNL's BOT toll operations business along with their maintenance capabilities but also facilitated the latter's entry into international markets such as Spain and Latin America.

ITNL has developed the following skill sets in the road sector:

- Project sponsorship/Investment ;
- Project Development;
- Construction Management;
- Management of Toll Roads; and
- Advisory Services.

Management

The organization structure at ITNL comprises two Executive Directors in ITNL viz., Mr. K. Ramchand, Managing Director and Mr. Mukund Sapre, Executive Director. They are in turn supported by a team of qualified professionals in the field of construction, project execution and finance.

Corporate Governance

The company's Board of Directors comprises 12 Directors, of which two are Executive Directors and the remaining being Non-Executive Directors. ITNL has four Independent Directors (one-third of the Board) thereby complying with the Clause 49 of the listing agreement for Corporate Governance requirements. The non-Executive Directors on Board have relevant experience in infrastructure development, especially roads. The appointment of Independent Directors and constitution of various committees was done on June 30, 2009.

Operations

ITNL is engaged in the development, operation and maintenance of national and state highways, roads (including urban roads), flyovers and bridges and has a pan India presence particularly in Andhra Pradesh, Delhi, Gujarat, Maharashtra, Karnataka, Uttar Pradesh, Kerala and Rajasthan. It has been selected for the development of the 4.9 km

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track of elevated metro rail link project in Gurgaon (Haryana) and also operates and maintains the Nagpur city bus services on a BOT basis.

ITNL acquired Elsamex, a provider of maintenance services primarily for highways and roads in Spain and other countries in 2008 to establish its international operations across Spain, Portugal and Latin American markets and complement its BOT road operations with Elsamex's maintenance capabilities. Elsamex is essentially based in Spain, with operations in Portugal, Columbia and Mexico. Apart from providing consulting services in terms of quality control, safety, health and environment parameters for roads and water supply projects, it also conducts R&D for road maintenance projects, particularly bitumen technology.

IPO Issue Details

Size of the Issue

ITNL is proposing to make an IPO aggregating Rs.700 crore including an Offer for Sale by Trinity Capital (Two) Ltd. of 42,78,844 equity shares and the balance constituting fresh equity issue.

Terms of the issue

- Company is exploring the possibility of the Pre-IPO Placement. If the Pre-IPO Placement is completed, the number of Equity Shares issued pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to a minimum Issue size of 10% of the post-Issue share capital and the Issue aggregating to at least Rs.100 crore. The Pre-IPO Placement is at the discretion of the Company.
- In the event of over-subscription, allocation shall be made on a proportionate basis, subject to valid Bids being received at or above the Issue Price.
- Under-subscription, if any, in the Non-Institutional Portion and the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories, at the sole discretion of the Company and the Selling Shareholder, in consultation with Book Running Lead Managers and the Co-Book Running Lead Managers.
- If at least 60% of the Issue cannot be allotted to QIBs, then the entire application money will be refunded forthwith.

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Purpose of the issue

ITNL will not receive any proceeds from the Offer for Sale. The activities for which funds are being raised by ITNL through the Fresh Issue are:-

- Funding pre-payment and repayment of a portion of debt availed by the Company; and
- General Corporate Purposes.

Pending legal cases & their status

There are no pending litigations against ITNL and its Directors. There are however 23 civil cases (barring one criminal lawsuit) filed against its subsidiaries, associates and joint venture companies.

1. Litigation involving promoter company IL&FS – The pending litigation profile mix of IL&FS includes a criminal suits, civil suits, consumer suits, debt recovery proceedings, arbitration proceedings, Income Tax related and imposition of past penalties.

2. Litigation involving group companies and subsidiaries – While there are pending criminal cases against ITNL's group companies and subsidiaries, the remaining legal suits have arisen in the ordinary course of business operations.

Consolidated Financials (Rs.crore)

Particulars	FY08	FY09
	Audited	
Total Operating Income	296.59	1,058.72
Total Income	437.45	1,332.01
PBILDT*	248.89	289.99
Depreciation	7.61	35.34
PBIT	241.28	254.65
Interest & finance charges	106.95	174.30
PBT	134.33	80.35
PAT[#]	93.26	27.88
Networth	992.08	958.43
Loan Funds	1,613.74	1,854.20
Total Capital Employed	2,605.82	2,812.63
Fixed Assets	900.79	861.32
Investments	201.98	201.01
ROCE (%)	10.81	9.40
Interest Coverage (times)	2.26	1.46
Overall Gearing Ratio (times)	1.63	1.93

*including non-operating income

[#] after adjustment of minority interest and share in loss / profit of associates

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Comments

The financial numbers of ITNL in FY09 are not comparable with that of FY08 due to acquisition of Elsamex, SA, a road maintenance company on March 18, 2008. Elsamex contributed substantially to the operating income of ITNL in FY09 by way of O&M income to the tune of Rs.759.35 crore. ITNL also benefited from Foreign exchange fluctuation to the extent of Rs.27.22 crore and profit from sale of its investments in Kohinoor CTNL Infrastructure Company Ltd. in FY08 and FY09. ITNL's investments primarily constitute those made in associates.

Contingent Liabilities (Standalone)

As on March 31, 2009, ITNL had a total contingent liability of Rs.333.70 comprising 41% of its tangible Networth. ITNL has provided a corporate guarantee to Elsamex's loan of Euro 47.50 million (approx. Rs.331 crore) during H1FY10. The company has also extended a line of credit of Rs.100 crore to one of its subsidiaries.

Industry outlook

According to the Planning Commission, projected investments in the roads sector during the Eleventh Plan has been established at US$ 92 billion. NHAI has set a target of developing 20 km of roads per day in the near future as against existing development of 2-3 km per day. Besides, it is further estimated that nearly 85% of the road projects will be on Public Private Partnership basis. Consequently the outlook of the roads sector appears positive.

Urban Transportation

With growing emphasis on eco friendly modes of transportation and traffic decongestion, the construction of metro railways is a positive step towards achievement of this goal. Further, with its positioning as a complementary mode of transport rather than being competitive coupled with growing need for alternative transport routes arising out of high density population (particularly the metro cities) is likely to face minimal resistance with regard to acceptance both by daily commuters and other transport operators. Consequently with planned investments being made in the urban surface transport over the medium term with metro rail projects being undertaken by Chennai and Mumbai, the growth and opportunities associated with metro railways is bound to grow manifold in the coming years.

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Airport

Presently, India is ranked ninth in the global aviation market and has 449 airports/civil enclaves and airstrips. Considering the growing passenger and cargo traffic in India, to meet the country's huge demand for capacity addition in the aviation space, it has been estimated that investments to the tune of US$9 billion for the development of airports would be required by 2013-14. Of this, about US$6.9bn is estimated to come from Public Private Partnership (PPP), thereby leading to an increased focus on the modernization of existing airports as well as the construction of new ones.

Prospects

The future growth prospects of the company mainly depend on the successful bidding processes of the upcoming projects and execution of SPVs. The increasing impetus on infrastructure development has thrown open vast opportunities for players like ITNL, who can capitalize on the present situation with their expertise. However, prudent financial management policies and cautious bidding will enable ITNL to accelerate its growth prospects. Any delay in the financial closure, approvals, and clearances of its projects may result in financial risk in terms of time and cost over-run and subsequent low profitability than envisaged.

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CARE Ratings

Annexure II

Press Release

CARE assigns 'CARE IPO Grade 4' to the proposed Initial Public Offering of IL&FS Transportation Networks Ltd.

CARE has assigned a **'CARE IPO Grade 4'** to the proposed Initial Public Offering (IPO) of IL&FS Transportation Networks Ltd (ITNL). 'CARE IPO Grade 4' indicates above average fundamentals. CARE assigns IPO grades on a scale of Grade 5 to Grade 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals. CARE's IPO grading is an opinion on the fundamentals of the issuer. The grade assigned to any individual issue represents a relative assessment of the 'fundamentals' of the issuer.

ITNL proposes an IPO aggregating Rs.700 crore including an Offer for Sale by Trinity Capital (Two) Ltd. of 42,78,844 equity shares and the balance constituting fresh equity issue.

Instrument	Rating
IPO Grade	'CARE IPO Grade 4'

Rating Rationale

The grading factors in the strong promoter background and support, professional management, well-entrenched position in the domestic road sector, diverse road project portfolio, foray into other surface transport segments, extensive and advanced execution capabilities, established global presence through its subsidiary, Elsamex, S.A and sustained government impetus on infrastructure in India.

The grading is however, constrained by project execution risk of its SPVs, impending support towards its road SPVs which are at a nascent stage of operations and inherent risks associated with various road projects with long gestation period.

Further, any delay in the implementation of projects, exposure to vagaries in global economy and successful integration with Elsamex, S.A. operations would have a bearing on the financial risks on ITNL.

Company Profile

ITNL was incorporated in 2000, by Infrastructure Leasing & Financial Services Limited (IL&FS), in order to consolidate its existing road infrastructure projects and to pursue various

Dated: February 17, 2010

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new project initiatives in the area of surface transportation infrastructure. ITNL is an established surface transportation infrastructure company with expertise in development, operation and facilitation of BOT Road Projects. It has also been involved in the development, operation and maintenance of national and state highways, roads (including urban roads), flyovers and bridges across India. The company has a pan India presence and successfully established its global footprint through the acquisition of Elsamex S.A. (Elsamex), a provider of maintenance services primarily for highways and roads based in Spain and having operations in the international markets of Latin America. The maintenance capabilities of Elsamex are likely to complement ITNL's BOT toll operations business in the future. Over the years, ITNL has developed its skills set in project sponsorship & development, construction and toll roads management and advisory services.

ITNL is spearheaded by Shri K Ramchand, Managing Director and Shri Mukund Sapre, Executive Director. They in turn are supported by a team of qualified professionals in the field of construction, project execution and finance.

The consolidated financial numbers of ITNL in FY09 are not comparable with that of FY08 due to acquisition of Elsamex, SA, which contributed substantially to the operating income of ITNL in FY09 by way of O&M income to the tune of Rs.759.35 crore. ITNL reported a PAT of Rs.27.88 crore during FY09 on consolidated basis on total income of Rs.1,332.01 crore. The consolidated networth as on March 31, 2009 was Rs.958.43 crore.

Analyst Contact
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CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarification

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