

Luthra & Luthra

Chartered Accountants

AUDITOR'S REPORT

To The Board of Directors
Noida Toll Bridge Company Limited
Toll Plaza, DND Flyway, Noida 201301

We have audited the consolidated Balance Sheet of **Noida Toll Bridge Company Limited** and its subsidiary as at 31st March 2009, its consolidated profit & loss account and consolidated cash flow statement for the year ended on that date and related notes. These financial statements have been prepared as per the accounting policies set out therein.

Responsibilities

The management is responsible for preparing the financial statement in accordance with accounting policies set out in note 1 to the financial statement and in accordance with International Financial Reporting Standards (IFRS).

Our responsibility is to audit the financial statements in accordance with the International standards of auditing issued by the auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members and directors and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing. Based on our audit we shall report to you our opinion as to whether the financial statements give a true and fair view.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements to be audited. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements to be audited are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements to be audited.

Opinion

In our opinion:

- the consolidated Balance Sheet gives a true and fair view, in accordance with IFRS of the state of the group's affairs as at 31st March 2009
- the consolidated income statement gives a true and fair view, in accordance with IFRS of the profit for the year then ended, and
- the consolidated cash flow statement gives a true and fair view of the cash flows for the year ended on that date.

For **Luthra & Luthra**
Chartered Accountants

Akhilesh Gupta
Partner
(M. No. 89909)

Place: Noida
Date : 29th July, 2009

NOIDA TOLL BRIDGE COMPANY LIMITED AND ITS SUBSIDIARY COMPANY

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2009

	Note	31 March, 2009 Rs.	31 March, 2008 Rs.
Assets			
Non Current Assets			
Property, Plant and Equipment	2	97,223,261	93,834,261
Capital Work in Progress	3	2,056,365	-
Intangible Asset	4	5,438,378,327	5,454,161,183
Employee Benefit		4,757,179	-
Loans and Advances	5	3,757,151	4,137,868
		5,546,172,283	5,552,133,312
Current Assets			
Inventories	6	2,358,311	1,774,407
Trade Receivables	7	8,519,852	1,903,227
Loans and Advances	5	126,175,743	58,499,483
Prepayments		3,299,113	2,858,042
Available-for-Sale Investments	8	190,549,210	55,681,011
Cash and Cash Equivalents	9	10,003,426	20,015,532
		340,905,655	140,731,702
Total Assets		5,887,077,938	5,692,865,014
Equity and Liabilities			
Issued Capital	10	1,861,950,020	1,861,950,020
Securities Premium	11	1,452,483,662	1,452,483,662
Debenture Redemption Reserve	11	9,831,818	5,899,091
Net Unrealised Gains Reserve	11	39,548	1,049,167
General Reserve	11	502,950	502,950
Retained earnings (Profit & Loss Account)		231,349,720	21,565,740
		3,556,157,718	3,343,450,630
Minority Interest		-	262,737
Total Equity		3,556,157,718	3,343,713,367
Non Current Liabilities			
Interest-bearing Loans and Borrowings	12	1,822,057,592	1,880,654,006
Provisions	13	85,088,117	47,004,610
Deferred Tax Liability	14	48,894,305	-
Current Liabilities			
Interest-bearing Loans and Borrowings	12	131,380,866	207,543,760
Trade and Other Payables	15	126,976,837	146,374,523
Provisions	13	31,674,715	29,532,560
Provision for Taxes		84,847,788	38,042,188
Total Liabilities		2,330,920,220	2,349,151,647
Total Equity and Liabilities		5,887,077,938	5,692,865,014

In terms of our report of even date
For Luthra & Luthra
Chartered Accountants

On Behalf of the Board of Directors

Akhilesh Gupta
Partner

Director

Director

Pradeep Puri
President & CEO

Place: Noida
Date

T. K. Banerjee
CFO

Monisha Macedo
Manager

NOIDA TOLL BRIDGE COMPANY LIMITED AND ITS SUBSIDIARY COMPANY
CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH, 2009

		Year ended 31 March, 2009	Year ended 31 March, 2008
Revenue	Note	Rs.	Rs.
Toll Revenue		662,622,252	553,888,555
License Fee		123,431,193	115,057,664
Construction Contract Revenue		12,216,664	384,475,504
Miscellaneous Income		2,676,195	488,822
Total Income		800,946,304	1,053,910,545
Operating and Administrative Expenses			
- Operating Expenses	16	76,002,296	54,207,151
- Administrative Expenses	16	157,398,988	127,124,924
- Construction Contract Cost		10,397,161	288,186,360
- Depreciation	2	18,476,258	16,320,909
- Amortisation	4	27,999,520	78,367,375
Total Operating and Administrative Expenses		290,274,223	564,206,719
Group Operating Profit from Continuing Operations		510,672,081	489,703,826
Finance Income			
- Profit on Sale of Investments		8,563,686	7,140,239
- Interest and Dividend		139,345	15,425
Finance Charges	17	(211,687,258)	(275,374,250)
		(202,984,227)	(268,218,586)
Profit from Continuing Operations before taxation		307,687,854	221,485,240
Income Taxes:			
- Current Taxes		(45,339,549)	(36,382,781)
- Deferred Tax	14	(48,894,305)	-
Profit after tax for the year		213,454,000	185,102,459
Minority Interest		262,707	(17,707)
Profit after Minority Interest		213,716,707	185,084,752
Profit per share			
-Basic and Diluted for the year		1.15	0.99

In terms of our report of even date
For Luthra & Luthra
Chartered Accountants

On Behalf of the Board of Directors

Akhilesh Gupta
Partner

Director

Pradeep Puri
President & CEO

Place: Noida
Date

T. K. Banerjee
CFO

Monisha Macedo
Manager

NOIDA TOLL BRIDGE COMPANY LIMITED AND ITS SUBSIDIARY COMPANY
CONSOLIDATED CASH FLOW FOR THE YEAR ENDED 31 MARCH, 2009

	Year ended 31 March, 2009 Rs.	Year ended 31 March, 2008 Rs.
A. Cash Flow from Operating Activities		
Receipts from Customers	780,779,732	667,406,992
Payment to Suppliers and Employees	(225,037,037)	(397,879,570)
Deposits, Advances and Staff Loan	(6,001,505)	16,298,728
Purchase of Inventories	(2,723,158)	(3,268,550)
Income Taxes Paid	(59,827,987)	(31,053,678)
Net Cash from / (used in) Operating Activities (A)	487,190,045	251,503,922
B. Cash Flow from Investment Activities		
Purchase of Fixed Assets	(26,259,617)	(19,665,658)
Purchase of 'Available for Sale' Investments	(789,544,020)	(221,907,141)
Proceeds from sale of 'Available for Sale' Investments	662,369,233	257,403,029
Proceeds from Sale of Fixed Assets	685,851	389,561
Interest and Dividend	-	-
Net Cash from/ (used in) Investment Activities (B)	(152,748,553)	16,219,791
C. Cash flow from Financing Activities		
Minority Interest (Issue of share)	(30)	245,030
Repayment of Term Loan to Banks, Financial Institutions and Others	(205,542,200)	(99,079,187)
Interest and Finance Charges Paid	(138,911,368)	(151,276,007)
Net Cash from/ (used in) Financing Activities (C)	(344,453,598)	(250,110,164)
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	(10,012,106)	17,613,549
Net Foreign Exchange Difference	-	-
Cash and Cash Equivalents (Opening Balance)- Refer Note-9	20,015,532	2,401,983
Cash and Cash Equivalents (Closing Balance) - Refer Note - 9	10,003,426	20,015,532

In terms of our report of even date
For Luthra & Luthra
Chartered Accountants

On Behalf of the Board of Directors

Akhilesh Gupta
Partner

Director

Director

Pradeep Puri
President & CEO

Place: Noida
Date

T. K. Banerjee
CFO

Monisha Macedo
Manager

NOIDA TOLL BRIDGE COMPANY LIMITED AND ITS SUBSIDIARY COMPANY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2009

	Issued capital Rs.	Securities Premium Rs.	Effect of Currency Translation Reserve Rs.	Net Unrealized Gains Reserve Rs.	Debenture Redemption Reserve Rs.	General Reserve Rs.	Retained Earnings Rs.	Equity Rs.	Minority Interest Rs.	Total Equity Rs.
At 31st March 2007	1,861,950,020	1,452,483,662	-	153,074	2,949,546	502,950	(185,374,957)	3,132,664,295	-	3,132,664,295
Change in accounting policy for advertisement structure (Refer Note a (z))	-	-	-	-	-	-	24,805,490	24,805,490	-	24,805,490
At 31st March 2007 (adjusted)	1,861,950,020	1,452,483,662	-	153,074	2,949,546	502,950	(160,569,467)	3,157,469,785	-	3,157,469,785
Profit/(loss) for the year	-	-	-	-	-	-	185,084,752	185,084,752	17,707	185,102,459
Capital Contribution from minority Interest	-	-	-	-	-	-	-	-	245,030	245,030
Creation of Debenture Redemption Reserve	-	-	-	-	2,949,545	-	(2,949,545)	-	-	-
Realization of gains on disposal of securities	-	-	-	(153,074)	-	-	-	(153,074)	-	(153,074)
Net gains on available for sale financial assets	-	-	-	1,049,167	-	-	-	1,049,167	-	1,049,167
At 31st March, 2008	1,861,950,020	1,452,483,662	-	1,049,167	5,899,091	502,950	21,565,740	3,343,450,630	262,737	3,343,713,367
Profit/(loss) for the year	-	-	-	-	-	-	213,716,707	213,716,707	-	213,716,707
Capital Contribution from minority Interest	-	-	-	-	-	-	-	-	(30)	(30)
Minority interest	-	-	-	-	-	-	-	-	(262,707)	(262,707)
Creation of Debenture Redemption Reserve	-	-	-	-	3,932,727	-	(3,932,727)	-	-	-
Realization of gains on disposal of securities	-	-	-	(1,049,167)	-	-	-	(1,049,167)	-	(1,049,167)
Net gains on available for sale financial assets	-	-	-	39,548	-	-	-	39,548	-	39,548
At 31st March 2009	1,861,950,020	1,452,483,662	-	39,548	9,831,818	502,950	231,349,720	3,556,157,718	-	3,556,157,718

NOIDA TOLL BRIDGE COMPANY LIMITED AND ITS SUBSIDIARY COMPANY

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Corporate Information

Noida Toll Bridge Company Limited (NTBCL) is a public limited company incorporated and domiciled in India on 8th April 1996 with its registered office at Toll Plaza, DND Flyway, Noida - 201301, Uttar Pradesh, India. The equity shares of NTBCL are publicly traded in India on the National Stock Exchange and Bombay Stock Exchange. NTBCL launched the issue of global depository receipts (GDRs) represented by equity shares in March 2006. The GDRs of NTBCL are traded on Alternate Investment Market (AIM) of the London Stock Exchange. The financial statements of the NTBCL are the responsibility of the Directors of the company.

The NTBCL has been set up to develop, establish, construct, operate and maintain a project relating to the construction of the Delhi Noida Toll Bridge under the “Build-Own-Operate-Transfer” (BOOT) basis. The Delhi Noida Toll Bridge comprises the Delhi Noida Toll Bridge, adjoining roads and other related facilities, the Ashram flyover which has been constructed at the landfall of the Delhi Noida Toll Bridge and the Mayur Vihar Link and it operates under a single business and geographical segment (Refer Note 25).

For all years up to and including the year ended 31st March 2009, the Group prepared its financial statements in accordance with Indian Generally Accepted Accounting Practice (Indian GAAP). To launch the GDRs in alternate investment market (AIM) of the London Stock Exchange, the group was required to prepare financial statements for all years commencing from 1st April 2002 in accordance with International Financial Reporting Standards (IFRSs). Accordingly, the Group had prepared financial statements from 1 April 2002, which complies with IFRSs applicable for years beginning on or after 1 January 2005.

(b) Service Concession Arrangement entered into between IL&FS, NTBCL and NOIDA

A ‘Concession Agreement’ entered into between the NTBCL, Infrastructure Leasing and Financial Services Limited (IL&FS, the promoter company) and the New Okhla Industrial Development Authority, Government of Uttar Pradesh, conferred the right to the Company to implement the project and recover the project cost, through the levy of fees/ toll revenue, with a designated rate of return over a period of 30 years concession period commencing from 30 December 1998 i.e. the date of Certificate of Commencement, or till such time the designated return is recovered, whichever is earlier. The Concession Agreement further provides that in the event the project cost with the designated return is not recovered at the end of 30 years, the concession period shall be extended by 2 years at a time until the project cost and the return thereon is recovered. The rate of return is computed with reference to the project costs, cost of major repairs and the shortfall in the recovery of the designated returns in earlier years. As per the certification by the independent auditors, the total recoverable amount comprises project cost and 20% designated return. NTBCL shall transfer the Project Assets to the New Okhla Industrial Development Authority in accordance with the Concession Agreement upon the full recovery of the total cost of project and the returns thereon.

Further details of concession agreement are given in Note 26.

(c) Basis of preparation

The consolidated financial statements of Noida Toll Bridge Company Limited and its subsidiary (‘the Group’) have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations as laid down by the International Financial Reporting Interpretations Committee (IFRIC)

These consolidated financial statements have been drawn up in accordance with the going-concern principle and on a historical cost basis, except for available-for sale investments that have been measured at fair value. The presentation and grouping of individual items in the balance sheet, the income statement and the cash flow statement, as well as the changes in equity, are based on the principle of materiality.

(d) Significant accounting judgments and estimates

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Recognition of Concession Agreement as an Intangible Asset

(i) Basis of accounting for the service concession

The Group has determined that IFRIC 12 *Service Concession Arrangements* is applicable to the Concession Agreement and hence has applied it in accounting for the concession.

The directors have determined that the intangible asset model in IFRIC 12 *Service Concession Arrangements* is applicable to the concession. In particular, they note that users pay tolls directly so the grantor does not have the primary responsibility to pay the operator.

In order to facilitate the recovery of the project cost and 20% designated returns through collection of toll and development rights, the grantor has guaranteed extensions to the terms of the Concession, initially set at 30 years. The Group has received an “in-principle” approval for development rights from the grantor. However the Group has not yet entered into any agreement with the grantor which would constitute an assurance from the grantor to facilitate the recovery of shortfalls. Management recognizes that the development right agreement when executed will give rise to intangible assets in their own right.

Disclosures for Service Concession Arrangement as prescribed under SIC 29 *Service Concession Arrangements – Disclosure* have been incorporated into the financial statements.

(ii) Significant assumptions in accounting for the intangible asset

On completion of construction of the Delhi Noida Toll Bridge (6 February 2001), the rights under the Concession Agreement have been recognized as an intangible asset, received in exchange for the construction services provided. Construction costs include besides others, expenditure incurred and provisions for outstanding capital commitments on the Ashram Flyover, which was significantly completed on the date of recognition of the intangible asset. This section of the bridge was commissioned on 30th October 2001. The intangible asset received has been measured at fair value of the construction services as of Rs. 5,338,586,459 as

on the date of commissioning. The Group has recognized a profit of Rs. 1,548,095,840, which is the difference between the cost of construction services rendered (the cost of the project asset of Rs. 3,790,490,619) and the fair value of the construction services.

The Directors have concluded that as operators of the bridge, they have provided construction services to NOIDA, the grantor, in exchange for an intangible asset, i.e. the right to collect toll from road-users during the Concession year.

Accordingly, the Group has measured the intangible asset at cost, i.e. the fair value of the construction services as at 6 February 2001, the date of completion of construction and commissioning of the asset.

The key assumptions used in establishing the cost of the intangible asset are as follows:

- Construction of the DND Flyway commenced in 1998 and was completed on 6 February 2001. The exchange of construction services for an intangible asset is regarded as a transaction that generates revenue and costs, which have been recognized by reference to the stage of completion of the construction. Contract revenue has been measured at the fair value of the consideration receivable. Hence in each of the years of construction, construction revenue has been calculated at cost plus 17.5% and the corresponding construction profit has been recognized through retained earnings.
- Management has capitalised qualifying finance expenses until the completion of construction.
- The intangible asset is assumed to be received only upon completion of construction. Until then, management has recognised a receivable for its construction services. The fair value of construction services have been estimated to be equal to the construction costs plus margin of 17.5% and the effective interest rate of 13.5% for lending by the grantor. The construction industry margins range between 15-20% and management has determined that a margin of 17.5% is both conservative and appropriate. The effective interest rate used on the receivable during construction is the normal interest rate which grantor would have paid on delayed payments.
- The intangible asset has been recognised on the completion of construction, i.e. 6th February 2001.
- The management considers that they will not be able to earn the designated return under the Concession Agreement over 30 years. The company has an assured extension of the concession as required to achieve project cost and designated returns (see Note 1(b) above). An independent engineer had earlier certified the useful life of the Delhi Noida Toll Bridge as 70 years. The intangible asset was being amortised over the same years on straight line basis. Based on the independent professional expert's advice obtained during the current year, the company has re estimated the life of the bridge to be of 100 years. The method of amortization of the intangible asset has also been changed during the current year from straight line to unit of usage method.
- Development rights will be accounted for as and when exercised.

Construction of the Mayur Vihar Link commenced in 2006-07. NTBCL has obtained land from Noida for the construction of the Mayur Vihar Link vide Supplement to Noida Land Lease Deed executed between them. As per the terms of said lease deed Mayur Vihar Link Road will form part of Noida Bridge Project and the expenditure incurred by NTBCL on it shall be included in the cost of Noida Bridge with respect to the concession agreement. As the Mayur Vihar Link fall under the jurisdiction of Delhi Government, Municipal Corporation of Delhi vide confirmation agreement dated 9th January 2005 agreed for not to declare the Mayur Vihar Link as public street and to recognized the right of NTBCL to operate and maintain the Mayur Vihar Link

as a private street and charge user the fees in respect thereof. This right has been recognized as an intangible asset, received in exchange for the construction services provided to the grantor of the concession agreement. The intangible asset received has been measured at fair value of construction services as of Rs.674,826,060. The Group has recognized a profit of Rs. 153,811,717 which is the difference between the cost of construction services rendered (the cost of project asset of Rs.521,014,343) and the fair value of the construction services.

The key assumptions used in establishing the cost of the intangible asset (i.e. right to collect toll on Mayur Vihar Link) are as follows:

- Construction commenced in June 2006 and was completed on January 19, 2008. The exchange of construction services for an intangible asset is regarded as a transaction that generates revenue and costs, which have been recognized by reference to the stage of completion of the construction. Contract revenue has been measured at the fair value of the consideration receivable. Hence in each of the years of construction, construction revenue has been calculated at cost plus 17.5% and the corresponding construction profit has been recognized through construction revenue.
- Management has capitalised qualifying finance expenses until the completion of construction.
- The intangible asset is assumed to be received only upon the completion of the construction and during the construction phase, management has recognised it as additions to the Intangible assets. The fair value of construction services have been estimated to be equal to the construction costs plus margin of 17.5% and the effective interest rate of 12.5% for lending by the grantor. The construction industry margins range between 15-20% and management has determined that a margin of 17.5% is both conservative and appropriate. The effective interest rate used on the receivable during construction is the normal interest rate which grantor would have paid on borrowing obtained.
- The management considers that they will not be able to earn the designated return under the Concession Agreement over 30 years. The company has an assured extension of the concession as required to achieve project cost and designated returns (see Note 1(b) above). An independent expert had earlier certified the useful life of the Delhi Noida Toll Bridge as 70 years. As the lease period for the land is coterminous with the concession agreement and the estimated remaining useful life of the bridge, this intangible asset was being amortised over the remaining life of the Delhi Noida Toll Bridge from the date of commissioning of the Mayur Vihar Link Road on straight line basis. During the year based on the independent professional expert's advice, the estimated life of the bridge has been considered as 100 years. The method of amortization of the Intangible asset has also been changed during the year from straight line to unit of usage method.

Change in Estimates

During the year, based on the independent professional expert's advice, life of the bridge has been re-estimated at 100 years. The management has considered that the economic benefit from the bridge is derived in form of traffic revenue and hence changed amortization method from straight line to unit of usage method i.e. number of vehicles using the project facility. As a result of change in above estimates, amortization for the year has been reduced by Rs. 58,972,313

(e) Basis of Consolidation

The consolidated financial statements comprise the financial statements of Noida Toll Bridge Company Limited and its subsidiary ITNL Toll Management Services Limited. The financial statements of the subsidiary are prepared for the same reporting year as the parent company, using consistent accounting policies.

All inter company balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full.

Subsidiary is fully consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

(f) Foreign Currency Translation

The functional currency of Noida Toll Bridge Company Limited and ITNL Toll Management Services Limited is Indian Rupees. Transactions in foreign currencies are initially recorded in the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

(g) Intangible Assets

Construction on the Delhi Noida Toll Bridge was completed and made operational on 6th February 2001. The Ashram Flyover's construction, which was significantly complete on that date, was commissioned on 30th October 2001. Collectively referred to as the "Bridge", the completed construction has been recognised as an intangible asset on 6th February 2001, in accordance with the guidelines given for recognition and measurement for service concession agreements on adoption of IFRIC 12 Service Concession Arrangements

Construction on Mayur Vihar Link Road which has been completed and made fully operational on January 19, 2008 has been recognised as intangible asset, in accordance with the guidelines given for recognition and measurement for service concession agreements in IFRIC 12, *Service Concession Arrangements*.

The value of the intangible asset was measured on the date of completion of construction at the fair value of the construction services provided which has been recognised as the intangible asset's cost. It was being amortised on a straight-line basis over the balance year of the estimated useful life. During the year amortization policy has been changed from straight line to unit of usage method. The amortisation expense is recognised in the income statement as part of operating and administrative expenses. The carrying value is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Specific policies that apply to the intangible assets are as follows:

➤ **Construction services**

Construction services exchanged for the intangible asset included all costs that related directly to the construction of the Delhi Noida Toll Bridge / Mayur Vihar Link Road, including valuation of all work done by subcontractors, whether certified or not, and all overheads other than those relating to the general administration of the Group.

➤ **Construction profit**

Construction profit is the difference between the fair value of the consideration receivable and the construction services provided in building the Bridge.

➤ **Borrowing costs**

Project specific borrowing costs were capitalised until the completion of construction services. Where funds are temporarily invested pending their expenditures on the qualifying asset, any investment income, earned on such fund is deducted from the borrowing cost incurred.

➤ **Maintenance obligations**

Contractual obligations to maintain, replace or restore the infrastructure (principally resurfacing costs and major repairs and unscheduled maintenance which are required to maintain the Bridge in operational condition except for any enhancement element) are recognised and measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provision is discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(h) Property, Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of replacing part of such plant and equipment when that cost is incurred if the recognition criteria are met.

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognised.

The asset's residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial year end.

(i) Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Building	62 years
Data Processing Equipment	3 years
Office Equipment	5 years
Vehicles	5 years
Furniture & Fixtures	7 years
Advertisement Structure	5 years

(j) Investments and other financial assets

Financial assets in the scope of IAS 39 are classified as either loans and receivables or available-for-sale financial assets, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group

determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in income when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Investments (Available-for-sale financial assets)

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.

After initial recognition available-for sale financial assets are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the income statement.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

(k) Inventories

Inventories of Electronic Cards (prepaid cards), “On Board Units” and consumables are valued at the lower of cost or net realisable value. Cost is recognised on First In First Out basis.

(l) Cash and Cash equivalents

Cash and cash equivalents in the balance sheet comprises of cash at bank and in hand.

(m) Interest bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any transaction costs, and any discount or premium on settlement.

On refinancing of debt or where the terms of an existing debt are amended, the derecognition criteria in IAS 39 are applied and existing issue cost are written off. Where new debt is arranged, the capitalised issue costs on retiring debt are written off and the debt issue costs of the new debt are capitalised and amortised over the term of the new debt.

(n) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as other finance expense.

(o) Employee costs, Pensions and other post-employment benefits

Wages, salaries, bonuses, social security contributions, paid annual leave and sick leave are accrued in the year in which the associated services are rendered by employees of the Group.

The Group has three funded retirement benefit plans in operation viz. Gratuity, Provident Fund and Superannuation. The Superannuation Fund and Provident Fund are defined contribution schemes whereby the Group has to deposit a fixed amount to the fund every year / month respectively.

The Gratuity plan for the Group is a defined benefit scheme. The cost of providing benefits under gratuity is determined using the projected unit credit actuarial valuation method. Actuarial gains and losses are recognised in full in the year in which they occur and directly in equity through the income statement.

(p) Leases

Finance leases which transfer substantially all the risks and benefits incidental to ownership of the leased item, capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

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 income statement on the straight line basis over the lease term.

(q) Impairment

Where an indication of impairment exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

(r) Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

(s) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue comprises:

Toll Revenue

Toll Revenue is recognised in respect of toll collected at the Delhi Noida Toll Bridge and the attributed share revenue from prepaid cards.

License Fee

License fee income from advertisement hoardings & office premises is recognised on an accruals basis in accordance with contractual obligations.

Service Charges

Service charges are recognised on accrual basis in respect of revenue recovered for the various business auxiliary services provided to the parties.

Interest income

Revenue is recognised as interest accrues (using the effective interest method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

Investment income

The profit or loss on sale of investments is the difference between the net sale consideration and the carrying amount. Related fair value movements are derecognised from net unrealised gains reserve and transferred to the income statement at the time of sale.

Other Income

Other income comprises service fee and miscellaneous income which are recognised on receipt basis.

(t) Income tax

Current tax represents the amount that would be payable based on computation of tax as per prevailing taxation laws under the Indian Income Tax Act, 1961.

Deferred income tax is provided using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses (where such right has not been forgone), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax assets and unused tax losses can be utilised, except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

(u) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial year of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. Where funds are temporarily invested pending their expenditures on the qualifying asset, any such investment income, earned on such fund is deducted from the borrowing cost incurred.

All other borrowing costs are recognised as interest expense in the income statement in the year in which they are incurred.

(v) Share based payment transactions

Equity-settled, share option plan are valued at fair value at the date of the grant and are expensed over the vesting year, based on the Group's estimate of shares that will eventually vest. The total amount to be expensed over the vesting year is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions. At each balance sheet date, the entity revises its estimates of the number of

options that are expected to become exercisable. The share awards are valued using the Black-Scholes option valuation method.

The Group recognises the impact of the revision of original estimates, if any, in the income statement, with a corresponding adjustment to equity. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(w) Securities Premium

Securities premium represent the amount being difference between the issue price and the face value of the securities issued by the company. Securities premium have been recognized as separate component of the equity. Under the Indian Companies Act 1956, securities premium have restricted usage. Securities premium has been adjusted to the extent utilized for the purposes allowed under the Indian Companies Act, 1956 and disclosed in the statement of equity.

(x) Debenture Redemption Reserve

Debenture redemption reserve (DRR) represents the reserve created for the redemption of the Deep Discount Bond (DDBs). Under the Indian Companies Act 1956, DRR is to be created out of the profits for the year in financial statement prepared under Indian GAAP. The group recognized the DRR for an amount equal to the issue price of the DDBs by apportioning from the profit of the year under Indian GAAP a sum calculated under sum of digit method. DRR has been recognized as separate component of equity. On redemption of the DDBs, DRR is to be transferred to general reserve.

(y) CENVAT Credit

Cenvat (Central Value Added Tax) in respect of service tax is accounted on accrual basis on eligible services. The balance of cenvat credit is reviewed at the end of each year and amount estimated to be unutilised is charged to the profit & loss account for the year.

(z) Changes in Accounting Policies

The group has changed its policy for accounting of advertisement structure. The group has been expensing off the cost of such structure as and when incurred hitherto. The group has now decided to capitalize the same considering that economic benefits from such structures would accrue for more than a year.

The impact of the change of accounting policy has been retrospectively applied in accordance with IAS-8 "Accounting policies, Change in Accounting Estimates and Errors". The following table highlights the impact of the change in accounting policy on shareholder's equity, fixed asset, depreciation and profit after tax:

	As on 31.03.2007 Rs.	As on 31.03.2008 Rs.	As on 31.03.2009 Rs.
Shareholders Equity before change in accounting policy	3,132,664,295	3,327,413,458	3,532,399,311
Impact of change	24,805,490	16,299,909	23,758,407
Shareholders Equity after change in accounting policy	3,157,469,785	3,343,713,367	3,556,157,718

Net fixed assets before change in accounting policy	51,990,172	77,534,352	73,464,854
Impact of change	24,805,490	16,299,909	23,758,407
Net fixed assets after change in accounting policy	76,795,662	93,834,261	97,223,261

	For the year ended 31.03.2008 Rs.	For the year ended 31.03.2009 Rs.
Depreciation before change in accounting policy	7,815,328	9,807,105
Impact of change	8,505,581	8,669,153
Depreciation after change in accounting policy	16,320,909	18,476,258
Profit after tax before change in accounting policy	193,590,333	219,439,215
Impact of change	(8,505,581)	(5,722,508)
Profit after tax after change in accounting policy	185,084,752	213,716,707
EPS before change in accounting policy	1.04	1.18
Impact of change	0.05	0.03
EPS after change in accounting policy	0.99	1.15

NOTES TO CONSOLIDATED BALANCE SHEET

2. Property, Plant and Equipment

	Advertisement Structure Rs.	Building Rs.	Office and Data Processing Equipment Rs.	Furniture and Fixtures Rs.	Vehicles Rs.	Total Rs.
31 March 2009						
At 1 April 2008 (net of accumulated depreciation)	16,299,909	44,810,150	11,377,151	8,485,504	12,861,547	93,834,261
Additions	16,127,651	85,625	3,424,794	1,150,485	1,413,137	22,201,692
Disposals	-	-	(35,332)	-	(301,102)	(336,434)
Depreciation charge for the year	(8,669,153)	(743,060)	(4,061,603)	(1,680,785)	(3,321,657)	(18,476,258)
At 31 March 2009 (net of accumulated depreciation)	23,758,407	44,152,715	10,705,010	7,955,204	10,651,925	97,223,261
At 1 April 2008						
Cost	32,820,049	46,114,802	17,943,444	11,251,327	16,871,938	125,001,560
Accumulated depreciation	(16,520,140)	(1,304,652)	(6,566,293)	(2,765,823)	(4,010,391)	(31,167,299)
Net carrying amount	16,299,909	44,810,150	11,377,151	8,485,504	12,861,547	93,834,261
At 31 March 2009						
Cost	48,947,700	46,200,427	21,147,036	12,315,740	16,289,832	144,900,735
Accumulated depreciation	(25,189,293)	(2,047,712)	(10,442,026)	(4,360,536)	(5,637,907)	(47,677,474)
Net carrying amount	23,758,407	44,152,715	10,705,010	7,955,204	10,651,925	97,223,261
31 March 2008						
At 1 April 2007 (net of accumulated depreciation)	24,805,490	30,205,389	8,986,715	6,736,727	6,061,341	76,795,662
Additions	-	15,313,403	5,650,141	3,391,537	9,285,368	33,640,449
Disposals			(190,702)	(90,239)		(280,941)
Depreciation charge for the year	(8,505,581)	(708,642)	(3,069,003)	(1,552,521)	(2,485,162)	(16,320,909)
At 31st March, 2008 (net of accumulated depreciation)	16,299,909	44,810,150	11,377,151	8,485,504	12,861,547	93,834,261
At 1 April 2007						
Cost	32,820,049	30,801,399	13,001,263	8,181,935	8,416,628	93,221,274
Accumulated depreciation	(8,014,559)	(596,010)	(4,014,548)	(1,445,208)	(2,355,287)	(16,425,612)
Net carrying amount	24,805,490	30,205,389	8,986,715	6,736,727	6,061,341	76,795,662
At 31 March 2008						
Cost	32,820,049	46,114,802	17,943,444	11,251,327	16,871,938	125,001,560
Accumulated depreciation	(16,520,140)	(1,304,652)	(6,566,293)	(2,765,823)	(4,010,391)	(31,167,299)
Net carrying amount	16,299,909	44,810,150	11,377,151	8,485,504	12,861,547	93,834,261

Vehicle includes 11 cars for which a loan was taken. The loan has been secured by a hypothecation of the vehicle from banks/ others. (Note 12)

3. Capital Work in Progress

	31 March, 2009 Rs.	31 March, 2008 Rs.
Opening Balance	-	11,272,762
Additions	2,056,365	
Capitalised during the year		(11,272,762)
Closing Balance	2,056,365	-

4. Intangible Assets

	31 March, 2009 Rs.	31 March, 2008 Rs.
Opening Balance (net of accumulated amortization)	5,454,161,183	5,148,053,054
Additions	12,216,664	384,475,504
Amortization charge for the year	(27,999,520)	(78,367,375)
Closing Balance (net of accumulated amortization)	5,438,378,327	5,454,161,183

	31 March, 2008 Rs.	1 April, 2007 Rs.
Opening Balance		
Cost	6,001,195,855	5,616,720,351
Accumulated amortization	(547,034,672)	(468,667,297)
Net carrying amount	5,454,161,183	5,148,053,054

	31 March, 2009 Rs.	31 March, 2008 Rs.
Closing Balance		
Cost	6,013,412,519	6,001,195,855
Accumulated amortization	(575,034,192)	(547,034,672)
Net carrying amount	5,438,378,327	5,454,161,183

5. Loans & Advances

	31 March, 2009 Rs.	31 March, 2008 Rs.
Non Current – Loans and Advances		
Loans to staff	1,032,004	1,110,808
Sundry deposit	2,235,705	2,376,205
Related Parties		
- Loan	489,442	650,855
	3,757,151	4,137,868
Current – Loans and Advances		
Advance recoverable in cash or kind or for value to be received	8,593,796	2,072,410
Loans to staff	421,915	351,578
Advance tax including Tax Deducted at Source	116,619,792	55,325,754
Related Parties -		
- Advance recoverable in cash or kind or for value to be received	378,827	557,593
- Loan	161,413	192,148
	126,175,743	58,499,483

The carrying values of loans and advances are representative of their fair values at respective balance sheet dates. The loans and advances having a maturity year of more than a year are classified as non current assets and those that have an original maturity year of 1 year or less are classified as current assets.

6. Inventories

	31 March, 2009 Rs.	31 March, 2008 Rs.
Electronic Cards and 'On Board Units'	918,175	973,872
Consumables	1,440,136	800,535
	2,358,311	1,774,407

Electronic cards are prepaid smart cards with an inbuilt sensor which record passages through toll road. On Board Units (machines) are installations in customer cars which facilitate an uninterrupted drive through the toll plaza. Consumables are the item which facilitates interrupted running of toll plaza.

7. Trade Receivables

	31 March, 2009 Rs.	31 March, 2008 Rs.
Trade Receivable	8,519,852	1,903,227
	8,519,852	1,903,227

Trade receivable pertains to advertising and other revenue. These receivables are non-interest bearing and are generally on 30-60 day's terms. The carrying values of these receivables are representative of their fair values at respective balance sheet dates.

8. Available-for-Sale Investments

	31 March, 2009 Rs.	31 March, 2008 Rs.
Quoted Investments		
HSBC Ultra Short-Term bond Fund Inst-growth UCC-MFHSBC0028	14,017,277	-
Templeton Floating Rate Income Fund Short Term Plan Retail Option-Growth	30,261,700	-
Lotus India Liquid plus fund- Retail Growth	-	-
TLSG01 Tata Liquid Super High Inv Fund- Appreciation	41,986,788	-
HSBC Liquid Plus- Inst Growth	-	20,396,610
SBI-Ultra Short Term Fund – Inst Plan- Gr	15,908,530	-
HDFC Cash Management Fund-Treasury Advantage Plan- Wholesome Growth	46,347,703	-
Kotak Floater Long Term- Growth	21,901,508	-
ICICI Prudential Flexible Income Plan Premium-Growth	10,064,455	-
DBS Chola Freedom Income STP-Inst-cum-org	10,061,249	-
Reliance Liquid Plus Fund – Institutional Option – Growth Plan	-	15,181,464
Mirae Asset Liquid Plus Fund Regular Growth Option	-	10,034,637
Mirae Asset Liquid Plus Fund Institutional Growth Option	-	10,068,300
	190,549,210	55,681,011

Available-for-sale investments are being carried at fair values at respective balance sheet dates.

9. Cash and cash equivalents

	31 March, 2009 Rs.	31 March, 2008 Rs.
Cash in Hand	3,893,184	2,393,264
Cash at Bank (Current Accounts)	6,110,242	17,622,268
Cash at Bank (Deposit)	-	-
	10,003,426	20,015,532

The carrying value of cash and current account balances in banks are representative of fair values at respective balance sheet dates.

10. Issued Capital

	31 March, 2009 Rs.	31 March, 2008 Rs.
Authorised		
Ordinary Shares of Rs.10 each	2,000,000,000	2,000,000,000
	2,000,000,000	2,000,000,000
Issued and fully paid		
At 31 March 2008	186,195,002	1,861,950,020
At 31 March 2009	186,195,002	1,861,950,020

Includes 3,260,095 equity shares represented by 652,019 GDRs (Previous Year 9,606,910 equity shares represented by 1,921,382 GDRs) (Each GDR representing 5 ordinary shares of Rs. 10 each)

Share Option Scheme

NTBCL has two Employee Stock Option Plans (ESOP 2004, ESOP 2005). Under ESOP 2004 options to subscribe for the Company's shares have been granted to directors, senior executive and general employees. All Stock Options granted in the past have been exercised, allotted or have lapsed. Under ESOP 2005 no options have been granted upto the date of financial statement.

11. Reserves

Nature and purpose of other reserves

Securities Premium Account

The Securities Premium Account is used to record the value difference between issue price of GDRs and the face value of the inherent equity shares and the value of the stock option upon exercise by the employee. Transfers are made from the Stock Option Account. Under the Indian Companies Act, 1956 such reserve has restricted usage.

Debenture Redemption Reserve

Debenture Redemption Reserve (DRR) has been created for redemption of Deep Discount Bonds (DDBs) by transferring an amount equal to the amount apportioned from the profit for the year computed under Indian GAAP. Under the Indian Companies Act, 1956 such reserve has restricted usage.

General Reserve

The General Reserve is used to account for the value of stock options that lapse after the vesting year.

Effect of Currency Translation Reserve

The currency translation reserve is used to record exchange differences arising from the translation of the financial statements from the functional currency Indian Rupees to the presentation currency of US\$ for reporting purposes.

Net Unrealised Gains Reserve

This reserve records fair value changes on available-for-sale investments.

12. Interest-bearing Loans and Borrowings

	Effective Interest Rate %	31 March, 2009 Rs.	31 March, 2008 Rs.
Non Current			
Deep Discount Bonds (Net of transaction cost)	*	130,925,237	120,669,682
Zero Coupon Bond Series B	10.32%	176,440,480	156,339,055
Term Loan from Banks	8.50%	392,465,804	392,465,804
Term Loan from Financial Institutions	***	310,257,665	310,257,665
Vehicle Loan (Refer Note 2)		2,573,733	4,829,599
Related Party -			
Zero Coupon Bond Series B	10.32%	78,484,900	69,543,310
Term Loan	**	730,909,773	826,548,891
		1,822,057,592	1,880,654,006
Current			
Vehicle Loan (Refer Note 2)		2,255,866	2,001,560
Zero Coupon Bond Series B	10.32%	-	38,442,200
Related Party			
Unsecured Loan		-	150,000,000
Zero Coupon Bond Series B	10.32%	-	17,100,000
Term Loan		129,125,000	
		131,380,866	207,543,760

* Refer Note on Deep Discount Bonds

** Refer Note on Term Loan from Related Party

*** Refer Note on Term Loan from Financial Institutions and others

Debt Restructuring

During the initial years of commencing operations, actual cash inflows were significantly lower than anticipated as toll traffic/ revenue did not meet the levels anticipated in the projections, resulting in the Group's inability to comply with certain financial covenants stipulated in the original borrowing agreements with its lenders. The cash flow situation also impacted the Group's ability to complete the links to augment traffic and to continue servicing its then repayment schedule for debt obligation. The Group, decided to rationalise its debt structure and commenced negotiations with lenders to restructure the debt, in particular, the interest rate, in order to align its debt servicing requirements more closely to its available cash flows.

At a meeting of the Senior Lenders of NTBCL on 26 March 2002, the Lenders approved the formation of a Debt Restructuring Committee, as per the Reserve Bank of India Guidelines comprising of the Industrial Development Bank of India (IDBI), State Bank of India (SBI) and the IL & FS for finalization of the restructuring proposal within 30 days of the meeting.

An application was filed on 23 July 2002 for the restructuring of the debts of the company under the Corporate Debt Restructuring (CDR) mechanism. On 6 January 2003, the Company received communication from the CDR Cell approving the proposed restructuring programme at the CDR Empowered Group Meeting on 29th October 2002. On approval, the CDR scheme became effective from 1 April 2002.

The above restructuring covered the term loans from financial institutions, banks and others.

For Deep Discount Bond Holders, who were not within the above restructuring arrangement, the Group, with the consent of the requisite majority of the secured creditors applied for and filed a petition in the Allahabad High Court for approval of a restructuring proposal. The restructuring arrangement was sanctioned by the Court on 24 October 2005.

The impact on the financial statements due to the above restructuring and the changes in the interest rates of the various financial instruments are detailed below.

Deep Discount Bonds

NTBCL issued Deep Discount Bonds (DDBs) of Rs. 500,000,000 (100,000 DDB of Rs. 5,000 each) on 3rd November 1999 with redemption value Rs. 45,000 at the end of 16th year with an average annualised yield of 14.67%. Nominal Value and Issue Amount were at par.

In accordance with the terms of restructuring scheme of Deep Discount Bonds, the outstanding 10,815 DDBs (Net of repayments made) would mature on 3rd November 2015 and maturity value of the bond as per the revised terms would be Rs. 20,715 each. However, NTBCL would have the right to call/ purchase DDBs from the holders at any time after effective date of 24th November 2005 as define in the Scheme with interest calculated @ 13.70% per annum till 31 March 2002 and at 8.5% per annum thereafter up to the date of the payment.

Term Loan from Financial Institutions and Others

As per the restructuring of term loans, fifty percent of the outstanding loan of the Financial Institutions and others aggregating Rs. 1,027,700,000 was bifurcated equally into Part A and Part B.

Part A - For fifty percent, the lenders were issued **Zero Coupon Bond** - “**Series A**” amounting to Rs. 513,850,000 carrying zero interest and the same has been repaid in accordance with CDR terms and conditions.

Part B – The balance 50% of Rs. 513,850,000 has been retained as term loan carrying interest of 12.5% per annum and the same is repayable by 2010 - 2014. The effective rate of interest, considering the overall repayment schedule work out to 8.5% per annum. The Company had prepaid term loan of Rs. 306,125,833 to the Financial Institutions and others out of proceeds of the GDR issue

As per the restructuring agreement, the interest payments, related to the Part B above, were partially deferred till 2004-05. The same were accumulated as “Funded Interest” and the same, other than the portion pertaining to IL&FS, has been repaid within 31 March 2007. The Funded Interest were valued at Fair value using the effective interest rate of 10.53% per annum. The outstanding funded interest is payable to IL&FS carried the interest @ 14% p.a. since 31 March 2007 and repaid upto 31 March, 2008.

Infrastructure Development Finance Company Limited (IDFC) has converted Rs. 566,592,789 being the value of DDBs purchased by them under the scheme of restructuring of DDBs into the term loan. The term loan is repayable during 2010 - 14. The loan carries interest at the rate of 8.5% per annum payable quarterly on 31 March, 30 June, 30 September and 31 December every year. The Company had prepaid term loan of Rs. 352,645,501 to IDFC out of proceeds of the GDR issue.

Term Loan from Banks

NTBCL had taken term loans from a consortium of eight banks at interest ranging from 13.50% to 14.50% per annum. Post restructuring, the term loans from banks, amounting to Rs. 1,330,000,000 carry interest at a rate of 8.5%. The term loans from banks are payable during 2004-13. The Company has prepaid term loan of Rs. 646,894,384 to the Banks during the year 2006-07 out of the proceeds of the GDR issue.

Zero Coupon Bond – “Series B”

As a part of Debt Restructuring, NTBCL issued Zero Coupon Bond – “Series B” of Rs. 100 each for an aggregate amount of Rs. 555,422,000 to the Banks, Financial Institutions and Others, repayable no later than 31 March 2014. This was done towards Net Present Value of the sacrifice made by them by way of reduction in interest rates from contracted terms. This instrument is a zero coupon bond and is interest free. The bonds have been recognised on 1 April 2002, at fair value using the effective interest rate of 10.32%. Effective interest rate has been calculated on the basis of cost of debt, from financial institutions, banks and others, to the Company post restructuring. As a result, Rs. 170,911,797 has been recognised as the fair value of the ZCB – B on 1 April 2002.

In previous year liability towards ZCB-B had been re-calculated using revised rate of interest on account of few early repayment. During the year, liability has been re-calculated using the original effective rate of interest and an additional sum of Rs. 54,333,983 has been charged as finance expense in the Income Statement of previous year. EPS for the previous year therefore revised from Rs. 1.33 per share to Rs. 1.04 per share.

Term Loan from IL&FS

NTBCL on 29th March 2005, took financial assistance of Rs. 350,000,000 from IL&FS to repay certain amounts to the existing lenders, which had fallen due on 31 March 2005. Interest on the loan is stepping up in certain years and there is terminal interest to be paid. The loan alongwith terminal interest was repayable by 31 March 2017 as per the agreed payment schedule. By virtue of an amendment in the agreement the repayment of the principal amount and the terminal interest has been changed and entire sum is to be repaid by July, 2015. However the effective rate of interest remains to be 12.48% per annum.

IL&FS has converted Rs. 377,728,524 being the value of DDBs purchased by them under the scheme of restructuring of DDBs into the term loan. The term loan is repayable during 2010 -14. The loan carries interest at the rate of 8.5% per annum payable quarterly on 31 March, 30 June, 30 September and 31 December every year. The Company had prepaid term loan of Rs. 237,447,968 out of proceeds of the GDR issue.

NTBCL on 21st February 2006 had acknowledged the loan of Rs. 124,313,383 from IL&FS taken for the purpose of restructuring the Group’s DDBs. The loan is repayable during 2010-14. The loan carries interest at the rate of 10% per annum payable quarterly on 31 March, 30 June, 30 September and 31 December every year.

NTBCL on 28th September 2006 took the financial assistance of Rs. 150,000,000 from IL&FS to meet out the expenditures of the Mayur Vihar Link Project. The loan is unsecured and repayable on March 31, 2009. The loan carried interest at the rate of 12% per annum which has been increased to 14% per annum w.e.f. 28th September 2007. The loan has since been repaid in November, 2008.

The carrying values of all interest bearing loans and borrowings are representative of their fair values at respective balance sheet dates. The interest bearing loans & borrowings having a maturity year of more than a year are classified as non current liabilities and those that have an original maturity year of 1 year or less are classified as current liabilities.

All interest bearing loans and borrowings are secured by a charge on all tangible and intangible assets of the Group. However the Group has recognised the right to receive toll income as an intangible asset at fair value of construction services rendered to the grantor in compliance with IFRIC 12 *Service Concession Arrangement* . The charge on Delhi Noida Toll Bridge (Project Assets) created in favor of lenders for interest bearing loans and borrowings continue to remain against project assets now classified as intangible asset.

13. Provisions

Provision for Resurfacing Expenses (Non Current)

	31 March, 2009 Rs.	31 March, 2008 Rs.
Opening Balance	47,004,610	43,322,221
Utilised During the Year	-	-

Accretion During the Year (Note 16)	38,083,507	3,682,389
Closing Balance	85,088,117	47,004,610

Provision for Resurfacing: The Group has a contractual obligation to maintain, replace or restore infrastructure, except for any enhancement element. The Group has recognised the provision at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The first resurfacing which was due to be performed in the year ended 31 March 2009 is now estimated to be performed during the year ended 31 March 2011.

Provision for Holiday Pay (Current)

	31 March, 2009 Rs.	31 March, 2008 Rs.
Opening Balance	3,192,004	1,986,658
Utilised during the year	(1,078,866)	(1,416,978)
Provided during the year	2,491,126	2,622,324
Closing Balance	4,604,264	3,192,004

Provision for Holiday Pay: The Group has computed the provision for holiday pay based on outstanding leave balance as at the year end.

Provision for performance Related Pay (Current)

	31 March, 2009 Rs.	31 March, 2008 Rs.
Opening Balance	25,485,215	5,000,000
Utilised during the year	(25,485,215)	(5,000,000)
Provided during the year	26,171,273	25,485,215
Closing Balance	26,171,273	25,485,215

Provision for Employees benefit (Current)

	31 March, 2009 Rs.	31 March, 2008 Rs.
Opening Balance	855,341	736,223
Utilised during the year	(391,586)	(160,003)
Provided during the year	435,423	279,121
Closing Balance	899,178	855,341

14. Deferred Income Tax

Balance Sheet

	31 March, 2009 Rs.	31 March, 2008 Rs.
Deferred Income Tax Liabilities		
Difference in written down value of Property, Plant & Equipment and amortisation of Intangible Asset	(541,570,812)	(456,509,396)
Fair Value Change on Recognition of Intangible Asset	(464,114,593)	(466,798,513)
Deferred Income Tax Assets		
Difference in amortisation of Preliminary Expenses	9,365	12,487
Losses available for off set against future taxable income	707,049,452	738,035,518
Timing difference in allowance of Operation & Maintenance Expense	85,355,123	71,491,313
Timing difference in allowance of Borrowing Cost	164,377,160	113,768,591
Net Deferred Tax Asset/ (Liability)*	(48,894,305)	Nil

Income Statement

	31 March, 2009 Rs.	31 March, 2008 Rs.
Deferred Income Tax Liabilities		
Difference in written down value of Property, Plant & Equipment and amortisation of Intangible Asset	(85,061,416)	(69,803,802)
Recognition/ Amortisation of Fair Value Change of Intangible Assets	2,683,920	(16,853,399)
Deferred Income Tax Assets		
Difference in amortisation of Preliminary Expenses	(3,122)	8589
Losses available for off set against future taxable income	(30,986,066)	37,064,362
Timing difference in allowance of Borrowing Cost	13,863,810	19,584,293
Timing difference in allowance of Operation & Maintenance Expense	50,608,569	29,999,957
Deferred Tax Expense	(48,894,305)	Nil

* Deferred tax asset (accumulated) on account of unutilised tax losses of Rs. Nil as at 31st March 2009 and Rs. 40,150,222 as at 31st March 2008 is not being recognised as the Group is of the opinion that this asset will not be utilised in the near future.

Reconciliation of Tax Expense:

	31 March, 2009 Rs.	31 March, 2008 Rs.
Accounting Profit /(Loss) for the year before tax	307,687,854	221,485,240
Add: Non Deductible Expenses	(45,566,451)	(27,298,634)
Profit/ (Loss) to be considered for tax	262,121,403	194,186,606
Indian statutory income tax rate	51.27%*	52.53%*
Total Tax Liability	134,384,076	102,015,026
Tax Paid during the year	45,339,549	(36,382,781)
Deferred Tax Liabilities / (assets) before adjustments	89,044,527	65,632,245
Deferred Tax Asset/ Liabilities not recognized / (adjusted)	(40,150,222)	(65,632,245)
Deferred Tax Liabilities / (assets) for the year	48,894,305	Nil
Effective Tax Rate	35.95%*	18.74%*

* The effective rate is inclusive of rate of Minimum Alternative tax u/s 115JB of the Indian Income Tax Act, 1961.

Reconciliation of Deferred Tax Liability

	31 March, 2009 Rs.	31 March, 2008 Rs.
Opening Balance	-	-
Deferred Tax Expense during the year	48,894,305	-
Closing Balance	48,894,305	-

15. Trade and Other Payables

	31 March, 2009	31 March, 2008
	Rs.	Rs.
Trade Payables	9,690,171	5,042,321
Interest accrued but not due	650,685	659,247
Other Liabilities*	116,635,981	140,672,955
	126,976,837	146,374,523

The carrying values of all trade creditors and other payable are representative of their fair values at respective balance sheet dates. All the trade creditors and other payables having an original maturity of 1 year or less are classified as current liabilities.

Trade Creditors are non-interest bearing and are normally settled on 60 day terms.

* Other Liabilities primarily include amount payable to creditors for capital items, accruals for general day to day expenses, advance payments from customers. All other liabilities are non-interest bearing and are normally settled on 60 day terms.

16. Operating and Administrative Expenses

Operating Expenses

	31 March, 2009	31 March, 2008
	Rs.	Rs.
Fees Paid to O&M Contractor	-	10,023,321
Consumption of Prepaid Cards and On Board Units	2,139,254	1,718,976
Repairs and Maintenance	28,804,185	29,357,606
Provision for Resurfacing (Note 13)	38,083,507	3,682,389
Insurance	4,833,615	6,173,048
Advertisement and Business Promotion Expenses	2,141,735	3,251,811
	76,002,296	54,207,151

Administrative Expenses

	31 March, 2009	31 March, 2008
	Rs.	Rs.
Employee Benefit Expense (Note 19(a))	103,089,388	66,981,791
Rent	1,097,000	812,785
Rates and Taxes	2,383,296	4,172,444
Professional Charges	20,024,389	25,082,430
Audit Fees	2,340,000	2,615,000
Directors Sitting Fees	610,000	480,000
Travelling and Conveyance	5,299,757	8,208,937
Other Administrative Expenses	22,555,158	18,771,537
	157,398,988	127,124,924

17. Finance Charges

	31 March, 2009	31 March, 2008
	Rs.	Rs.
Interest on Deep Discount Bonds	10,255,555	9,478,409
Interest on Term Loans	171,450,559	179,349,511
Amortization of Zero Coupon Bond Series B	29,043,015	85,455,634
Other Finance Charges	938,129	1,090,696
	211,687,258	275,374,250

18. Earning Per Share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share are calculated by dividing the net profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted earning per share computations:

	31 March, 2009 Rs.	31 March, 2008 Rs.
Net Profit/(Loss) attributable to equity share holders	213,716,707	185,084,752
	31 March, 2009 Rs.	31 March, 2008 Rs.
Weighted average number of ordinary shares for basic / diluted earning per share	186,195,002	186,195,002
Share Options	-	-

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

19. Employee Benefits

(a) Employee Benefits Expenses

	31 March, 2009 Rs.	31 March, 2008 Rs.
Salaries and Allowances	94,171,973	61,651,432
Pension Cost	2,053,414	1,173,227
Post-employment benefits other than pensions		
- Provident Fund	4,283,965	2,217,440
Post-employment benefits other than pensions		
- Gratuity	2,580,036	1,939,692
	103,089,388	66,981,791

(b) Pension and other post-employment benefit plans

The Group has three post employment funded benefit plans, namely gratuity, superannuation and provident fund.

In case of NTBCL gratuity is computed as 30 days salary, for every completed year of service or part there of in excess of 6 months and is payable on retirement/termination/resignation. The benefit vests on the employee completing 3 years of service. The Gratuity plan for the NTBCL is a defined benefit scheme where annual contributions as demanded by the insurer are deposited to a Gratuity Trust Fund established to provide gratuity benefits. The Trust Fund has taken a Scheme of Insurance, whereby these contributions are transferred to the insurer. The Group makes provision of such gratuity asset/liability in the books of accounts on the basis of actuarial valuation.

In case of ITMSL gratuity is computed as 15 days salary, for every completed year of service or part there of in excess of 6 months and is payable on retirement/termination/resignation. The benefit vests on the employee completing 5 years of

service. The Gratuity plan for the ITMSL is a defined benefit scheme. The company makes provision of such gratuity assets / liabilities in the books of account on the basis of actuarial valuation.

The Superannuation (pension) plan for the NTBCL is a defined contribution scheme where annual contribution as determined by the management (Maximum limit being 15% of salary) is paid to a Superannuation Trust Fund established to provide pension benefits. The benefits vests on employee completing 5 years of service. The management has the authority to waive or reduce this vesting condition. The Trust Fund has taken a Scheme of Insurance, whereby these contributions are transferred to the insurer. These contributions will accumulate at the rate to be determined by the insurer as at the close of each financial year. At the time of exit of employee, accumulated contribution will be utilised to buy pension annuity from an insurance company. ITMSL do not provide Superannuation benefits to its employees.

The Provident Fund is a defined contribution scheme whereby the Group deposits an amount determined as a fixed percentage of basic pay to the fund every month. The benefit vests upon commencement of employment.

The following table summarises the components of net expense recognised in the income statement and amounts recognised in the balance sheet for gratuity:

Net Benefit expense

	31 March, 2009 Rs.	31 March, 2008 Rs.
Current service cost	1,354,605	620,276
Interest cost on benefit obligation	670,872	445,571
Expected return on plan assets	97,949	(880,400)
Net actuarial(gain)/loss recognised in year	456,610	1,754,245
Annual expenses	2,580,036	1,939,692

Benefit asset

	31 March, 2009 Rs.	31 March, 2008 Rs.
Defined benefit obligation	(9,163,541)	(6,790,431)
Fair value of plan assets	13,485,297	6,511,310
Benefit asset	4,321,756	(279,121)

Changes in the present value of the defined benefit obligation are as follows:

	31 March, 2009 Rs.	31 March, 2008 Rs.
Opening defined benefit obligation	6,790,431	5,126,991
Interest cost	670,872	445,571
Current service cost	1,354,605	620,276
Benefits paid	-	(1,156,652)
Expected return on plan assets	-	-
Actuarial (gains)/losses on obligation	347,633	1,754,245
Closing defined benefit obligation	9,163,541	6,790,431

Changes in the fair value of plan assets are as follows:

	31 March, 2009 Rs.	31 March, 2008 Rs.
Opening fair value of plan assets	6,511,310	5,126,991
Expected return	(97,949)	880,400
Contributions	-	-
Benefits paid	7,180,913	503,919
Actuarial gains/(losses) on fund	(108,977)	-
Closing fair value of plan assets	13,485,297	6,511,310

The plan asset consists of a scheme of insurance taken by the Trust, which is a qualifying insurance policy. Break down of individual investments that comprise the total plan assets is not supplied by the Insurer.

The principal assumptions used in determining pension and post-employment benefit obligations for the Group's plans are shown below:

	31 March, 2009 %	31 March, 2008 %
Discount rate	7.50	7.50
Future salary increases	4.00	7.00
Rate of interest	5.00	10.10

20. Contingent Liabilities:

Nature	31 March, 2009 Rs.	31 March, 2008 Rs.
a) Claims made by contractors AFCONS Infrastructure Limited	19,815,581	19,815,581
	19,815,581	19,815,581

a) Claims of AFCONS Infrastructure Limited is related to the construction of the Ashram Flyover. The claims pertain to delayed payments and incentives etc. The adjudication proceeding has been concluded and the adjudicator has ruled that the claims are time barred. However, the matter can be referred to arbitration by M/s AFCONS Ltd. The Honorable Arbitral Tribunal has rejected contractor's alleged claims amounting to Rs. 8.2 millions (approx.) and examining the validity of remaining claim amounting to Rs. 11.62 million (approx.). The Group is of the view that it is possible, but not probable that the liability would arise and accordingly no provision for any liability has been made in the financial statement.

c) The group has acquired the land on Delhi side for the construction of Bridge from the Government of Delhi and DDA and the amount paid has been considered as a part of the project cost. However pending final settlement of the dues the company had estimated the cost of Rs. 29.32 million and provided for. The actual settlement may result in possible but not probable obligation to the extent of additional Rs. 30 million based on management estimates.

21. Capital Commitments

Nature	31 March, 2009 Rs.	31 March, 2008 Rs.
Introduction of New Technology	₹	₹

22. Related Party Disclosure

The consolidated financial statements include the financial statements of Noida Toll Bridge Company Limited and the subsidiary listed in the following table.

Name	Country of incorporation	% equity interest	
		31 March, 2009	31 March, 2008
ITNL Toll Management Services Limited	India	51%	50.99%

The Group has following related parties with whom Group made transaction during the relevant financial year:

(a) Shareholders having significant influence

The following shareholders, which are also the Promoter of the Group has had a significant

influence in all years under review:

- Infrastructure Leasing & Financial Services Limited
- IL&FS Transportation Network Limited

(b) Key Managerial personnel

31st March 2009	31st March 2008
Non Executive Directors	Non Executive Directors
Mr Arun K Saha	Mr Arun K Saha
Mr Deepak Prem Narayan	Mr Deepak Prem Narayan
Mr Gopi Arora	Mr Gopi Arora
Mr K Ramchand	Mr K Ramchand (Alternate Director: Mr. Ravi Parthasarathy)
Mr Piyush G Mankand	Mr Piyush G Mankand
Mr R K Bhargava	Mr R K Bhargava
Mr. Mohinder Singh	Mr. Sanjiv Saran*
Mr. Sanat Kaul	Mr. Mohinder Singh
*Resigned during the year	
Chief Executive Officer and Key Managers	
Mr Pradeep Puri (CEO)	Mr Pradeep Puri (CEO)
Ms. Monisha Macedo	Ms. Monisha Macedo

(c) Other related Parties

The following employee benefit funds have been related parties in the years under review

- Noida Toll Bridge Company Limited Employees Group Gratuity Fund
- Noida Toll Bridge Company Limited Employees Superannuation Fund

(i) The following table provides the total amount of transactions which have been entered into with related parties for the relevant financial year:

(a) Shareholder having significant influence

Transaction/outstanding balances	31 March, 2009 Rs.	31 March, 2008 Rs.
Reimbursement of expenses incurred on behalf of the Group	968,024	1,023,685
Interest expenses	116,865,060	141,935,382
Amount owed to	939,070,532	1,063,068,661
Amount receivable	378,827	557,593

(b) Key Management persons-

Transaction/outstanding balances	31 March, 2009 Rs.	31 March, 2008 Rs.
Sitting fees paid	610,000	480,000
Amount receivable	650,855	843,003

(c) Other Related Parties

Transaction/outstanding balances	31 March, 2009 Rs.	31 March, 2008 Rs.
Contribution to employees post employment benefit fund	4,633,450	3,842,771

(ii) Compensation to key management personnel of the Group:

	31 March, 2009	31 March, 2008
	Rs.	Rs.
Short term employee benefits	36,987,990	19,352,540
Post employment benefits*	2,722,188	1,589,145
Total compensation paid to key management personnel	39,710,178	20,941,685

* Includes contributions made to Provident Fund, Superannuation Scheme and Gratuity Contribution.

Terms and conditions of transactions with related parties:

The transactions with Infrastructure Leasing and Financial services Limited are made at normal market prices. Amount owed to on account of loan/ bonds are secured and settlement occurs in cash.

Amounts receivable from key management personnel include staff loans and medical advance given to Chief executive officer which is as per his entitlement and in accordance with the Group policy. The loans given are unsecured in nature and on subsidised interest. Loans are repayable in monthly instalments and settlement occurs in cash.

There were few transactions during the year between the company and its subsidiary undertakings, which are eliminated on consolidation and therefore not disclosed.

23. Financial Risk Management Objectives and Policies

The Group's financial risk management objectives and policies are aimed at procuring funding for the construction of the bridge and additional links and to provide working capital to operate the bridge. The Group manages its financial risk by securing cost effective funding for the Group's operations and minimizing the adverse effects of fluctuations in the financial markets on the value of the Group's financial assets and liabilities, on reported profitability and on the cash flows of the Group. The principal financial instruments comprise deep discount bonds, zero coupon bonds, term loans from banks and other financial institutions, current accounts with banks and cash and short-term investments. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risk arising from the Group's financial instruments are cash flow interest rate risk, liquidity risk and credit risk. The board reviews and agrees policies for managing these risks as summarised below.

Cash flow interest rate risk

The Group's exposure to the risk for changes in market interest rates relates primarily to the Group's long term debt obligations. The Group's policy is to manage its interest cost using only fixed rate debts or step up rates with fixed year for related party debts.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of term loans with banks and other financial institutions, and other loan instruments. The Group has in the past undertaken necessary restructuring of its loans and obligations to ensure its ability to service interest and debt repayments effectively.

Credit risk

The Group trades only with recognised creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, loans and advances and available-for-sale financial assets, the Group's exposure to credit risk arises from default of the counterparty, with maximum exposure equal to the carrying amount of these instruments.

Since the Group trades only with recognised third parties, there is no requirement for collateral. However wherever management feels adequate, obtain collateral in the form of bank guarantees or security deposits from the third parties.

24. Financial Instruments

Fair Values

The carrying value of all financial assets and liabilities are representatives of their fair values at respective balance sheet date. The carrying value of the fixed rate debts of the Group are considered to be equal to their fair value following debt restructuring, which resulted in a reduction of the effective interest rate of all debt (Note 12).

Interest Rate Risk

The following table set out the carrying amount, by maturity, of the Group's financial instruments that are exposed to interest rate risk:

As at 31 March 2009: (in Rs.)

Assets

	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
Loans to staff	583,328	564,602	490,289	268,582	44,287	153,686	2,104,774

*Borrowings

ZCB - Series B	-	-	-	-	254,925,380	-	254,925,380
Deep Discount Bonds	-	-	-	-	-	130,925,237	130,925,237
Term Loan from Banks		10,348,088	191,058,858	191,058,858	-	-	392,465,804
Term Loan from Financial Institutions		2,500,000	5,000,000	6,250,000	296,507,665	-	310,257,665
Term Loan-Others	129,125,000	91,556,338	103,987,677	110,203,346	386,760,368	38,402,044	860,034,773

As at 31 March 2008: (in Rs.)

Assets

	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
Loans to staff	543,726	505,834	485,149	408,826	185,060	176,794	2,305,389

*Borrowings

ZCB - Series B	55,542,200	-	-	-	-	225,882,365	281,424,565
Deep Discount Bonds						120,669,682	120,669,682
Term Loan from Banks			10,348,088	191,058,858	191,058,858		392,465,804
Term Loan from Financial Institutions			2,500,000	5,000,000	6,250,000	296,507,665	310,257,665
Term Loan-others			12,431,338	24,862,677	31,078,346	758,176,530	826,548,891
Unsecured	150,000,000						150,000,000

Interest on financial instruments classified as fixed rate is fixed until the maturity of the instrument. The other financial instruments of the Group that are not included in the above tables are non-interest bearing and are therefore not subject to interest rate risk. There are no instruments at floating rates of interest.

Credit risk

There are no significant concentrations of credit risk within the Group.

25. Segment Reporting

The Concession Agreement with NOIDA confers certain economic rights to the Group. These include rights to charge toll and earn advertisement revenue, development income and other economic rights. The income stream of the Group comprises of toll income and advertising income for the year for which IFRS compliant financial statements of the Group have been prepared.

Both these rights are directly or indirectly linked to traffic on the Delhi Noida Toll Bridge and are broadly subject to similar risks. Toll revenue is fully variable while license fee from advertisement is fixed to a certain extent. The operating risk in both the cases is similar and the expenses cannot be segregated as the Company does not have separate departments for the management of each activity. The Management Information System also does not capture both activities separately. As both emanate from the same Concession Agreement and together form a part of the Return as specified in the Concession Agreement, the Group does not have different business reporting segments.

Similarly, the Group operates under a single geographical segment.

26. Salient aspects of Service Concession Arrangement

NOIDA has irrevocably granted to NTBCL the exclusive right and authority during the concession period to develop, establish, finance, design, construct, operate, and maintain the Delhi Noida Toll Bridge as an infrastructure facility.

NOIDA has further granted the exclusive right and authority during the concession period in accordance with the terms and conditions of the agreement to:

- (1) Enjoy complete and uninterrupted possession and control of the lands identified constituting the Delhi Noida Toll Bridge site.
- (2) Own all or any part of the project assets.
- (3) Determine, demand, collect, retain and appropriate a Fee from users of the Delhi Noida Toll Bridge and apply the same in order to recover the Total Cost of Project and the Returns thereon.
- (4) Restrict the use of the Delhi Noida Toll Bridge by pedestrians, cycle Rickshaws etc from the Delhi Noida Toll Bridge.
- (5) Develop, establish, finance, design, construct, operate, maintain and use any facilities to generate development income arising out of the Development Rights that may be granted in accordance with the provisions of the Concession agreement.
- (6) Appoint subcontractors or agents on Company's behalf to assist it in fulfilling its obligations under the agreement.

SIGNIFICANT TERMS OF THE ARRANGEMENT THAT MAY AFFECT THE AMOUNT, TIMING AND CERTAINTY OF FUTURE CASH FLOW

Concession Year

The Concession Year shall commence on 30 December 1998 (the Effective Date) and shall extend until the earlier of:

- A year of 30 years from the Effective Date;
- The date on which the Concessionaire shall recover the total cost of the project and the returns as determined by the independent auditor and the independent engineer through the demand and collection of fee, the receipt, retention and appropriation of development income and any other method as determined by the parties.

In the event of NTBCL not recovering the total project cost and the returns thereon within the specified time the Concession Year shall be extended by NOIDA for a year of 2 years at a time until the total project cost and the returns thereon have not been recovered by the Concessionaire.

Return

Return means the designated return on the Total Cost of the project recoverable by the concessionaire from the effective date at the rate of 20 % per annum.

Independent Auditor

An Independent Auditor shall be appointed for the entire term of the Concession Agreement. The Independent Auditor shall approve the format for the maintenance of accounts, the accounting standards and the method of cost accounting to be followed by the Concessionaire. The Independent Auditor shall audit, on a quarterly basis the Concessionaire's accounts.

The Independent Auditor shall also certify the Total Cost of Project outstanding and compute the returns thereon from time to time on a per annum basis.

Fees

The Concession Agreement had determined the Base Fee Rates which have been determined and set according to 1996 figures and shall be revised to determine the initial fee to be applied to the users of the project on the Project Commissioning Date (the "Initial Fee Rate"). The following are the Base Fee Rates:

Vehicle Type	One Way Fee in Rs.
Earth moving / construction vehicle	30
For each additional axle beyond 2 axle	10
Truck – 2 axles	20
Bus – 2 axles	30
Light Commercial Vehicle	20
Cars and other four wheelers	10
Three wheelers	10
Two wheelers	5
Non-motorised vehicles	-

The Initial Fee Rate shall be determined strictly in accordance with the increase in the CPI, based upon the Base Fee Rates as determined in the Concession Agreement and shall be revised in accordance with the following formula:

$$\text{IFR} = \text{CPI (I)} * \text{Base Fee Rate} / \text{CPI (B)}$$

Where

IFR = Initial Fee Rate

CPI (I) = Consumer Price Index for the month previous to the month of setting the Initial Fee Rate

CPI (B) = Consumer Price Index of the month in which this Agreement is entered into

The Fee Rates are to be revised annually by the Fee Review Committee. Fee rates are revised as per the following formula:

$$\text{RFR} = \text{CPI (R)} * \text{IFR} / \text{CPI (I)}$$

where

RFR = Revised Fee Rate

CPI (R) = Consumer Price Index for the month previous to the month in which the revision is taking place

CPI (I) = Consumer Price Index for the month previous to the month of setting the initial fee rate

IFR = Initial Fee Rate

Fee Review Committee

A Fee Review Committee was established which comprised of one representative each of NOIDA, the Concessionaire and a duly qualified person appointed by the representatives of NOIDA and Concessionaire who shall also be the Chairman of the Committee. The Fee Review Committee shall

- review the need for a revision to existing rates of Fee upon occurrence of unexpected circumstances;
- review the formula for revision of fees

Cost of Project and calculations of return

The total project cost shall be the aggregate of:

- Project Cost
- Major Maintenance Expenses
- Shortfalls in recovery of Returns in a specific financial year

The Project Cost had to be determined on the Project Commissioning date by the Independent Auditor with the assistance of the Independent Engineer.

The amounts available for appropriation by NTBCL for the purpose of recovering the total project cost and the returns thereon shall be calculated at annual intervals from the Effective Date in the following manner:

Gross revenues from Fee collections, income from advertising and development income

Less: O&M expenses

Less: Taxes (excluding any customs or import duties)

Major Maintenance Expenses

‘Major Maintenance Expenses’ refer to all expenses incurred by NTBCL for any overhaul of, or major maintenance procedure for, the Delhi Noida Toll Bridge or any portion thereof that require significant disassembly or shutdown the Delhi Noida Toll Bridge including those teardowns overhauls, capital improvements and replacements to major component thereof), which are (i) to be conducted upon the passage of the number of million standard axels or (ii)

not regularly schedule. The Independent Engineer shall determine the necessity, of conducting the major maintenance and certify that the work has been executed in accordance with specifications.

TRANSFER OF THE PROJECT UPON TERMINATION OF CONCESSION PERIOD

On the transfer date, NTBCL shall transfer and assign the project assets to NOIDA or its nominated agency and shall also deliver to NOIDA on such dates such operating manuals, plans, design drawings and other information as may reasonably be required by NOIDA to enable it to continue the operation of the bridge.

On the transfer date, the bridge shall be in fair condition subject to normal wear and tear having regard for the nature of asset, construction and life of the bridge as determined by the Independent Engineer. NTBCL shall ensure that on the transfer date, the bridge is in the condition so as to operate at the full rated capacity and the surface riding quality of the bridge will have a minimum performance level of 3000 – 3500 mm per Km when measured by bump integrator.

The asset shall be transferred to NOIDA for a sum Re. 1/-. NOIDA shall be responsible for the cost and expenses in connection with the transfer of the asset.

OTHER OBLIGATIONS DURING THE CONTRACT TERM

Major Repairs and Unscheduled Maintenance

NTBCL shall inform the Independent Engineer when the work is necessary and use materials that allow for rapid return to normal service and organise work cruise to minimise disruptions. The Independent Engineer to approve work prior to commencement and after repairs are completed Independent Engineer shall confirm that maintenance/repairs confirm to the required standards.

Overlay

Based on traffic projections and overlay and design Million Standard Axel (MSA), NTBCL shall indicate, in annual report vis-à-vis the MSA projections, the point of time at which the pavement shall require an ‘overlay’.

Overlay is defined as a strengthening layer which is require over the entire extent of pavement of the main carriageway and cycle track without in any way effecting the safety of structures. This ‘Overlay’ shall be carried out by NTBCL upon receipt of Independent Engineer approval. The Independent Engineer can also decide an overlay on particular sections based on pavement specifications.

Liability to Third Parties

NTBCL shall during the Concession year use reasonable endeavors to mitigate any liabilities to third parties as is foreseen arising out of loss or damage to the bridge or the project site.

27. Figures of the previous year have been regrouped/ rearranged wherever considered necessary.

In terms of our report of even date

On Behalf of the Board of Directors

For Luthra & Luthra
Chartered Accountants

Akhilesh Gupta
Partner

Director

Director

Pradeep Puri
President & CEO

Place: Noida
Date

T. K. Banerjee
CFO

Monisha Macedo
Manager

Luthra & Luthra

Chartered Accountants

AUDITOR'S REPORT

To The Board of Directors
Noida Toll Bridge Company Limited
Toll Plaza, DND Flyway, Noida 201301

We have audited the consolidated Balance Sheet of **Noida Toll Bridge Company Limited** and its subsidiary as at 31st March 2009, its consolidated profit & loss account and consolidated cash flow statement for the year ended on that date and related notes. These financial statements have been prepared as per the accounting policies set out therein.

Responsibilities

The management is responsible for preparing the financial statement in accordance with accounting policies set out in note 1 to the financial statement and in accordance with International Financial Reporting Standards (IFRS).

Our responsibility is to audit the financial statements in accordance with the International standards of auditing issued by the auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members and directors and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing. Based on our audit we shall report to you our opinion as to whether the financial statements give a true and fair view.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements to be audited. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

A-16/9, Vasant Vihar, New Delhi - 110057
Tel. : 26148048, 26151853, 26147365 Fax : 26145222

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements to be audited are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements to be audited.

Opinion

In our opinion:

- the consolidated Balance Sheet gives a true and fair view, in accordance with IFRS of the state of the group's affairs as at 31st March 2009
- the consolidated income statement gives a true and fair view, in accordance with IFRS of the profit for the year then ended, and
- the consolidated cash flow statement gives a true and fair view of the cash flows for the year ended on that date.

For **Luthra & Luthra**
Chartered Accountants

Akhilesh Gupta
Partner
(M. No. 89909)

Place: Noida
Date : 29th July, 2009

NOIDA TOLL BRIDGE COMPANY LIMITED AND ITS SUBSIDIARY COMPANY

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2009

	Note	31 March, 2009 US (\$)	31 March, 2008 US (\$)
Assets			
Non Current Assets			
Property, Plant and Equipment	2	1,908,208	2,347,617
Capital Work in Progress	3	40,360	-
Intangible Asset	4	106,739,516	136,456,372
Employee Benefit		93,370	-
Loans and Advances	5	73,742	103,524
		108,855,196	138,907,513
Current Assets			
Inventories	6	46,287	44,393
Trade Receivables	7	167,220	47,616
Loans and Advances	5	2,476,462	1,463,585
Prepayments		64,752	71,505
Available-for-Sale Investments	8	3,739,926	1,393,070
Cash and Cash Equivalents	9	196,338	500,764
		6,690,985	3,520,933
Total Assets		115,546,181	142,428,446
Equity and Liabilities			
Issued Capital	10	42,419,007	42,419,007
Securities Premium	11	28,508,021	36,339,346
Debenture Redemption Reserve	11	192,970	147,588
Net Unrealised Gains Reserve	11	776	26,248
General Reserve	11	9,871	12,583
Effect of Currency Translation	11	(6,992,298)	3,602,426
Retained earnings (Profit & Loss Account)		5,658,663	1,101,933
Total		69,797,010	83,649,131
Minority Interest		-	6,444
Total Equity		69,797,010	83,655,575
Non Current Liabilities			
Interest-bearing Loans and Borrowings	12	35,761,680	47,051,639
Provisions	13	1,670,033	1,175,997
Deferred Tax Liability	14	959,653	-
Current Liabilities			
Interest-bearing Loans and Borrowings	12	2,578,623	5,192,488
Trade and Other Payables	15	2,492,185	3,662,110
Provisions	13	621,682	738,868
Provision for Taxes		1,665,315	951,769
Total Liabilities		45,749,171	58,772,871
Total Equity and Liabilities		115,546,181	142,428,446

In terms of our report of even date
For Luthra & Luthra
Chartered Accountants

On Behalf of the Board of Directors

Akhilesh Gupta
Partner

Director

Pradeep Puri
President & CEO

Director

Place: Noida
Date

T. K. Banerjee
CFO

Monisha Macedo
Manager

NOIDA TOLL BRIDGE COMPANY LIMITED AND ITS SUBSIDIARY COMPANY
CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2009

	Note	Year ended 31 March, 2009 US (\$)	Year ended 31 March, 2008 US (\$)
Toll Revenue		14,433,070	13,764,626
License Fee		2,688,547	2,859,286
Construction Contract Revenue		266,100	9,554,560
Miscellaneous Income		58,292	12,148
Total Income		17,446,009	26,190,620
Operating and Administrative Expenses			
- Operating Expenses	16	1,655,463	1,347,096
- Administrative Expenses	16	3,428,425	3,159,166
- Construction Contract Cost		226,468	7,161,689
- Depreciation	2	402,445	405,589
- Amortisation	4	609,878	1,947,499
Total Operating and Administrative Expenses		6,322,679	14,021,039
Group Operating Profit from Continuing Operations		11,123,330	12,169,581
Finance Income			
- Profit on Sale of Investments		186,532	177,441
Interest & Dividend		3,035	383
Finance Charges	17	(4,610,919)	(6,843,297)
		(4,421,352)	(6,665,473)
Profit/(Loss) from Continuing Operations before taxation		6,701,978	5,504,108
Income Taxes:			
- Current Taxes		(987,575)	(904,145)
- Deferred Tax	14	(1,065,003)	-
Profit/(Loss) after tax for the year		4,649,400	4,599,963
Minority Interest		5,722	(440)
Profit/(Loss) after Minority Interest		4,655,122	4,599,523
Profit/(Loss) per share	18	0.025	0.025
- basic and diluted for the year			

In terms of our report of even date
For Luthra & Luthra
Chartered Accountants

On Behalf of the Board of Directors

Akhilesh Gupta
Partner

Director

Pradeep Puri
Director
President & CEO

Place: Noida
Date

T. K. Banerjee
CFO

Monisha Macedo
Manager

NOIDA TOLL BRIDGE COMPANY LIMITED AND ITS SUBSIDIARY COMPANY

CONSOLIDATED CASH FLOW FOR THE YEAR ENDED 31st MARCH, 2008

	Year ended 31 March, 2009 US (\$)	Year ended 31 March, 2008 US (\$)
A. Cash Flow from Operating Activities		
Receipts from Customers	17,006,747	16,585,661
Payment to Suppliers and Employees	(4,901,700)	(9,887,663)
Deposits, Advances and Staff Loan	(130,723)	405,038
Purchase of Inventories	(59,315)	(81,226)
Income Tax Paid	(1,303,158)	(771,712)
Net Cash from/(used in) Operating Activities (A)	10,611,851	6,250,098
B. Cash Flow from Investment Activities		
Purchase of Fixed Assets	(571,980)	(488,709)
Purchase of 'Available for Sale' Investments	(17,197,648)	(5,514,591)
Proceeds from sale of 'Available for Sale' Investments	14,427,559	6,396,696
Proceeds from Sale of Fixed Assets	14,939	9,681
Net Cash from/ (used in) Investment Activities (B)	(3,327,130)	403,077
C. Cash flow from Financing Activities		
Minority Interest (Issue of Shares)	(1)	6,089
Repayment of Term Loan to Banks, Financial Institutions and Others	(4,477,068)	(2,462,206)
Interest and Finance Charges Paid	(3,025,732)	(3,759,344)
Net Cash from/ (used in) Financing Activities (C)	(7,502,801)	(6,215,461)
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	(218,080)	437,714
Net Foreign Exchange Difference	(86,346)	7,946
Cash and Cash Equivalents (Opening Balance) - Refer Note – 9	500,764	55,104
Cash and Cash Equivalents (Closing Balance) - Refer Note – 9	196,338	500,764

In terms of our report of even date
For Luthra & Luthra
Chartered Accountants

On Behalf of the Board of Directors

Akhilesh Gupta
Partner

Director

Director

Pradeep Puri
President & CEO

Place: Noida
Date

T. K. Banerjee
CFO

Monisha Macedo
Manager

NOIDA TOLL BRIDGE COMPANY LIMITED AND ITS SUBSIDIARY COMPANY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2009

	Issued capital	Securities Premium	Effect of Currency Translation Reserve	Net Unrealized Gains Reserve	Debenture Redemption Reserve	General Reserve	Retained Earnings	Total Equity	Minority Interest	Total Equity
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
At 31st March, 2007	42,419,007	33,321,488	36,231	3,512	67,666	11,538	(3,992,860)	71,866,582	-	71,866,582
Change in accounting policy for advertising Structure	-	-	-	-	-	-	569,064	569,064	-	569,064
At 31st March, 2007(Adjusted)	42,419,007	33,321,488	36,231	3,512	67,666	11,538	(3,423,796)	72,435,646	-	72,435,646
Profit for the year	-	-	-	-	-	-	4,599,523	4,599,523	440	4,599,963
Capital contribution from minority interest	-	-	-	-	-	-	-	-	6,004	6,004
Creation of Debenture Redemption Reserve	-	-	-	-	73,794	-	(73,794)	-	-	-
Realization of gains on disposal of securities	-	-	-	(3,512)	-	-	-	(3,512)	-	(3,512)
Net gains on available for sale financial assets	-	-	-	26,248	-	-	-	26,248	-	26,248
Difference for currency translation	-	3,017,858	3,566,195	-	6,128	1,045	-	6,591,226	-	6,591,226
At 31 March, 2008	42,419,007	36,339,346	3,602,426	26,248	147,588	12,583	1,101,933	83,649,131	6,444	83,655,575
Profit for the year	-	-	-	-	-	-	4,655,122	4,655,122	-	4,655,122
Capital contribution from minority interest	-	-	-	-	-	-	-	-	(1)	(1)
Minority Interest	-	-	-	-	-	-	-	-	(5,722)	(5,722)
Creation of Debenture Redemption Reserve	-	-	-	-	77,188	-	(98,392)	(21,204)	-	(21,204)
Realization of gains on disposal of securities	-	-	-	(26,248)	-	-	-	(26,248)	-	(26,248)
Net gains on available for sale financial assets	-	-	-	776	-	-	-	776	-	776
Difference for currency translation	-	(7,831,325)	(10,594,724)	-	(31,806)	(2,712)	-	(18,460,567)	(721)	(18,461,288)
At 31st March 2009	42,419,007	28,508,021	(6,992,298)	776	192,970	9,871	5,658,663	69,797,010	-	69,797,010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Corporate Information

Noida Toll Bridge Company Limited (NTBCL) is a public limited company incorporated and domiciled in India on 8th April 1996 with its registered office at Toll Plaza, DND Flyway, Noida - 201301, Uttar Pradesh, India. The equity shares of NTBCL are publicly traded in India on the National Stock Exchange and Bombay Stock Exchange. NTBCL launched the issue of global depository receipts (GDRs) represented by equity shares in March 2006. The GDRs of NTBCL are traded on Alternate Investment Market (AIM) of the London Stock Exchange. The financial statements of the NTBCL are the responsibility of the Directors of the company.

The NTBCL has been set up to develop, establish, construct, operate and maintain a project relating to the construction of the Delhi Noida Toll Bridge under the “Build-Own-Operate-Transfer” (BOOT) basis. The Delhi Noida Toll Bridge comprises the Delhi Noida Toll Bridge, adjoining roads and other related facilities, the Ashram flyover which has been constructed at the landfall of the Delhi Noida Toll Bridge and the Mayur Vihar Link and it operates under a single business and geographical segment (Refer Note 26).

For all periods up to and including the year ended 31 March 2009, the Group prepared its financial statements in accordance with Indian Generally Accepted Accounting Practice (Indian GAAP). To launch the GDRs in alternate investment market (AIM) of the London Stock Exchange, the group was required to prepare financial statements for all periods commencing from 1st April 2002 in accordance with International Financial Reporting Standards (IFRSs). Accordingly, the Group had prepared financial statements from 1 April 2002, which complies with IFRSs applicable for periods beginning on or after 1 January 2005.

(b) Service Concession Arrangement entered into between IL&FS, NTBCL and NOIDA

A ‘Concession Agreement’ entered into between the NTBCL, Infrastructure Leasing and Financial Services Limited (IL&FS, the promoter company) and the New Okhla Industrial Development Authority, Government of Uttar Pradesh, conferred the right to the Company to implement the project and recover the project cost, through the levy of fees/ toll revenue, with a designated rate of return over the 30 years concession period commencing from 30 December 1998 i.e. the date of Certificate of Commencement, or till such time the designated return is recovered, whichever is earlier. The Concession Agreement further provides that in the event the project cost together with the designated return is not recovered at the end of 30 years, the concession period shall be extended by 2 years at a time until the project cost and the return thereon is recovered. The rate of return is computed with reference to the project costs, cost of major repairs and the shortfall in the recovery of the designated returns in earlier years. As per the certification by the independent auditors, the total recoverable amount comprises project cost and 20% designated return. NTBCL shall transfer the Project Assets to the New Okhla Industrial Development Authority in accordance with the Concession Agreement upon the full recovery of the total cost of project and the returns thereon.

Further details of concession agreement are given in Note 27.

(c) Basis of preparation

The consolidated financial statements of Noida Toll Bridge Company Limited and its subsidiary (‘the Group’) have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations as laid down by the International Financial Reporting Interpretations Committee (IFRIC)

These consolidated financial statements have been drawn up in accordance with the going-concern principle and on a historical cost basis, except for available-for sale investments that have been measured at fair value. The

presentation and grouping of individual items in the balance sheet, the income statement and the cash flow statement, as well as the changes in equity, are based on the principle of materiality.

(d) Significant accounting judgments and estimates

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Recognition of Concession Agreement as an Intangible Asset

(i) Basis of accounting for the service concession

The Group has determined that IFRIC 12 *Service Concession Arrangements* is applicable to the Concession Agreement and hence has applied it in accounting for the concession.

The directors have determined that the intangible asset model in IFRIC 12 *Service Concession Arrangement* is applicable to the concession. In particular, they note that users pay tolls directly so the grantor does not have the primary responsibility to pay the operator.

In order to facilitate the recovery of the project cost and 20% designated returns through collection of toll and development rights, the grantor has guaranteed extensions to the terms of the Concession, initially set at 30 years. The Group has received an “in-principle” approval for development rights from the grantor. However the Group has not yet entered into any agreement with the grantor which would constitute an assurance from the grantor to facilitate the recovery of shortfalls. Management recognizes that the development right agreement when executed will give rise to intangible assets in their own right.

Disclosures for Service Concession Arrangement as prescribed under SIC 29 *Service Concession Arrangements – Disclosure* have been incorporated into the financial statements.

(ii) Significant assumptions in accounting for the intangible asset

On completion of construction of the Delhi Noida Toll Bridge (6 February 2001), the rights under the Concession Agreement have been recognized as an intangible asset, received in exchange for the construction services provided. Construction costs include besides others, expenditure incurred and provisions for outstanding capital commitments on the Ashram Flyover, which was significantly completed on the date of recognition of the intangible asset. This section of the bridge was commissioned on 30th October 2001. The intangible asset received has been measured at fair value of the construction services as of US\$ 112,391,294 as on the date of commissioning. The Group has recognized a profit of US\$ 32,591,491, which is the difference between the cost of construction services rendered (the cost of the project asset of US\$ 79,799,802) and the fair value of the construction services.

The Directors have concluded that as operators of the bridge, they have provided construction services to NOIDA, the grantor, in exchange for an intangible asset, i.e. the right to collect toll from road-users during the Concession period.

Accordingly, the Group has measured the intangible asset at cost, i.e. the fair value of the construction services as at 6 February 2001, the date of completion of construction and commissioning of the asset.

The key assumptions used in establishing the cost of the intangible asset are as follows:

- Construction of the DND Flyway commenced in 1998 and was completed on 6 February 2001. The exchange of construction services for an intangible asset is regarded as a transaction that generates revenue and costs, which have been recognized by reference to the stage of completion of the construction. Contract revenue has been measured at the fair value of the consideration receivable. Hence in each of the years of construction, construction revenue has been calculated at cost plus 17.5% and the corresponding construction profit has been recognized through retained earnings.
- Management has capitalised qualifying finance expenses until the completion of construction.
- The intangible asset is assumed to be received only upon completion of construction. Until then, management has recognised a receivable for its construction services. The fair value of construction services have been estimated to be equal to the construction costs plus margin of 17.5% and the effective interest rate of 13.5% for lending by the grantor. The construction industry margins range between 15-20% and management has determined that a margin of 17.5% is both conservative and appropriate. The effective interest rate used on the receivable during construction is the normal interest rate which grantor would have paid on delayed payments.
- The intangible asset has been recognised on the completion of construction, i.e. 6th February 2001.
- The management considers that they will not be able to earn the designated return under the Concession Agreement over 30 years. The company has an assured extension of the concession as required to achieve project cost and designated returns (see Note 1(b) above). An independent engineer had earlier certified the useful life of the Delhi Noida Toll Bridge as 70 years. The intangible asset was being amortised over the same years on straight line basis. Based on the independent professional expert's advice obtained during the current year, the company has re estimated the life of the bridge to be of 100 years. The method of amortization of the intangible asset has also been changed during the current year from straight line to unit of usage method.
- Development rights will be accounted for as and when exercised.

Construction of the Mayur Vihar Link commenced in 2006-07. NTBCL has obtained land from Noida for the construction of the Mayur Vihar Link vide Supplement to Noida Land Lease Deed executed between them. As per the terms of said lease deed Mayur Vihar Link Road will form part of Noida Bridge Project and the expenditure incurred by NTBCL on it shall be included in the cost of Noida Bridge with respect to the concession agreement. As the Mayur Vihar Link fall under the jurisdiction of Delhi Government, Municipal Corporation of Delhi vide confirmation agreement dated 9th January 2005 agreed not to declare the Mayur Vihar Link as public street and to recognize the right of NTBCL to operate and maintain the Mayur Vihar Link as a private street and charge user a user the fees in respect thereof. This right has been recognized as an intangible asset, received in exchange for the construction services provided to the grantor of the concession agreement. The intangible asset received has been measured at fair value of construction services as of US \$ 15,961,837. The Group has recognized a profit of US \$ 3,662,423 which is the difference between the cost of construction services rendered (the cost of project asset of US\$ 12,299,414) and the fair value of the construction services.

The key assumptions used in establishing the cost of the intangible asset (i.e. right to collect toll on Mayur Vihar Link) are as follows:

- Construction commenced in June 2006 and was completed on January 19, 2008. The exchange of construction services for an intangible asset is regarded as a transaction that generates revenue and costs, which have been recognized by reference to the stage of completion of the construction. Contract revenue has been measured at the fair value of the consideration receivable. Hence for the years, construction revenue has been calculated at cost plus 17.5% and the corresponding construction profit has been recognized through construction revenue.
- Management has capitalised qualifying finance expenses until the completion of construction.
- The intangible asset is assumed to be received upon the completion of the construction and during the construction phase, management has recognised it as additions to the Intangible assets. The fair value of construction services have been estimated to be equal to the construction costs plus margin of 17.5% and the effective interest rate of 12.5% for lending by the grantor. The construction industry margins range between 15-20% and management has determined that a margin of 17.5% is both conservative and appropriate. The effective interest rate used on the receivable during construction is the normal interest rate which grantor would have paid on borrowing obtained.
- The management considers that they will not be able to earn the designated return under the Concession Agreement over 30 years. The company has an assured extension of the concession as required to achieve project cost and designated returns (see Note 1(b) above). An independent expert had earlier certified the useful life of the Delhi Noida Toll Bridge as 70 years. As the lease period for the land is coterminous with the concession agreement and the estimated remaining useful life of the bridge, this intangible asset was being amortised over the remaining life of the Delhi Noida Toll Bridge from the date of commissioning of the Mayur Vihar Link Road on straight line basis. During the year based on the independent professional expert's advice, the estimated life of the bridge has been considered as 100 years. The method of amortization of the Intangible asset has also been changed during the year from straight line to unit of usage method.

Change in Estimates

During the year, based on the independent professional expert's advice, life of the bridge has been re-estimated at 100 years. The management has considered that the economic benefit from the bridge is derived in form of traffic revenue and hence changed amortization method from straight line to unit of usage method i.e. number of vehicles using the project facility. As a result of change in above estimates, amortization for the year has been reduced by US\$ 1,284,520

(e) Basis of Consolidation

The consolidated financial statements comprise the financial statements of Noida Toll Bridge Company Limited and its subsidiary ITNL Toll Management Services Limited. The financial statements of the subsidiary are prepared for the same reporting year as the parent company, using consistent accounting policies.

All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full.

Subsidiary is fully consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

(f) Foreign Currency Translation

The functional currency of Noida Toll Bridge Company Limited and ITNL Toll Management Services Limited is Indian Rupees. Transactions in foreign currencies are initially recorded in the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

The presentation currency is US\$. For the purpose of translation from functional currency to presentation currency, assets and liabilities for each balance sheet presented is translated at the closing rate at the date of that balance sheet. Income and expense for each income statement and cash flow statement presented is translated using a weighted average rate and all resulting exchange difference is recognised as a separate component of equity.

(g) Intangible Assets

Construction on the Delhi Noida Toll Bridge was completed and made operational on 6th February 2001. The Ashram Flyover's construction, which was significantly complete on that date, was commissioned on 30th October 2001. Collectively referred to as the "Bridge", the completed construction has been recognised as an intangible asset on 6th February 2001, in accordance with the guidelines given for recognition and measurement for service concession agreements on adoption of *IFRIC 12, Service Concession Arrangement*.

Construction on Mayur Vihar Link Road which has been accounted and made fully operational on January 19, 2008 has been recognised as intangible asset, in accordance with the guidelines given for recognition and measurement for service concession agreements in *IFRIC 12, Service Concession Arrangement*.

The value of the intangible asset was measured on the date of completion of construction at the fair value of the construction services provided which has been recognised as the intangible asset's cost. It was being amortised on a straight-line basis over the balance period of the estimated useful life. During the year amortization policy has been changed from straight line to unit of usage method. The amortisation expense is recognised in the income statement as part of operating and administrative expenses. The carrying value is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Specific policies that apply to the intangible assets are as follows:

➤ Construction services

Construction services exchanged for the intangible asset included all costs that related directly to the construction of the Delhi Noida Toll Bridge / Mayur Vihar Link including valuation of all work done by subcontractors, whether certified or not, and all overheads other than those relating to the general administration of the Group.

➤ Construction profit

Construction profit is the difference between the fair value of the consideration receivable and the construction services provided in building the Bridge.

➤ Borrowing costs

Project specific borrowing costs were capitalised until the completion of construction services. Where funds are temporarily invested pending their expenditures on the qualifying asset, any investment income, earned on such fund is deducted from the borrowing cost incurred.

➤ Maintenance obligations

Contractual obligations to maintain, replace or restore the infrastructure (principally resurfacing costs and major repairs and unscheduled maintenance which are required to maintain the Bridge in operational condition except for any enhancement element) are recognised and measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provision is discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(h) Property, Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of replacing part of such plant and equipment when that cost is incurred if the recognition criteria are met.

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognised.

The asset's residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial year end.

(i) Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Building	62 years
Data Processing Equipment	3 years
Office Equipment	5 years
Vehicles	5 years
Furniture & Fixtures	7 years
Advertisement Structure	5 years

(j) Investments and other financial assets

Financial assets in the scope of IAS 39 are classified as either loans and receivables or available-for-sale financial assets, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in income when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Investments (Available-for-sale financial assets)

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.

After initial recognition available-for sale financial assets are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the income statement.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

(k) Inventories

Inventories of Electronic Cards (prepaid cards), “On Board Units” and consumables are valued at the lower of cost or net realisable value. Cost is recognised on First In First Out basis.

(l) Cash and Cash equivalents

Cash and cash equivalents in the balance sheet comprises of cash at bank and in hand.

(m) Interest bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any transaction costs, and any discount or premium on settlement.

On refinancing of debt or where the terms of an existing debt are amended, the derecognition criteria in IAS 39 are applied and existing issue cost are written off. Where new debt is arranged, the capitalised issue costs on retiring debt are written off and the issue costs of the new debt are capitalised and amortised over the term of the new debt.

(n) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as other finance expense

(o) Employee costs, Pensions and other post-employment benefits

Wages, salaries, bonuses, social security contributions, paid annual leave and sick leave are accrued in the year in which the associated services are rendered by employees of the Group.

The Group has three funded retirement benefit plans in operation viz. Gratuity, Provident Fund and Superannuation. The Superannuation Fund and Provident Fund are defined contribution schemes whereby the Group has to deposit a fixed amount to the fund every year / month respectively.

The Gratuity plan for the Group is a defined benefit scheme. The cost of providing benefits under gratuity is determined using the projected unit credit actuarial valuation method. Actuarial gains and losses are recognised in full in the period in which they occur and directly in equity through the income statement.

(p) Leases

Finance leases which transfer substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to arrive at a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

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 income statement on the straight line basis over the lease term.

(q) Impairment

Where an indication of impairment exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

(r) Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

(s) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue comprises:

Toll Revenue

Toll Revenue is recognised in respect of toll collected at the Delhi Noida Toll Bridge and the attributed share revenue from prepaid cards.

License Fee

License fee income from advertisement hoardings & office premises is recognised on an accruals basis in accordance with contractual obligations.

Service Charges

Service charges are recognised on accrual basis in respect of revenue recovered for the various business auxiliary services provided to the parties.

Interest income

Revenue is recognised as interest accrues (using the effective interest method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

Investment income

The profit or loss on sale of investments is the difference between the net sale consideration and the carrying amount. Related fair value movements are derecognised from net unrealised gains reserve and transferred to the income statement at the time of sale.

Other Income

Other income comprises service fee and miscellaneous income which are recognised on receipt basis.

(t) Income tax

Current tax represents the amount that would be payable based on computation of tax as per prevailing taxation laws under the Indian Income Tax Act, 1961.

Deferred income tax is provided using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses (where such right has not been forgone), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax assets and

unused tax losses can be utilised, except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

(u) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. Where funds are temporarily invested pending their expenditures on the qualifying asset, any such investment income, earned on such fund is deducted from the borrowing cost incurred.

All other borrowing costs are recognised as interest expense in the income statement in the period in which they are incurred.

(v) Share based payment transactions

Equity-settled, share option plan are valued at fair value at the date of the grant and are expensed over the vesting period, based on the Group's estimate of shares that will eventually vest. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions. At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable. The share awards are valued using the Black-Scholes option valuation method.

The Group recognises the impact of the revision of original estimates, if any, in the income statement, with a corresponding adjustment to equity. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(w) Securities Premium

Securities premium represent the amount being difference between the issue price and the face value of the securities issued by the company. Securities premium have been recognized as separate component of the equity. Under the Indian Companies Act 1956, securities premium have restricted usage. Securities premium has been adjusted to the extent utilized for the purposes allowed under the Indian Companies Act, 1956 and disclosed in the statement of equity.

(x) Debenture Redemption Reserve

Debenture redemption reserve (DRR) represents the reserve created for the redemption of the Deep Discount Bond (DDBs). Under the Indian Companies Act 1956, DRR is to be created out of the profits for the year in financial statement prepared under Indian GAAP. The group recognized the DRR for an amount equal to the issue price of

the DDBs by apportioning from the profit of the year under Indian GAAP a sum calculated under sum of digit method. DRR has been recognized as separate component of equity. On redemption of the DDBs, DRR is to be transferred to general reserve.

(y) CENVAT Credit

Cenvat (Central Value Added Tax) in respect of service tax is accounted on accrual basis on eligible services. The balance of cenvat credit is reviewed at the end of each year and amount estimated to be unutilised is charged to the profit & loss account for the year.

(z) Changes in Accounting Policies

The group has changed its policy for accounting of advertisement structure. The group has been expensing off the cost of such structure as and when incurred hitherto. The group has now decided to capitalize the same considering that economic benefits from such structures would accrue for more than a year.

The impact of the change of accounting policy has been retrospectively applied in accordance with IAS-8 “Accounting policies, Change in Accounting Estimates and Errors”. The following table highlights the impact of the change in accounting policy on shareholder’s equity, fixed asset, depreciation and profit after tax:

	As on 31.03.2007 US(\$)	As on 31.03.2008 US(\$)	As on 31.03.2009 US(\$)
Shareholders Equity before change in accounting policy	71,866,582	83,247,771	69,330,702
Impact of change	569,064	407,804	446,308
Shareholders Equity after change in accounting policy	72,435,646	83,655,575	69,797,010
Net fixed assets before change in accounting policy	1,192,709	1,939,814	1,441,900
Impact of change	569,064	407,804	466,308
Net fixed assets after change in accounting policy	1,761,773	2,347,618	1,908,208

	For the year ended 31.03.2008 US(\$)	For the year ended 31.03.2009 US(\$)
Depreciation before change in accounting policy	194,218	213,615
Impact of change	211,371	188,829
Depreciation after change in accounting policy	405,589	402,444
Profit after tax before change in accounting policy	4,810,894	4,779,768
Impact of change	(211,371)	(124,646)
Profit after tax after change in accounting policy	4,599,523	4,655,122
EPS before change in	0.0258	0.0257

accounting policy		
Impact of change	0.0011	0.0007
EPS after change in accounting policy	0.0247	0.0250

NOTES TO CONSOLIDATED BALANCE SHEET

2. Property, Plant and Equipment

	Advertisement Structures US (\$)	Building US (\$)	Office and Data Processing Equipment US (\$)	Furniture and Fixtures US (\$)	Vehicles US (\$)	Total US (\$)
31 March 2009						
At 1 April 2008 (net of accumulated depreciation)	407,803	1,121,095	284,642	212,297	321,780	2,347,617
Exchange difference on Conversion	(103,953)	(240,186)	(59,893)	(44,610)	(64,585)	(513,227)
Additions	351,288	1,865	74,598	25,060	30,781	483,592
Disposals	-	-	(770)	-	(6,559)	(7,329)
Depreciation charge for the year	(188,830)	(16,185)	(88,469)	(36,610)	(72,351)	(402,445)
At 31 st March, 2009 (net of accumulated depreciation)	466,308	866,589	210,108	156,137	209,066	1,908,208
At 1 April 2008						
Cost	821,116	1,153,735	448,923	281,494	422,115	3,127,383
Accumulated depreciation	(413,313)	(32,640)	(164,281)	(69,197)	(100,335)	(779,766)
Net carrying amount	407,803	1,121,095	284,642	212,297	321,780	2,347,617
At 31 March, 2009						
Cost	960,700	906,780	415,055	241,722	319,722	2,843,979
Accumulated depreciation	(494,392)	(40,191)	(204,947)	(85,585)	(110,656)	(935,771)
Net carrying amount	466,308	866,589	210,108	156,137	209,066	1,908,208
31 March 2008						
	Advertisement Structure US(\$)	Building US (\$)	Office and Data Processing Equipment US (\$)	Furniture and Fixtures US (\$)	Vehicles US (\$)	Total US (\$)
At 1 April 2007 (net of accumulated depreciation)	569,064	692,943	206,165	154,548	139,053	1,761,773
Exchange difference on Conversion	50,110	65,210	19,072	14,291	13,735	162,418
Additions	-	380,552	140,411	84,283	230,750	835,996
Disposals	-	-	(4,739)	(2,242)	-	(6,981)
Depreciation charge for the year	(211,371)	(17,610)	(76,267)	(38,583)	(61,758)	(405,589)
At 31 st March, 2008 (net of accumulated depreciation)	407,803	1,121,095	284,642	212,297	321,780	2,347,617
At 1 April 2007						
Cost	752,926	706,616	298,263	187,702	193,086	2,138,593
Accumulated depreciation	(183,862)	(13,673)	(92,098)	(33,154)	(54,033)	(376,820)
Net carrying amount	569,064	692,943	206,165	154,548	139,053	1,761,773
At 31 March, 2008						
Cost	821,116	1,153,735	448,923	281,494	422,115	3,127,383
Accumulated depreciation	(413,313)	(32,640)	(164,281)	(69,197)	(100,335)	(779,766)
Net carrying amount	407,803	1,121,095	284,642	212,297	321,780	2,347,617

Vehicle includes eleven cars for which loan were taken. The loan has been secured by a hypothecation of the vehicle from banks/ others. (Note 12)

3. Capital Work in Progress

	31 March, 2009 US (\$)	31 March, 2008 US (\$)
Opening Balance	-	258,609
Exchange difference on Conversion	(4,431)	21,529
Additions	44,791	
Capitalised during the year	-	(280,138)
Closing Balance	40,360	-

4. Intangible Assets

	31 March, 2009 US (\$)	31 March, 2008 US (\$)
Opening Balance (net of accumulated amortization)	136,456,372	118,101,699
Exchange difference on translation	(29,373,078)	10,747,612
Additions	266,100	9,554,560
Amortization charge for the year	(609,878)	(1,947,499)
Closing Balance (net of accumulated amortization)	106,739,516	136,456,372

Opening Balance

	1 April, 2008 US (\$)	1 April, 2007 US (\$)
Cost	150,142,503	128,853,415
Accumulated amortization	(13,686,131)	(10,751,716)
Net carrying amount	136,456,372	118,101,699

Closing Balance

	31 March, 2009 US (\$)	31 March, 2008 US (\$)
Cost	118,025,761	150,142,503
Accumulated amortization	(11,286,245)	(13,686,131)
Net carrying amount	106,739,516	136,456,372

5. Loans & Advances

Non Current – Loans and Advances

	31 March, 2009 US (\$)	31 March, 2008 US (\$)
Loans to staff	20,255	27,790
Sundry deposit	43,881	59,450
Related Parties -		
- Loan	9,606	16,284
	73,742	103,524

Current – Loans and Advances

Advance recoverable in cash or kind or for value to be received	168,671	51,850
Loans to staff	8,281	8,796
Advance tax including Tax Deducted at Source	2,288,907	1,384,182
Related Parties -		
- Advance recoverable in cash or kind or for value to be received	7,435	13,950
- Loan	3,168	4,807
	2,476,462	1,463,585

The carrying values of loans and advances are representative of their fair values at respective balance sheet dates. The loans and advances having a maturity period of more than a year are classified as non current assets and those that have an original maturity period of 1 year or less are classified as current assets.

6. Inventories

	31 March, 2009 US (\$)	31 March, 2008 US (\$)
Electronic Cards and ‘On Board Units’	18,021	24,365
Consumables	28,266	20,028
	46,287	44,393

Electronic cards are prepaid smart cards with an inbuilt sensor which record passages through toll road. On Board Units (machines) are installations in customer cars which facilitate an uninterrupted drive through the toll plaza. Consumables are the item which facilitates interrupted running of toll plaza.

7. Trade Receivables

	31 March, 2009 US (\$)	31 March, 2008 US (\$)
Trade Receivable	167,220	47,616
	167,220	47,616

Trade receivable pertains to advertising and other revenues. These receivables are non-interest bearing and are generally on 30-60 day’s terms. The carrying values of these receivables are representative of their fair values at respective balance sheet dates.

8. Available-for-Sale Investments

	31 March, 2009 US (\$)	31 March, 2008 US (\$)
Quoted Investments		
HSBC Ultra Short-Term bond Fund Inst-growth UCC-MFHSBC0028	275,118	-
Templeton Floating Rate Income Fund Short Term Plan Retail Option-Growth	593,949	-
TLSG01 Tata Liquid Super High Inv Fund- Appreciation	824,078	-
HSBC Liquid Plus- Inst Growth	-	510,298
SBI-Ultra Short Term Fund – Inst Plan- Gr	312,238	-
HDFC Cash Management Fund-Treasury Advantage Plan- Wholesome Growth	909,671	-
Kotak Floater Long Term- Growth	429,863	-
ICICI Prudential Flexible Income Plan Premium-Growth	197,536	-
DBS Chola Freedom Income STP-Inst-cum-org	197,473	-
Reliance Liquid Plus Fund – Institutional Option – Growth Plan	-	379,822
Mirae Asset Liquid Plus Fund Regular Growth Option	-	251,054
Mirae Asset Liquid Plus Fund Institutional Growth Option	-	251,896
	3,739,926	1,393,070

Available-for-sale investments are being carried at fair values at respective balance sheet dates.

9. Cash and cash equivalents

	31 March, 2009 US (\$)	31 March, 2008 US (\$)
Cash in Hand	76,412	59,877
Cash at Bank (Current Accounts)	119,926	440,887
Cash at Bank (Deposit)	-	-
	196,338	500,764

The carrying value of cash and current account balances in banks are representative of fair values at respective balance sheet dates.

10. Issued Capital

	31 March, 2009 US (\$)	31 March, 2008 US (\$)
Authorised		
Ordinary Shares of INR 10 each	46,476,127	46,476,127
	46,476,127	46,476,127
Issued and fully paid		
	Share (Number)	Value US (\$)
At 31 March 2008	186,195,002	42,419,007
At 31 March 2009	186,195,002	42,419,007

Includes 3,260,095 equity shares represented by 652,019 GDRs (Previous Year 9,606,910 equity shares represented by 1,921,382 GDRs) (Each GDR representing 5 ordinary shares of Rs. 10 each)

Share Option Scheme

NTBCL has two Employee Stock Option Plans (ESOP 2004, ESOP 2005). Under ESOP 2004 options to subscribe for the Company's shares have been granted to directors, senior executive and general employees. All Stock Options granted in the past have been exercised, allotted or have lapsed. Under ESOP 2005 no options have been granted upto the date of financial statement.

11. Reserves

Nature and purpose of other reserves

Securities Premium Account

The Securities Premium Account is used to record the value difference between issue price of GDRs and the face value of the inherent equity shares and the value of the stock option upon exercise by the employee. Transfers are made from the Stock Option Account. Under the Indian Companies Act, 1956 such reserve has restricted usage.

Debenture Redemption Reserve

Debenture Redemption Reserve (DRR) has been created for redemption of Deep Discount Bonds (DDBs) by transferring an amount equal to the amount apportioned from the profit for the year computed under Indian GAAP. Under the Indian Companies Act, 1956 such reserve has restricted usage.

General Reserve

The General Reserve is used to account for the value of stock options that lapse after the vesting period.

Effect of Currency Translation Reserve

The currency translation reserve is used to record exchange differences arising from the translation of the financial statements from the functional currency Indian Rupees to the presentation currency of US\$ for reporting purposes.

Net Unrealised Gains Reserve

This reserve records fair value changes on available-for-sale investments.

12. Interest-bearing Loans and Borrowings

	Effective Interest Rate %	31 March, 2009 US (\$)	31 March, 2008 US (\$)
Non Current			
Deep Discount Bonds (Net of transaction cost)	*	2,569,681	3,019,006
Zero Coupon Bond Series B	10.32%	3,463,012	3,911,410
Term Loan from Banks	8.50%	7,702,959	9,819,010
Term Loan from Financial Institutions	***	6,089,454	7,762,263
Vehicle Loan (Refer Note 2)		50,515	120,831
Related Party -			
- Zero Coupon Bond Series B	10.32%	1,540,430	1,739,888
- Term Loan	**	14,345,629	20,679,232
		35,761,680	47,051,640
Current			
Vehicle Loan (Refer Note 2)		44,276	50,076
Zero Coupon Bond Series B	10.32%	-	961,776
Related Party			
- Unsecured Loan		-	3,752,815
- Zero Coupon Bond Series B	10.32%	-	427,821
- Term Loan		2,534,347	-
		2,578,623	5,192,488

* Refer Note on Deep Discount Bonds

** Refer Note on Term Loan from Related Party

*** Refer to Note on Term Loan from Financial Institutions & Others.

Debt Restructuring

During the initial years of commencing operations, actual cash inflows were significantly lower than anticipated as toll traffic/revenue did not meet the levels anticipated in the projections, resulting in the Group's inability to comply with certain financial covenants stipulated in the original borrowing agreements with its lenders. The cash flow situation also impacted the Group's ability to complete the links to augment traffic and to continue servicing its then repayment schedule for debt obligation. The Group, decided to rationalise its debt structure and commenced negotiations with lenders to restructure the debt, in particular, the interest rate, in order to align its debt servicing requirements more closely to its available cash flows.

At a meeting of the Senior Lenders of NTBCL on 26 March 2002, the Lenders approved the formation of a Debt Restructuring Committee, as per the Reserve Bank of India Guidelines comprising of the Industrial Development Bank of India (IDBI), State Bank of India (SBI) and the IL & FS for finalization of the restructuring proposal within 30 days of the meeting.

An application was filed on 23 July 2002 for the restructuring of the debts of the company under the Corporate Debt Restructuring (CDR) mechanism. On 6 January 2003, the Company received communication from the CDR Cell approving the proposed restructuring programme at the CDR Empowered Group Meeting on 29th October 2002. On approval, the CDR scheme became effective from 1 April 2002.

The above restructuring covered the term loans from financial institutions, banks and others.

For Deep Discount Bond Holders, who were not within the above restructuring arrangement, the Group, with the consent of the requisite majority of the secured creditors applied for and filed a petition in the Allahabad High Court for approval of a restructuring proposal. The restructuring arrangement was sanctioned by the Court on 24 October 2005.

The impact on the financial statements due to the above restructuring and the changes in the interest rates of the various financial instruments are detailed below.

Deep Discount Bonds

NTBCL issued Deep Discount Bonds (DDBs) of US \$ 11,504,832 (100,000 DDB of US \$ 115.05 each) on 3rd November 1999 with redemption value US \$ 1035.43 at the end of 16th year with an average annualised yield of 14.67%. Nominal Value and Issue Amount were at par.

In accordance with the terms of restructuring scheme of Deep Discount Bonds, the outstanding 10,815 DDBs (Net of repayments made) would mature on 3rd November 2015 and maturity value of the bond as per the revised terms would be US \$ 521.26 each. However, NTBCL would have the right to call/ purchase DDBs from the holders at any time after effective date of 24th November 2005 as defined in the scheme with interest calculated @ 13.70% per annum till 31 March 2002 and at 8.5% per annum thereafter up to the date of the payment.

Term Loan from Financial Institutions and Others

As per the restructuring of term loans, fifty percent of the outstanding loan of the Financial Institutions and others aggregating US\$ 21,635,790 was bifurcated equally into Part A and Part B.

Part A - For fifty percent, the lenders were issued **Zero Coupon Bond - “Series A”** amounting to US \$ 10,817,895 was carrying zero interest and the same has been repaid in accordance with CDR terms and conditions.

Part B – The balance 50% of US\$ 10,817,895 has been retained as term loan carrying interest of 12.5% per annum and the same is repayable by 2010 - 2014. The effective rate of interest, considering the overall repayment schedule, work out to 8.5% per annum. The company has prepaid term loan of US\$ 6,444,754 to the financial institutions and others out of the proceeds of GDR issue

As per the restructuring agreement, the interest payments, related to the Part B above, were partially deferred till 2004-05. The same were accumulated as “Funded Interest” and the same, other than the portion pertaining to IL&FS has been repaid within 31st March 2007. The Funded Interest were valued at fair value using the effective interest rate of 10.53% per annum. The outstanding funded interest is payable to IL&FS carried interest @ 14% p.a. since 31 March, 2007 and repaid upto 31st March, 2008.

Infrastructure Development Finance Company Limited (IDFC) has converted US\$ 12,701,026 being the value of DDBs purchased by them under the scheme of restructuring of DDBs into the term loan. The term loan is repayable during 2010-14. The loan carries interest at the rate of 8.5% per annum payable quarterly on 31 March, 30 June, 30 September and 31 December every year. The Company had prepaid term loan of US\$ 7,905,077 to IDFC out of proceeds of the GDR issue.

Term Loan from Banks

NTBCL had taken term loans from a consortium of eight banks at interest ranging from 13.50% to 14.50% per annum. Post restructuring, the term loans from banks, amounting to US\$ 28,000,000 carry interest at a rate of 8.5%. The term loans from banks are payable during 2004-13. The Company has prepaid term loan of US\$ 14,283,382 to the Banks during the year 2006-07 out of the proceeds of the GDR issue.

Zero Coupon Bond – “Series B”

As a part of Debt Restructuring, NTBCL issued Zero Coupon Bond – “Series B” of US\$ 2.11 each for an aggregate amount of US\$ 11,693,095 to the Banks, Financial Institutions and Others, repayable no later than 31 March 2014. This was done towards Net Present Value of the sacrifice made by them by way of reduction in interest rates from contracted terms. This instrument is a zero coupon bond and is interest free. The bonds have been recognised on 1 April 2002, at fair value using the effective interest rate of 10.32%. Effective interest rate has been calculated on the basis of cost of debt, from financial institutions, banks and others, to the Company post restructuring. As a result, US\$3,598,143 has been recognised as the fair value of the ZCB – B on 1 April 2002. In the subsequent years, till 30th September 2007, the Company has built up the bonds at the effective rate of 10.32%, as finance charges.

In previous year liability towards ZCB-B had been re-calculated using revised rate of interest on account of few early repayment. During the year, liability has been re-calculated using the original effective rate of interest and an additional sum of US\$ 1,183,489 has been charged as finance expense in the Income Statement of previous year. EPS for the previous year therefore revised from US\$ 0.033 per share to US\$ 0.0258 per share.

Term Loan from IL&FS

NTBCL on 29th March 2005, took financial assistance of US\$ 8,000,000 from IL&FS to repay certain amounts to the existing lenders, which had fallen due on 31 March 2005. Interest on the loan is stepping up in certain years and there is terminal interest to be paid. The loan alongwith terminal interest was repayable by 31 March 2017 as per the agreed payment schedule. By virtue of an amendment in the agreement the repayment of the principal amount and the terminal interest has been changed and entire sum is to be repaid by July, 2015. However the effective rate of interest remains to be 12.48% per annum.

IL&FS has converted US\$ 8,467,351 being the value of DDBs purchased by them under the scheme of restructuring of DDBs into the term loan. The term loan is repayable during 2010 -14. The loan carries interest at the rate of 8.5% per annum payable quarterly on 31 March, 30 June, 30 September and 31 December every year. The Company had prepaid term loan of US \$ 5,322,752 out of proceeds of the GDR issue.

NTBCL on 21st February, 2006 had acknowledged the loan of US (\$) 2,786,671 from IL&FS taken for the purpose of restructuring the Group's DDBs. The loan is repayable during 2010 -14. The loan carries interest at the rate of 10% per annum payable quarterly on 31 March, 30 June, 30 September and 31 December every year.

NTBCL on 28th September 2006 took the financial assistance of US\$ 3,263,708 from IL&FS to meet out the expenditures of the Mayur Vihar Link Project. The loan is unsecured and repayable on March 31, 2009. The loan carried interest at the rate of 12% per annum which has been increased to 14% per annum w.e.f. 28th September 2007. The loan has since been repaid in November 2008.

The carrying values of all interest bearing loans and borrowings are representative of their fair values at respective balance sheet dates. The interest bearing loans & borrowings having a maturity period of more than a year are classified as non current liabilities and those that have an original maturity period of 1 year or less are classified as current liabilities.

All interest bearing loans and borrowings are secured by a charge on all tangible and intangible assets of the Group. However the Group has recognised the right to receive toll income as an intangible asset at fair value of construction services rendered to the grantor in compliance with IFRIC 12 *Service Concession Arrangement*. The charge on Delhi Noida Toll Bridge (Project Assets) created in favor of lenders for interest bearing loans and borrowings continue to remain against project assets now classified as intangible asset.

13. Provisions

Provision for Resurfacing Expenses (Non Current)

	31 March, 2009 US (\$)	31 March, 2008 US (\$)
Opening Balance	1,175,997	993,857
Utilised During the Year	-	-
Accretion During the Year (Note 16)	829,525	91,511
Exchange difference on Translation	(335,489)	90,629
Closing Balance	1,670,033	1,175,997

Provision for Resurfacing: The Group has a contractual obligation to maintain, replace or restore infrastructure, except for any enhancement element. The Group has recognised the provision at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The first resurfacing which was due to be performed in the year ended 31 March 2009 is now estimated to be performed during the year ended 31 March 2011.

Provision for Holiday Pay (Current)

	31 March, 2009 US (\$)	31 March, 2008 US (\$)
Opening Balance	79,860	45,576
Utilised during the year	(23,500)	(35,213)
Provided during the year	54,261	65,167
Exchange difference on Translation	(20,253)	4,330
Closing Balance	90,368	79,860

Provision for Holiday Pay: The Group has computed the provision for holiday pay based on outstanding leave balance as at the year end.

Provision for performance Related Pay (Current)

	31 March, 2009 US (\$)	31 March, 2008 US (\$)
Opening Balance	637,610	114,705
Utilised during the year	(555,113)	(124,254)
Provided during the year	570,056	633,330
Exchange difference on Translation	(138,887)	13,829
Closing Balance	513,666	637,610

Provision for Employees Benefit (Current)

	31 March, 2009 US (\$)	31 March, 2008 US (\$)
Opening Balance	21,398	16,890
Utilised during the year	(8,529)	(3,976)
Provided during the year	9,484	6,936
Exchange difference on translation	(4,705)	1,548
Closing Balance	17,648	21,398

14. Deferred Income Tax

Balance Sheet

	31 March, 2009 US (\$)	31 March, 2008 US (\$)
<i>Deferred Income Tax Liabilities</i>		
Difference in written down value of Property, Plant & Equipment and amortisation of Intangible Asset	(10,629,457)	(11,421,301)
Fair Value Change on Recognition of Intangible Asset	(9,109,216)	(11,678,722)
<i>Deferred Income Tax Assets</i>		
Difference in amortisation of Preliminary Expenses	184	312
Losses available for off set against future taxable income	13,877,320	18,464,737
Timing difference in allowance of Operation & Maintenance Expense	1,675,272	1,788,624
Timing difference in allowance of Borrowing Cost	3,226,244	2,846,350
Net Deferred Tax Asset/ (Liability) *	(959,653)	-

Income Statement

	31 March 2009 US (\$)	31 March 2008 US (\$)
<i>Deferred Income Tax Liabilities</i>		

Difference in written down value of Property, Plant & Equipment and amortisation of Intangible Asset	(1,852,786)	(1,734,687)
Deferred Income Tax Assets		
Difference in amortisation of Preliminary Expenses	(68)	213
Losses available for off set against future taxable income	(674,931)	921,083
Amortisation Fair Value Change on Recognition of Intangible Assets	58,460	(418,822)
Timing difference in allowance of Operation & Maintenance Expense	301,978	486,687
Timing difference in allowance of Borrowing Cost	1,102,344	745,526
Deferred Tax Expense	(1,065,003)	-

* Deferred tax asset (accumulated) on account of unutilised tax losses of US\$ Nil as at 31 March 2009 and US\$ 1,004,509 as at 31 March 2008 is not being recognised as the Group is of the opinion that this asset will not be utilised in the near future.

Reconciliation of Tax Expense:

	31 March, 2009 US (\$)	31March, 2008 US (\$)
Accounting Profit/(Loss) for the year before tax	6,701,978	5,504,108
Add: Non Deductible Expenses	(992,516)	(678,394)
Profit/(Loss) to be considered for tax	5,709,462	4,825,711
Indian statutory income tax rate	51.27%*	52.53%*
Total Tax Liability for the year	2,927,120	2,535,165
Tax paid during the year	987,575	904,145
Deferred Tax Liabilities/ (assets) before adjustments	1,939,545	1,631,020
Deferred Tax Asset / Liabilities not recognised/ (adjusted)	(874,542)	(1,631,020)
Deferred Tax Expenses for the year	(1,065,003)	-
Effective Tax Rate	35.95%*	18.74%*

* The effective rate is inclusive of rate of Minimum Alternative tax u/s 115JB of Indian Income Tax Act, 1961

Reconciliation of Deferred Tax Asset / (Liability)

	31 March, 2009 US (\$)	31March, 2008 US (\$)
Opening Balance	-	-
Deferred Tax Expenses	1,065,003	-
Exchange difference on Translation	(105,350)	-
Closing Balance	959,653	-

15. Trade and Other Payables

	31 March, 2009 US (\$)	31March, 2008 US (\$)
Trade Payables	190,190	126,153
Interest accrued but not due	12,771	16,494
Other Liabilities*	2,289,224	3,519,463
	2,492,185	3,662,110

The carrying values of all trade creditors and other payable are representative of their fair values at respective balance sheet dates. All the trade creditors and other payables have an original maturity period of 1 year or less are classified as current liabilities.

Trade Creditors are non-interest bearing and are normally settled on 60 day terms.

* Other Liabilities primarily include amount payable to creditors for capital items, accruals for general day to day expenses, advance payments from customers. All other liabilities are non-interest bearing and are normally settled on 60 day terms.

16. Operating and Administrative Expenses

Operating Expenses

	31 March, 2009 US (\$)	31March, 2008 US (\$)
Fees Paid to O&M Contractor	-	249,088
Consumption of Prepaid Cards and On Board Units	46,597	42,718
Repairs and Maintenance	627,405	729,563
Provision for Resurfacing(Note 13)	829,525	91,511
Insurance	105,285	153,406
Advertisement and Business Promotion Expenses	46,651	80,810
	1,655,463	1,347,096

Administrative Expenses

	31 March, 2009 US (\$)	31March, 2008 US (\$)
Employee Benefit Expense (Note 21(a))	2,245,467	1,664,557
Rent	23,895	20,198
Rates and Taxes	51,912	103,689
Professional Charges	436,166	623,321
Audit Fees	50,969	64,985
Directors Sitting Fees	13,287	11,928
Travelling and Conveyance	115,438	203,999
Other Administrative Expenses	491,291	466,489
	3,428,425	3,159,166

17. Finance Charges

	31 March, 2009 US (\$)	31March, 2008 US (\$)
Interest on Deep Discount Bonds	223,384	235,547
Interest on Term Loans	3,734,493	4,456,996
Amortization of Zero Coupon Bond Series B	632,608	2,123,649
Other Finance Charges	20,434	27,105
	4,610,919	6,843,297

18. Earning Per Share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share are calculated by dividing the net profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted earning per share computations:

31 March, 2009 US (\$)	31 March 2008 US (\$)
---------------------------	--------------------------

Net Profit/(Loss) attributable to equity share holders	4,655,122	4,599,523
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	31 March, 2009	31 March, 2008
Weighted average number of ordinary shares for basic / diluted earning per share	185,195,002	185,195,002

Share Options	-	-
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There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

19. Employee Benefits

(b) Employee Benefits Expenses

	31 March, 2009 US (\$)	31 March, 2008 US (\$)
Salaries and Allowances	2,051,230	1,532,093
Pension Cost	44,727	29,156
Post-employment benefits other than pensions		
- Provident Fund	93,312	55,105
Post-employment benefits other than pensions		
- Gratuity	56,198	48,203
	2,245,467	1,664,557

(b) Pension and other post-employment benefit plans

The Group has three post employment funded benefit plans, namely gratuity, superannuation and provident fund.

In case of NTBCL gratuity is computed as 30 days salary, for every completed year of service or part there of in excess of 6 months and is payable on retirement/termination/resignation. The benefit vests on the employee completing 3 years of service. The Gratuity plan for the NTBCL is a defined benefit scheme where annual contributions as demanded by the insurer are deposited to a Gratuity Trust Fund established to provide gratuity benefits. The Trust Fund has taken a Scheme of Insurance, whereby these contributions are transferred to the insurer. The Group makes provision of such gratuity asset/ liability in the books of accounts on the basis of actuarial valuation.

In case of ITMSL gratuity is computed as 15 days salary, for every completed year of service or part there of in excess of 6 months and is payable on retirement/termination/resignation. The benefit vests on the employee completing 5 years of service. The Gratuity plan for the ITMSL is a defined benefit scheme. The company makes provision of such gratuity assets / liabilities in the books of account on the basis of actuarial valuation.

The Superannuation (pension) plan for the NTBCL is a defined contribution scheme where annual contribution as determined by the management (Maximum limit being 15% of salary) is paid to a Superannuation Trust Fund established to provide pension benefits. The benefits vests on employee completing 5 years of service. The management has the authority to waive or reduce this vesting condition. The Trust Fund has taken a Scheme of Insurance, whereby these contributions are transferred to the insurer. These contributions will accumulate at the rate to be determined by the insurer as at the close of each financial year. At the time of exit of employee, accumulated contribution will be utilised to buy pension annuity from an insurance company. ITMSL do not provide Superannuation benefits to its employees.

The Provident Fund is a defined contribution scheme whereby the Group deposits an amount determined as a fixed percentage of basic pay to the fund every month. The benefit vests upon commencement of employment.

The following table summarises the components of net expense recognised in the income statement and amounts recognised in the balance sheet for gratuity.

Net Benefit expense

	31 March, 2009	31 March, 2008
	US (\$)	US (\$)
Current service cost	29,506	15,414
Interest cost on benefit obligation	14,613	11,073
Expected return on plan assets	2,134	(21,879)
Net actuarial(gain)/loss recognised in year	9,945	43,595
Annual Expenses	56,198	48,203

Benefit asset

	31 March, 2009	31 March, 2008
	US (\$)	US (\$)
Defined benefit obligation	(179,854)	(169,888)
Fair value of plan assets	264,677	162,905
Benefit asset	84,823	(6,983)

Changes in the present value of the defined benefit obligation are as follows:

	31 March, 2009	31 March, 2008
	US (\$)	US (\$)
Opening defined benefit obligation	169,889	117,619
Interest cost	14,613	11,073
Exchange difference on translation	(44,099)	10,932
Current service cost	29,506	15,414
Benefits paid	-	(28,744)
Expected return on plan assets	-	-
Actuarial (gains)/losses on obligation	9,945	43,595
Closing defined benefit obligation	179,854	169,889

Changes in the fair value of plan assets are as follows:

	31 March, 2009	31 March, 2008
	US (\$)	US (\$)
Opening fair value of plan assets	162,905	117,619
Expected return	(2,134)	21,879
Exchange difference on translation	(50,133)	10,884
Contributions	-	-
Benefits paid	156,413	12,523
Actuarial gains/(losses) on fund	(2,374)	-
Closing fair value of plan assets	264,677	162,905

The plan asset consists of a scheme of insurance taken by the Trust, which is a qualifying insurance policy. Break down of individual investments that comprise the total plan assets is not supplied by the Insurer.

The principal assumptions used in determining pension and post-employment benefit obligations for the Group's plans are shown below:

	31 March, 2009	31 March, 2008
	%	%
Discount rate	7.50	7.50
Future salary increases	4.00	7.00
Rate of interest	5.00	8.10

20. Translation to Presentation Currency

The Group has converted Indian Rupees balances to US\$ equivalent balances on the following basis:

- For conversion of all assets and liabilities, other than equity, as at the reporting dates, the exchange rates prevailing as at the reporting date have been used, which are as follows:

- as at 31 March 2008: US\$ 1 = Rs. 39.97
- as at 31 March 2009: US\$ 1 = Rs. 50.95

For converting the opening balances as at 1 April 2002, wherever applicable, exchange rates prevailing as at 31 March 2003 i.e US\$ 1 = Rs. 47.50 have been used.

- For conversion of all expenses and income for the respective years, yearly average exchange rates have been used, which are as follows:
 - For the year ended 31 March 2008: US\$ 1 = Rs 40.24
 - For the year ended 31 March 2009: US\$ 1 = Rs 45.91
- For conversion of issued share capital, historical exchange rates prevailing on the respective dates of issue of shares have been taken into consideration.
- For conversion of authorised share capital, historical exchange rates prevailing on the respective dates of authorisation of such share capital have been taken into consideration.
- For cash flow purpose, opening and closing cash and cash equivalents have been converted into presentation currency using year end conversion rates for the respective years.

21. Contingent Liabilities:

Nature	31 March, 2009 US (\$)	31 March, 2008 US (\$)
a) Claims made by contractors AFCONS Infrastructure Limited	388,922	495,761
	388,922	495,761

b) Claims of AFCONS Infrastructure Limited is related to the construction of the Ashram Flyover. The claims pertain to delayed payments and incentives etc. The adjudication proceeding has been concluded and the adjudicator has ruled that the claims are time barred. However, the matter has been referred to arbitration by M/s AFCON Ltd. The Honorable Arbitral Tribunal has rejected contractor's alleged claims amounting to US\$ 0.17 millions (approx.) and examining the validity of remaining claim amounting to US\$ 0.25 million (approx.). The Group is of the view that it is possible, but not probable that the liability would arise and accordingly no provision for any liability has been made in the financial statement.

c) The group has acquired the land on Delhi side for the construction of Bridge from the Government of Delhi and DDA and the amount paid has been considered as a part of the project cost. However pending final settlement of the dues the company had estimated the cost of US\$ 0.64 million and provided for. The actual settlement may result in possible but not probable obligation to the extent of additional US\$ 0.69 million based on management estimates.

22. Capital Commitments

Nature	31 March 2009 US (\$)	31 March 2008 US (\$)
Introduction of new Technology		

23. Related Party Disclosure

The consolidated financial statements include the financial statements of Noida Toll Bridge Company Limited and the subsidiary listed in the following table.

Name	Country of incorporation	% equity interest
		31 March 2009 31 March, 2008
ITNL Toll Management Services Limited	India	51% 50.99%

The Group has following related parties with whom Group made transaction during the relevant

financial year:

(a) Shareholder having significant influence

The following shareholder, which are also the Promoter of the Group has had a significant influence in all periods under review:

- Infrastructure Leasing & Financial Services Limited
- IL&FS Transportation Network Limited

(b) Key Managerial Personnel

31 March 2009	31 March 2008
Non Executive Directors	Non Executive Directors
Mr Arun K Saha	Mr Arun K Saha
Mr Deepak Prem Narayan	Mr Deepak Prem Narayan
Mr Gopi Arora	Mr Gopi Arora
Mr K Ramchand	Mr K Ramchand (Alternate Director:Ravi Parthasarathy)
Mr Piyush G Mankand	Mr Piyush G Mankand
Mr R K Bhargava	Mr R K Bhargava
Mr. Mohinder Singh	Mr. Sanjeev Saran*
Mr. Sanat Kaul	Mr. Mohinder Singh

*Resigned during the year

Chief Executive Officer and Key Managers

Mr. Pradeep Puri(CEO)	Mr. Pradeep Puri(CEO)
Ms. Monisha Macedo	Ms. Monisha Macedo

(c)Other related Parties

The following employee benefit funds have been related parties in all periods under review

- Noida Toll Bridge Company Limited Employees Group Gratuity Fund.
- Noida Toll Bridge Company Limited Employees Superannuation Fund.

(i)The following table provides the total amount of transactions which have been entered into with related parties for the relevant financial year:

(a) Shareholders having significant influence

Transaction/outstanding balances	31 March 2009 US (\$)	31 March 2008 US (\$)
Reimbursement of expenses incurred on behalf of the Group	21,085	25,439
Interest expenses	2,545,525	3,527,221
Amount owed to	18,431,217	26,596,664
Amount receivable	7,435	13,950

(b) Key management Persons-Directors

Transaction/outstanding balances	31 March, 2009 US (\$)	31 March, 2008 US (\$)
Sitting fees paid	13,287	11,928
Amount receivable from key management persons	12,774	21,091

(c) Other Related Parties.

Transaction/outstanding balances	31 March , 2009	31 March, 2008
	US (\$)	US (\$)
Contribution to employees post employment benefit fund	100,925	95,496

(ii) Compensation to key management personnel of the Group:

	31 March, 2009	31 March, 2008
	US (\$)	US (\$)
Short term employee benefits	805,663	480,928
Post employment benefits*	59,294	39,492
Total compensation paid to key management personnel	864,957	520,420

* Includes contributions made to Provident Fund, Superannuation Scheme and Gratuity Contribution.

Terms and conditions of transactions with related parties:

The transactions with Infrastructure Leasing and Financial services Limited are made at normal market prices. Amount owed to on account of loan/ bonds are secured and settlement occurs in cash.

Amounts receivable from key management personnel include staff loans and medical advance given to Chief executive officer which is as per his entitlement and in accordance with the Group policy. The loans given are unsecured in nature and on subsidised interest. Loans are repayable in monthly installments and settlement occurs in cash.

There were few transactions during the year between the company and its subsidiary undertakings, which are eliminated on consolidation and therefore not disclosed.

24. Financial Risk Management Objectives and Policies

The Group's financial risk management objectives and policies are aimed at procuring funding for the construction of the bridge and additional links and to provide working capital to operate the bridge. The Group manages its financial risk by securing cost effective funding for the Group's operations and minimizing the adverse effects of fluctuations in the financial markets on the value of the Group's financial assets and liabilities, on reported profitability and on the cash flows of the Group. The principal financial instruments comprise deep discount bonds, zero coupon bonds, term loans from banks and other financial institutions, current accounts with banks and cash and short-term investments. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risk arising from the Group's financial instruments are cash flow interest rate risk, liquidity risk and credit risk. The board reviews and agrees policies for managing these risks as summarised below.

Cash flow interest rate risk

The Group's exposure to the risk for changes in market interest rates relates primarily to the Group's long term debt obligations. The Group's policy is to manage its interest cost using only fixed rate debts or step up rates with fixed period for related party debts.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of term loans with banks and other financial institutions, and other loan instruments. The Group has in the past undertaken necessary restructuring of its loans and obligations to ensure its ability to service interest and debt repayments effectively.

Credit risk

The Group trades only with recognised creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, loans and advances and available-for-sale financial assets, the Group's exposure to credit risk arises from default of the counterparty, with maximum exposure equal to the carrying amount of these instruments.

Since the Group trades only with recognised third parties, there is no requirement for collateral. However wherever management feels adequate, obtain collateral in the form of bank guarantees or security deposits from the third parties.

25. Financial Instruments

Fair Values

The carrying value of all financial assets and liabilities are representatives of their fair values at respective balance sheet date. The carrying value of the fixed rate debts of the Group are considered to be equal to their fair value following debt restructuring, which resulted in a reduction of the effective interest rate of all debt (Note 12).

Interest Rate Risk

The following table set out the carrying amount, by maturity, of the Group's financial instruments that are exposed to interest rate risk:

As at 31st March, 2009: (in US(\$))

	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
Assets							
Loans to staff	11,449	11,081	9,623	5,271	869	3,017	41,310
Borrowings*							
ZCB – Series B	-	-	-	-	5,003,442	-	5,003,442
Funded Interest	-	-	-	-	-	-	-
Deep Discount							
Bonds	-	-	-	-	-	2,569,681	2,569,681
Term Loan from							
Banks	-	203,103	3,749,929	3,749,927	-	-	7,702,959
Term Loan from							
Financial Institutions	-	49,068	98,135	122,669	5,819,582	-	6,089,454
Term Loan from							
Others	2,534,347	1,796,984	2,040,975	2,162,970	7,590,979	753,719	16,879,974

As at 31st March, 2008: (in US(\$))

	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
Assets							
Loans to staff	13,603	12,655	12,138	10,228	4,630	4,424	57,678
Borrowings*							
ZCB – Series B	1,389,597	-	-	-	-	5,651,298	7,040,895
Funded Interest	-	-	-	-	-	-	-
Deep Discount							
Bonds	-	-	-	-	-	3,019,006	3,019,006
Term Loan from	-	-	258,896	4,780,056	4,780,057	-	9,819,009

Banks							
Term Loan from Financial Institutions	-	-	62,547	125,094	156,367	7,418,255	7,762,263
Term Loan from Others	-	-	311,017	622,033	777,542	18,968,640	20,679,232
Unsecured Loan	3,752,815	-	-	-	-	-	3,752,815

Interest on financial instruments classified as fixed rate is fixed until the maturity of the instrument. The other financial instruments of the Group that are not included in the above tables are non-interest bearing and are therefore not subject to interest rate risk. There are no instruments at floating rates of interest.

Credit risk

There are no significant concentrations of credit risk within the Group.

26. Segment Reporting

The Concession Agreement with NOIDA confers certain economic rights to the Group. These include rights to charge toll and earn advertisement revenue, development income and other economic rights. The income stream of the Group comprises of toll income and advertising income for the period for which IFRS compliant financial statements of the Group have been prepared.

Both these rights are directly or indirectly linked to traffic on the Delhi Noida Toll Bridge and are broadly subject to similar risks. Toll revenue is fully variable while license fee from advertisement is fixed to a certain extent. The operating risk in both the cases is similar and the expenses cannot be segregated as the Company does not have separate departments for the management of each activity. The Management Information System also does not capture both activities separately. As both emanate from the same Concession Agreement and together form a part of the Return as specified in the Concession Agreement, the Group does not have different business reporting segments.

Similarly, the Group operates under a single geographical segment.

27. Salient aspects of Service Concession Arrangement

NOIDA has irrevocably granted to NTBCL the exclusive right and authority during the concession period to develop, establish, finance, design, construct, operate, and maintain the Delhi Noida Toll Bridge as an infrastructure facility.

NOIDA has further granted the exclusive right and authority during the concession period in accordance with the terms and conditions of the agreement to:

- (7) Enjoy complete and uninterrupted possession and control of the lands identified constituting the Delhi Noida Toll Bridge site.
- (8) Own all or any part of the project assets.
- (9) Determine, demand, collect, retain and appropriate a Fee from users of the Delhi Noida Toll Bridge and apply the same in order to recover the Total Cost of Project and the Returns thereon.
- (10) Restrict the use of the Delhi Noida Toll Bridge by pedestrians, cycle Rickshaws etc from the Delhi Noida Toll Bridge.
- (11) Develop, establish, finance, design, construct, operate, maintain and use any facilities to generate development income arising out of the Development Rights that may be granted in accordance with the provisions of the Concession agreement.

(12) Appoint subcontractors or agents on Company's behalf to assist it in fulfilling its obligations under the agreement.

SIGNIFICANT TERMS OF THE ARRANGEMENT THAT MAY AFFECT THE AMOUNT, TIMING AND CERT OF FUTURE CASH FLOW

Concession Period

The Concession Period shall commence on 30 December 1998 (the Effective Date) and shall extend until the earlier of:

- A period of 30 years from the Effective Date;
- The date on which the Concessionaire shall recover the total cost of the project and the returns as determined by the independent auditor and the independent engineer through the demand and collection of fee, the receipt, retention and appropriation of development income and any other method as determined by the parties.

In the event of NTBCL not recovering the total project cost and the returns thereon within the specified time the Concession Period shall be extended by NOIDA for a period of 2 years at a time until the total project cost and the returns thereon have not been recovered by the Concessionaire.

Return

Return means the designated return on the Total Cost of the project recoverable by the concessionaire from the effective date at the rate of 20 % per annum.

Independent Auditor

An Independent Auditor shall be appointed for the entire term of the Concession Agreement. The Independent Auditor shall approve the format for the maintenance of accounts, the accounting standards and the method of cost accounting to be followed by the Concessionaire. The Independent Auditor shall audit, on a quarterly basis the Concessionaire's accounts.

The Independent Auditor shall also certify the Total Cost of Project outstanding and compute the returns thereon from time to time on a per annum basis.

Fees

The Concession Agreement had determined the Base Fee Rates which have been determined and set according to 1996 figures and shall be revised to determine the initial fee to be applied to the users of the project on the Project Commissioning Date (the "Initial Fee Rate"). The following are the Base Fee Rates:

Vehicle Type	One Way Fee in INR
Earth moving / construction vehicle	30
For each additional axle beyond 2 axle	10
Truck – 2 axles	20
Bus – 2 axles	30
Light Commercial Vehicle	20
Cars and other four wheelers	10
Three wheelers	10
Two wheelers	5
Non-motorised vehicles	-

The Initial Fee Rate shall be determined strictly in accordance with the increase in the CPI, based upon the Base Fee Rates as determined in the Concession Agreement and shall be revised in accordance with the following formula:

$$\text{IFR} = \text{CPI (I)} * \text{Base Fee Rate} / \text{CPI (B)}$$

Where

IFR = Initial Fee Rate

CPI (I) = Consumer Price Index for the month previous to the month of setting the Initial Fee Rate

CPI (B) = Consumer Price Index of the month in which this Agreement is entered into

The Fee Rates are to be revised annually by the Fee Review Committee. Fee rates are revised as per the following formula:

$$\text{RFR} = \text{CPI (R)} * \text{IFR} / \text{CPI (I)}$$

where

RFR = Revised Fee Rate

CPI (R) = Consumer Price Index for the month previous to the month in which the revision is taking place

CPI (I) = Consumer Price Index for the month previous to the month of setting the initial fee rate

IFR = Initial Fee Rate

Fee Review Committee

A Fee Review Committee was established which comprised of one representative each of NOIDA, the Concessionaire and a duly qualified person appointed by the representatives of NOIDA and Concessionaire who shall also be the Chairman of the Committee. The Fee Review Committee shall

- review the need for a revision to existing rates of Fee upon occurrence of unexpected circumstances;
- review the formula for revision of fees

Cost of Project and calculations of return

The total project cost shall be the aggregate of:

- Project Cost
- Major Maintenance Expenses
- Shortfalls in recovery of Returns in a specific financial year

The Project Cost had to be determined on the Project Commissioning date by the Independent Auditor with the assistance of the Independent Engineer.

The amounts available for appropriation by NTBCL for the purpose of recovering the total project cost and the returns thereon shall be calculated at annual intervals from the Effective Date in the following manner:

Gross revenues from Fee collections, income from advertising and development income

Less: O&M expenses

Less: Taxes (excluding any customs or import duties)

Major Maintenance Expenses

‘Major Maintenance Expenses’ refer to all expenses incurred by NTBCL for any overhaul of, or major maintenance procedure for, the Delhi Noida Toll Bridge or any portion thereof that require significant disassembly or shutdown the Delhi Noida Toll Bridge including those teardowns overhauls, capital improvements and replacements to major component thereof), which are (i) to be conducted upon the passage of the number of million standard axels or (ii) not regularly schedule. The Independent Engineer shall determine the necessity, of conducting the major maintenance and certify that the work has been executed in accordance with specifications.

TRANSFER OF THE PROJECT UPON TERMINATION OF CONCESSION PERIOD

On the transfer date, NTBCL shall transfer and assign the project assets to NOIDA or its nominated agency and shall also deliver to NOIDA on such dates such operating manuals, plans, design drawings and other information as may reasonably be required by NOIDA to enable it to continue the operation of the bridge.

On the transfer date, the bridge shall be in fair condition subject to normal wear and tear having regard for the nature of asset, construction and life of the bridge as determined by the Independent Engineer. NTBCL shall ensure that on the transfer date, the bridge is in the condition so as to operate at the full rated capacity and the surface riding quality of the bridge will have a minimum performance level of 3000 – 3500 mm per Km when measured by bump integrator.

The asset shall be transferred to NOIDA for a sum Rs. 1/-. NOIDA shall be responsible for the cost and expenses in connection with the transfer of the asset.

OTHER OBLIGATIONS DURING THE CONTRACT TERM

Major Repairs and Unscheduled Maintenance

NTBCL shall inform the Independent Engineer when the work is necessary and use materials that allow for rapid return to normal service and organise work cruise to minimise disruptions. The Independent Engineer to approve work prior to commencement and after repairs are completed Independent Engineer shall confirm that maintenance/ repairs confirm to the required standards.

Overlay

Based on traffic projections and overlay and design Million Standard Axel (MSA), NTBCL shall indicate, in annual report vis-à-vis the MSA projections, the point of time at which the pavement shall require an ‘overlay’.

Overlay is defined as a strengthening layer which is require over the entire extent of pavement of the main carriageway and cycle track without in any way effecting the safety of structures. This ‘Overlay’ shall be carried out by NTBCL upon receipt of Independent Engineer approval. The Independent Engineer can also decide an overlay on particular sections based on pavement specifications.

Liability to Third Parties

NTBCL shall during the Concession period use reasonable endeavours to mitigate any liabilities to third parties as is for arising out of loss or damage to the bridge or the project site.

28. Figures of the previous year have been regrouped/ rearranged wherever considered necessary.

In terms of our report of even date

On Behalf of the Board of Directors

For Luthra & Luthra
Chartered Accountants

Akhilesh Gupta
Partner

Director

Director

Pradeep Puri
President & CEO

Place: Noida
Date

T. K. Banerjee
CFO

Monisha Macedo
Manager

Luthra & Luthra

Chartered Accountants

AUDITOR'S REPORT

To The Board of Directors,
Noida Toll Bridge Company Limited
Toll Plaza, DND Flyway, Noida 201301

We have audited the attached equity reconciliation of Noida Toll Bridge Company Limited and its subsidiary as at 31st March 2009 and the reconciliation of income statement for the year ended on that date and related notes. These reconciliations have been prepared on the basis of audited consolidated financial statements of NTBCL prepared in accordance with Indian GAAP and IFRS for the year ended on 31st March 2009.

Responsibilities

The company's management is responsible for preparing the reconciliation of equity and reconciliation of income statement based on the financial statement on the basis of audited consolidated financial statements prepared under Indian GAAP and IFRS.

Our responsibility is to audit the reconciliation of equity and reconciliation of income statement in accordance with the International standards of auditing issued by the auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members and directors and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing. Based on our audit we shall report to you our opinion as to whether the reconciliations give a true and fair view.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the reconciliation statements to be audited.

Opinion

In our opinion the reconciliation of equity as at 31st March 2009 and reconciliation of income statement for the year ended on that date gives a true and fair view of the effect of transition to IFRS.

For **Luthra & Luthra**
Chartered Accountants

Place: Noida

Akhilesh Gupta
Partner
M.No. 89909

Date: 29th July, 2009

A-16/9, Vasant Vihar, New Delhi - 110057
Tel. : 26148048, 26151853, 26147365 Fax : 26145222

NOIDA TOLL BRIDGE COMPANY LIMITED AND ITS SUSIDIARY COMPANY
RECONCILIATION OF EQUITY AT 31* MARCH 2009

		INDIAN GAAP US(\$)	Effect of transition to IFRS US (\$)	IFRS US (\$)
Property, plant and equipment		1,908,208	-	1,908,208
Capital work in progress		40,360	-	40,360
Intangible asset	1	114,007,709	(7,268,193)	106,739,516
Employee Benefit		93,370	-	93,370
Loans & Advances		73,742	-	73,742
Total Non Current Assets		116,123,389	(7,268,193)	108,855,196
Inventories		46,287	-	46,287
Trade receivables		167,220	-	167,220
Loans and Advances		2,476,462	-	2,476,462
Prepayments		64,753	-	64,753
Available for sale investments	2	3,739,149	776	3,739,925
Cash and Cash Equivalents		196,338	-	196,338
Total Current Assets		6,690,209	776	6,690,985
Total Assets		122,813,598	(7,267,417)	115,546,181
Interest bearing loans and borrowings	3	38,882,287	(3,120,607)	35,761,680
Provisions	4	1,641,956	28,077	1,670,033
Deferred Tax Liability	5	328,352	631,301	959,653
Total Non Current Liabilities		40,852,595	(2,461,229)	38,391,366
Interest bearing loans and borrowings			2,578,623	2,578,623
Trade and other payables		2,492,185	-	2,492,185
Provisions	6	1,201,797	(580,115)	621,682
Provisions for taxes		1,665,315	-	1,665,315
Total Current Liabilities		5,359,297	1,998,508	7,357,805
Total Liabilities		46,211,892	(462,721)	45,749,171
Total Assets less Total Liabilities		76,601,706	(6,804,696)	69,797,010
Issued capital		42,419,007	-	42,419,007
Securities premium	7	28,386,273	121,748	28,508,021
Debenture Redemption Reserve		192,970	-	192,970
Net Unrealised gains Reserve	2	-	776	776
General Reserves	7	-	9,871	9,871
Effect of currency Translation		(5,874,355)	(1,117,943)	(6,992,298)
Retained Earnings(profit & Loss A/C)		11,477,811	(5,819,148)	5,658,663
Total Equity		76,601,706	(6,804,696)	69,797,010

Explanatory Notes to the reconciliation:

- Under Indian GAAP, Intangible asset has been amortised using unit of usage method since acquisition of such asset while in IFRS, change to unit of usage method has been considered as change in accounting estimates and hence has been applied from the current year in accordance with IAS-8 "Accounting policies, Changes in Accounting Estimates and Errors".

2. Quoted investments measured at cost under Indian GAAP have been classified as available-for-sale financial assets under IAS 39, *Financial Instruments – Recognition and Measurement* and remeasured at fair value. Changes in the fair value of these financial assets are recognised directly in equity through the statement of changes in equity.
3. Interest-bearing loans and borrowings have been restated to amortised cost using the effective interest rate method under IAS 39, *Financial Instruments – Recognition and Measurement* with the discount being accreted through the Profit and Loss account.
4. Under Indian GAAP, provision for overlay has been accumulated on straight line basis while in IFRS the same is being built up in accordance with the provisions of IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*.
5. Under Indian GAAP, deferred tax liability has been recognized on timing difference while in IFRS, deferred tax liability has been recognized on temporary differences.
6. In accordance with the Scheme of amalgamation with DND Flyways Limited, the Company has made certain adjustment in financial statement prepared under Indian GAAP, the adjustments which are not in conformity with the International Accounting Standard have not been considered in preparation of these financial statements in accordance with IFRS.
7. Stock Option expense has been recognised with a corresponding entry to equity over the vesting period of the Option under IFRS 2, *Share-based Payments*. Stock Option Account relating to options exercised has been transferred to Securities Premium Account. Stock Option Account relating to options lapsed has been transferred to General Reserve.

In terms of our report of even date
For Luthra & Luthra
Chartered Accountants

On Behalf of the Board of Directors

Akhilesh Gupta
Partner

Director

Director

Pradeep Puri
President & CEO

Place: Noida
Date : July 29, 2009

T. K. Banerjee
CFO

Monisha Macedo
Manager

NOIDA TOLL BRIDGE COMPANY LIMITED AND ITS SUSIDIARY COMPANY
RECONCILIATION OF EQUITY AT 31st MARCH 2008

		INDIAN GAAP US(\$)	Effect of transition to IFRS US (\$)	IFRS US (\$)
Property, plant and equipment	1	138,834,328	(136,486,711)	2,347,617
Intangible asset	2	-	136,456,372	136,456,372
Toll Equalisation Receivable	3	42,864,648	(42,864,648)	-
Loans and Advances		103,524	-	103,524
Total Non Current Assets		181,802,500	(42,894,987)	138,907,513
Inventories		44,393	-	44,393
Trade receivables		47,616	-	47,616
Loans and Advances		1,449,634	13,951	1,463,585
Prepayments		71,505	-	71,505
Available for sale investments	4	1,366,822	26,248	1,393,070
Cash and cash Equivalents		500,764	-	500,764
Total Current Assets		3,480,734	40,199	3,520,933
Total Assets		185,283,234	(42,854,788)	142,428,446
Interest bearing loans and borrowings	5	50,696,502	(3,644,863)	47,051,639
Provisions	6	-	1,175,997	1,175,997
Total Non Current Liabilities		50,696,502	(2,468,866)	48,227,636
Interest bearing loans and borrowings	7	3,802,891	1,389,597	5,192,488
Trade and other payables		3,648,159	13,951	3,662,110
Provisions	3	1,478,344	(739,476)	738,868
Provisions for taxes		951,769	-	951,769
Total Current Liabilities		9,881,163	664,072	10,545,235
Total Liabilities		60,577,665	(1,804,794)	58,772,871
Total Assets less Total Liabilities		124,705,569	(41,049,994)	83,655,575
Issued Capital		42,419,007	-	42,419,007
Securities Premium	8	36,184,153	155,193	36,339,346
Debenture Redemption Reserve		147,588	-	147,588
Net Unrealised gains Reserve	4	-	26,248	26,248
General Reserves	8	-	12,583	12,583
Reserve on Revaluation of Assets	9	32,575,397	(32,575,397)	-
Effect of currency Translation		4,164,810	(562,384)	3,602,426
Retained Earnings (Profit & Loss A/c)		9,208,170	(8,106,237)	1,101,933
Total		124,699,125	(41,049,994)	83,649,131
Minority Interest	10	6,444		6,444
Total Equity		124,705,569	(41,049,994)	83,655,575

Explanatory Notes to the reconciliation:

1. The cost of US \$ 136,486,711 pertaining to the Delhi Noida Toll Bridge including Mayur Vihar Link Road, previously capitalised under the PPE model, revaluation of land and accumulated depreciation have been de-recognised on adoption of IFRIC 12 *Service Concession Arrangements – The Intangible Asset Model*.

2. Intangible Asset of US \$ 136,456,372 is the net book value of the Delhi Noida Toll Bridge alongwith Mayur Vihar Link Road under IFRS. The Bridge is being amortised on a straight-line basis over the estimated useful life of the intangible asset as per the provisions of IFRIC 12 *Service Concession Arrangements – The Intangible Asset Model*.
3. NTBCL had filed a Scheme of Amalgamation with its 100% subsidiary DND Flyway Limited in the Honorable High Courts of Allahabad and Delhi which has been approved on 22nd March 2007 and 21st May 2007 by the respective courts. As per the Scheme the Company has recognised a Toll Equalisation receivable which pertains to part of the 20% return guaranteed under the Concession Agreement over the useful life of the bridge. Some of the adjustments which are not in conformity with the International Accounting Standard have not been considered in preparation of these financial statements in accordance with IFRS.
4. Quoted investments measured at cost under Indian GAAP have been classified as available-for-sale financial assets under IAS 39, *Financial Instruments – Recognition and Measurement* and re-measured at fair value. Changes in the fair value of these financial assets are recognised directly in equity through the statement of changes in equity.
5. Interest-bearing loans and borrowings have been restated to amortised cost using the effective interest rate method under IAS 39, *Financial Instruments – Recognition and Measurement* with the discount being accreted through the Profit and Loss Account.
6. The Group has recognised a provision for road resurfacing upon adoption of IFRIC 12 *Service Concession Arrangements – The Intangible Asset Model*. The provision for the first resurfacing, which is due in year ended 31 March 2009, is being built up in accordance with the provisions of IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*.
7. Interest-bearing loan and borrowings include unsecured loans taken for the construction of the Mayur Vihar Link Road.
8. Stock Option expense has been recognised with a corresponding entry to equity over the vesting period of the Option under IFRS 2, *Share-based Payments*. Stock Option Account relating to options exercised has been transferred to Securities Premium Account. Stock Option Account relating to options lapsed has been transferred to General Reserve.
9. Under Indian GAAP, Property, Plant & Equipment had been revalued. This Revaluation Reserve pertaining to land received under the Concession Agreement has been reversed on the adoption of IFRIC 12 *Service Concession Arrangements – The Intangible Asset Model* as the Delhi Noida Toll Bridge is being accounted for as an intangible asset.
10. NTBCL has promoted a subsidiary company i.e. ITNL Toll Management Services Limited (ITMSL) on 22nd June 2007 with the object of carrying out the services and consultancy in the area of operations of toll collection, routine and procedure maintenance, engineering, design, supply, installation, commissioning of toll and traffic management system. NTBCL holds 50.99% equity share capital of the ITMSL.

In terms of our report of even date
For Luthra & Luthra
Chartered Accountants

On Behalf of the Board of Directors

Akhilesh Gupta
Partner

Director

Director

Pradeep Puri
President & CEO

Place: Noida
Date: July 25, 2008

T. K. Banerjee
CFO

Monisha Macedo
Manager

NOIDA TOLL BRIDGE COMPANY LIMITED AND ITS SUSIDIARY COMPANY
RECONCILIATION OF INCOME STATEMENT FOR THE YEAR ENDED 31st MARCH 2009

	Explanatory Notes	INDIAN GAAP US (\$)	Effect of transition to IFRS US (\$)	IFRS US (\$)
Toll Revenue		14,433,0		14,433,0
License Fee		2,688,5		2,688,5
Construction Contract Revenue		266,1		266,1
Other Income		58,2		58,2
Total Income		17,446,0		17,446,0
Operating and Administrative Expense				
- Operating Expenses	1	1,028,4	627,0	1,655,4
- Administrative Expenses		3,396,2	32,1	3,428,4
- Construction Contract Cost		226,4		226,4
- Depreciation		402,4		402,4
- Amortisation	2	651,4	(41,52	609,8
Total of Operating and Administrative Expenses		5,705,0	617,6	6,322,6
Group Operating Profit from Continuing Operations		11,740,9	(617,66	11,123,3
Finance Income				
- Profit on Sale of Investments		186,5		186,5
Interest & Dividend		3,0		3,0
Finance Charges	3	(3,248,93	(1,361,98	(4,610,91
Total		(3,059,36	(1,361,98	(4,421,35
Profit/(Loss) from Continuing Operations Before Taxation		8,681,6	(1,979,64	6,701,9
Income Taxes:				
- Current Tax		(987,57		(987,57
- Deferred Tax charge /reversal	4	(364,39	(700,60	(1,065,00
- Fringe Benefit Tax		(32,13	32,1	
Profit/(Loss) After Tax for the Year		7,297,5	(2,648,12	4,649,4
Minority Interest		5,7		5,7
Profit/(Loss) after Minority Interest		7,303,2	(2,648,12	4,655,1

Explanatory notes to reconciliation:

1. Under Indian GAAP, provision for overlay has been accumulated on straight line basis while in IFRS the same is being built up in accordance with the provisions of IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*.
2. Under Indian GAAP, Intangible asset has been amortised using unit of usage method since acquisition of such asset while in IFRS, change to unit of usage method has been considered as change in accounting estimates and hence has been applied from the current year in accordance with IAS-8 “Accounting policies, Changes in Accounting Estimates and Errors”.
3. Finance charges pertain to accretion of interest on loans and borrowings using the effective interest rate method in accordance with IAS 39, *Financial Instruments- Recognition and Measurement*.
4. Under Indian GAAP, deferred tax liability has been recognized on timing difference while in IFRS, deferred tax liability has been recognized on temporary differences.

In terms of our report of even date
For Luthra & Luthra
Chartered Accountants

On Behalf of the Board of Directors

Akhilesh Gupta
Partner

Director

Director

Pradeep Puri
President & CEO

Place: Noida
Date: July 29, 2009

T. K. Banerjee
CFO

Monisha Macedo
Manager

NOIDA TOLL BRIDGE COMPANY LIMITED AND ITS SUSIDIARY COMPANY
RECONCILIATION OF INCOME STATEMENT FOR THE YEAR ENDED 31st MARCH 2008

	Explanatory Notes	INDIAN GAAP US (\$)	Effect of transition to IFRS US (\$)	IFRS US (\$)
Toll Revenue		13,764,626	-	13,764,626
License Fee		2,859,286	-	2,859,286
Construction Contract Revenue	1		9,554,560	9,554,560
Other Income	2	1,196,253	(1,184,105)	12,148
Total Income		17,820,165	8,370,455	26,190,620
Operating and Administrative Expenses				
- Operating Expenses	3	1,102,148	244,948	1,347,096
- Administrative Expenses	4	3,150,352	8,814	3,159,166
- Construction Contract Cost	1	-	7,161,689	7,161,689
- Depreciation	5	2,147,438	(1,741,849)	405,589
- Amortisation	6	-	1,947,499	1,947,499
Total of Operating and Administrative Expenses		6,399,938	7,621,101	14,021,039
Group Operating Profit from Continuing Operations		11,420,227	749,354	12,169,581
Finance Income				
- Profit on Sale of Investments		177,441	-	177,441
Interest & Dividend		(5,994)	6,377	383
Finance Charges	7	(3,694,605)	(3,148,692)	(6,843,297)
Total		(3,523,158)	(3,142,315)	(6,665,473)
Profit/(Loss) from Continuing Operations Before Taxation		7,897,069	(2,392,961)	5,504,108
Income Taxes:				
- Current Tax		(904,145)	-	(904,145)
- Fringe Benefit Tax		(39,753)	39,753	-
Profit/(Loss) After Tax for the Year		6,953,171	(2,353,208)	4,599,963
Minority Interest		(440)	-	(440)
Profit / (Loss) after Minority Interest		6,952,731	(2,353,208)	4,599,523

Explanatory notes to reconciliation:

- Construction of the Mayur Vihar Link commenced in 2006-07. NTBCL has obtained land from Noida for the construction of the Mayur Vihar Link vide Supplement to Noida Land Lease Deed executed between them. As per the terms of said lease deed Mayur Vihar Link Road will form part of the Noida Bridge Project and the expenditure incurred by NTBCL on it shall be included in the cost of the Noida Bridge with respect to the Concession Agreement. As the Mayur Vihar Link falls under the jurisdiction of Delhi Government, Municipal Corporation of Delhi vide Confirmation Agreement dated 9th January 2005 agreed not to declare the Mayur Vihar Link as a public street and to recognise the right of NTBCL to operate and maintain the Mayur Vihar Link as a private street and charge users a 'user fee' in respect thereof. This right has been recognised as an intangible asset, received in exchange for the construction services provided to the grantor of the Concession Agreement. The intangible asset received has been measured at fair value of construction services. The Group has recognised a profit of US\$ 2,392,871 during the year which is the difference between the cost of construction services rendered (the cost of project asset of US\$ 7,161,689) and the fair value of the construction services.

2. NTBCL had filed a Scheme of Amalgamation with its 100% subsidiary DND Flyway Limited in the Honorable High Courts of Allahabad and Delhi which was approved on 22nd March 2007 and 21st May 2007 by the respective courts. As per the Scheme the Company has recognised a Toll Equalisation receivable account which pertains to part of the 20% return guaranteed under the Concession Agreement over the useful life of the bridge. Some of the adjustments which are not in conformity with the International Accounting Standard have not been considered in preparation of these financial statements in accordance with IFRS.
3. Operating Expenses as per Indian GAAP have been adjusted for recognition of expenses under IFRS. Major movements include US\$ 153,437 of expenditure in the nature of repairs and maintenance previously capitalised under Indian GAAP, which has now been expensed off. An amount of US\$ 91,511 has been charged for the build up of resurfacing provisions.
4. Administrative Expenses have been adjusted for certain expenses which were recognised under IFRS in March 2007 but under Indian GAAP during March 2008.
5. Depreciation charge adjustment of US\$ 1,741,849 to the Indian GAAP amount has arisen due to re-computation and adjustment of depreciation pertaining to the Delhi Noida Toll Bridge capitalised under the PPE model, recognised as intangible asset on adoption of IFRIC 12 *Service Concession Arrangements – The Intangible Asset Model*.
6. Amortisation charge of US\$ 1,947,499 pertains to the intangible asset recognised on the adoption of IFRIC 12 *Service Concession Arrangements – The Intangible Asset Model*. This asset is being amortised on a straight-line basis over a period of 70 years, the estimated useful life of the asset.
7. Finance charges pertain to accretion of interest on loans and borrowings using the effective interest rate method in accordance with IAS 39, *Financial Instruments- Recognition and Measurement*.

In terms of our report of even date
For Luthra & Luthra
Chartered Accountants

On Behalf of the Board of Directors

Akhilesh Gupta
Partner

Director

Pradeep Puri
Director President & CEO

Place: Noida
Date : July 29, 2009

T. K. Banerjee
CFO

Monisha Macedo
Manager