



IDFC Projects Limited

BOARD OF DIRECTORS

- Mr. A. K. T. Chari
- Mr. Vikram Limaye
- Mr. Sunil Kakar
- Mr. Sadashiv S. Rao
- Dr. Rajeev Uberoi

AUDITORS

- Deloitte Haskins & Sells
Chartered Accountants

PRINCIPAL BANKERS

- HDFC Bank Limited

REGISTERED OFFICE

Naman Chambers, C-32, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051
TEL +91 22 42222000
FAX +91 22 26540354

TO THE MEMBERS

Your Directors have pleasure in presenting the Fourth Annual Report together with the audited accounts for the year ended March 31, 2011.

FINANCIAL RESULTS

(₹)

	FOR THE YEAR ENDED MARCH 31, 2011	FOR THE YEAR ENDED MARCH 31, 2010
Total Income	36,255,743	10,465,733
Less: Total Expenses	107,985,011	94,263,802
Profit/(Loss) before Tax	(71,729,268)	(83,798,069)
Less: Provision for Tax	54,160	NIL
Profit/(Loss) after Tax	(71,783,428)	(83,798,069)
Add/Less: Profit/(Loss) brought forward	(179,098,247)	(95,300,178)
LOSS CARRIED FORWARD	250,881,675	179,098,247

PRINCIPAL ACTIVITIES

Your Company's principal activity is to design, develop, engineer, finance, construct, operate and maintain infrastructure projects.

OPERATIONAL REVIEW

Your Company has continued to focus on projects in power sector and road sector. A team of professionals has also been put in place to pursue projects in these sectors.

Your Company has been awarded by the NHA a project involving the four laning of Jetpur-Somnath section of the NH-8D for 127.6 kilometres in the state of Gujarat to be executed on a Design, Build, Finance, Operate and Transfer (DBFOT) basis. Your Company continues to participate actively in the road sector in partnership with major international and domestic players.

DIVIDEND

The Directors do not recommend any dividend for the year ended March 31, 2011.

PUBLIC DEPOSITS

During the year under review, your Company has not accepted public deposits under the provisions of Section 58-A of the Companies Act, 1956.

DIRECTORS

In accordance with the provisions of the Articles of Association and Companies Act, 1956, Mr. A. K. T. Chari and Mr. Sadashiv S. Rao would retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

During the year, Mr. Mahendra N. Shah resigned from the Directorship of the Company with effect from July 27, 2010.

The Board at its meeting held on July 27, 2010 had appointed Mr. L. K. Narayan and Dr. Rajeev Uberoi, as Additional Directors. Mr. L. K. Narayan has resigned from the Directorship of the Company with effect from March 24, 2011 and the Board by passing circular resolution approved appointment of Mr. Sunil Kakar with effect from March 24, 2011. Dr. Rajeev Uberoi and Mr. Sunil Kakar hold office up to the date of ensuing Annual General Meeting.

Dr. Rajiv B. Lall resigned from the office of Director with effect from April 25, 2011. The Board wishes to place on record its sincere appreciation for the guidance and valuable contributions by Dr. Rajiv B. Lall, Mr. Mahendra N. Shah and Mr. L. K. Narayan, to the Company.

AUDIT COMMITTEE

The Audit Committee was reconstituted and currently consists of three Members, Mr. Sunil Kakar as Chairman, Mr. Sadashiv Rao and Dr. Rajeev Uberoi. The functions of the Committee include reviewing the half yearly and annual financial statements, internal control systems and significant accounting policies of the Company and discussing the audit findings and recommendations of the internal and statutory auditors of the Company.

AUDITORS

M/s. Deloitte Haskins & Sells, Chartered Accountants, Mumbai will retire as the statutory auditors of the Company at the ensuing Annual General Meeting. They have expressed their unwillingness to be reappointed as the statutory auditors and have given the notice in terms of Section 224(2)(b) of the Companies Act, 1956 for the same. The Board of Directors has placed on record its sincere appreciation of the professional service rendered by M/s. Deloitte Haskins & Sells, Chartered Accountants, Mumbai as statutory auditors.

In view of this, the Board has proposed the appointment of Deloitte Haskins & Sells, Chartered Accountants, Ahmedabad, having registration number 117365W, as statutory auditors for the financial year ending March 31, 2012.

As required under the provisions of Section 224 of the Companies Act, 1956 the Company has obtained a written confirmation from the Auditors proposed to be appointed to the effect that their appointment, if made, would be in conformity with the provisions of Sections 224 and 226 of the Companies Act, 1956. The shareholders are requested to appoint the auditors and fix their remuneration.

FOREIGN EXCHANGE EARNINGS AND EXPENDITURE

There was no income in Foreign currency during the year whereas particulars regarding foreign exchange expenditure are furnished at Item No. 10 in the Notes to the Accounts.

PERSONNEL AND OTHER MATTERS

As required by the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, names and other particulars of the employees are set out in the annexure to the Directors' Report.

Since the Company does not own any manufacturing facility, the disclosure of information on other matters required to be disclosed in terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1998, are not applicable and hence not given.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2011 and the profit or loss of the Company for the year ended on that date;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and detecting fraud and other irregularities; and
- they have prepared the annual accounts on a going concern basis.

SUBSIDIARY COMPANY

During the year, Jetpur Somnath Highway Limited (earlier known as IDFC Capital Company Limited and a direct subsidiary of IDFC) has become a subsidiary of the Company. A company under the name of Jetpur Somnath Tollways Limited, has been incorporated as a Subsidiary of the Company. Your company, alongwith the other Companies, had acquired Dheeru Powergen Private Limited on February 05, 2010, which was later converted into the Public

Company in the name of Dheeru Powergen Limited w.e.f November 24, 2010.

Statement pursuant to Section 212 of the Companies Act, 1956, relating to Dheeru Powergen Limited, Jetpur Somnath Highway Limited & Jetpur Somnath Tollways Limited is attached hereto.

ACKNOWLEDGEMENTS

The Directors also express their gratitude for the unstinted support and guidance received from Infrastructure Development Finance Company Limited and other group companies, National Highway Authority of India and Gujarat Government.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

SADASHIV S. RAO
Director

RAJEEV UBEROI
Director

Mumbai
April 25, 2011

To The Members of IDFC Projects Limited

1. We have audited the attached Balance Sheet of IDFC PROJECTS LIMITED ("the Company") as at March 31, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

(d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;

(e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
- (ii) in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

5. On the basis of the written representations received from the Directors as on March 31, 2011 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2011 from being appointed as a Director in terms of Section 274(1)(g) of the Companies Act, 1956.

FOR DELOITTE HASKINS & SELLS

Chartered Accountants
Reg. No. 117366W

NALIN M. SHAH
Partner
(Membership No. 15860)

Mumbai
April 25, 2011

(Referred to in paragraph 3 of our report of even date)

(i) Having regard to the nature of the Company's business/ activities/result/transactions, etc., clauses (ii), (viii), (x), (xi), (xii), (xiii), (xiv), (xvi), (xvii), (xviii), (xix) and (xx) of CARO are not applicable.

(ii) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

(b) During the year, the fixed assets have not been physically verified by the management. However, the Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

(iii) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and the sale of services. During the course of our audit, we have not observed any major weakness in such internal control system.

(v) To the best of our knowledge and belief and according to the information and explanations given to us, there were no contracts or arrangements that needed to be entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956.

(vi) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year.

(vii) The Company has not carried out any internal audit during the year.

(viii) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has been regular in depositing undisputed dues, including Provident Fund, Income-tax, Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable on account of the above dues as at March 31, 2011 for a period of more than six months from the date they became payable.

(c) There were no disputed Income-tax, Service Tax and any other material statutory dues which were not deposited as on March 31, 2011.

(ix) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not prima facie prejudicial to the interests of the Company.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by or on the Company has been noticed or reported during the year.

FOR DELOITTE HASKINS & SELLS

Chartered Accountants

Reg. No. 117366W

NALIN M. SHAH

Partner

(Membership No. 15860)

Mumbai

April 25, 2011

BALANCE SHEET

AS AT MARCH 31, 2011

		₹	₹	₹
	SCHEDULE ↴		AS AT MARCH 31, 2011	AS AT MARCH 31, 2010
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	1		340,500,000	340,500,000
			340,500,000	340,500,000
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	2		1,426,471	1,266,448
Less: Accumulated Depreciation			730,999	451,248
Net Block			695,472	815,200
Investments	3		336,480,000	279,999,200
Current Assets, Loans and Advances				
Sundry Debtors	4	35,960,129		9,501,803
Cash and Bank Balance	5	186,910		3,036,092
Loans and Advances	6	207,640,263		27,054,101
			243,787,302	39,591,996
Less: Current Liabilities and Provisions				
Current Liabilities	7	488,517,049		156,522,334
Provisions		2,827,400		2,482,309
			491,344,449	159,004,643
Net Current Liabilities			(247,557,147)	(119,412,647)
Profit and Loss Account			250,881,675	179,098,247
			340,500,000	340,500,000
Notes forming part of the Accounts	12			
Schedules 1 to 12 form an integral part of the Accounts				

IN TERMS OF OUR REPORT ATTACHED

FOR DELOITTE HASKINS & SELLS

Chartered Accountants

NALIN M. SHAH

Partner

FOR AND ON BEHALF OF THE BOARD

SUNIL KAKAR

Director

VIKRAM LIMAYE

Director

V. NARAYANAN

Company Secretary & Manager

Mumbai | April 25, 2011

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2011

		₹	₹
	SCHEDULE ↘	APRIL 1, 2010 TO MARCH 31, 2011	APRIL 1, 2009 TO MARCH 31, 2010
INCOME			
Operating and Other Income	8	36,255,743	10,465,733
		36,255,743	10,465,733
EXPENDITURE			
Staff Expenses	9	52,414,534	74,760,284
Establishment Expenses	10	172,540	618,731
Other Expenses	11	54,982,867	18,562,389
Depreciation & Amortisation		415,070	322,398
		107,985,011	94,263,802
LOSS BEFORE TAX		(71,729,268)	(83,798,069)
Short provision for Fringe Benefit Tax of earlier years		54,160	-
LOSS AFTER TAX		(71,783,428)	(83,798,069)
Balance Brought Forward		179,098,247	95,300,178
LOSS CARRIED TO BALANCE SHEET		250,881,675	179,098,247
Basic and Diluted Earnings Per Share (Face Value ₹ 10)		(2.11)	(6.63)
(See Schedule 12 Note 7)			
Notes forming part of the Accounts	12		
Schedules 1 to 12 form an integral part of the Accounts			

IN TERMS OF OUR REPORT ATTACHED

FOR DELOITTE HASKINS & SELLS

Chartered Accountants

NALIN M. SHAH

Partner

FOR AND ON BEHALF OF THE BOARD

SUNIL KAKAR

Director

VIKRAM LIMAYE

Director

V. NARAYANAN

Company Secretary & Manager

Mumbai | April 25, 2011

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2011

	₹	₹
	APRIL 1, 2010 TO MARCH 31, 2011	APRIL 1, 2009 TO MARCH 31, 2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(71,729,268)	(83,798,069)
Adjustments for:		
Depreciation	415,070	322,398
Provision for Employee Benefits	345,091	534,256
Profit from sale of Fixed Assets	(3,300)	-
Operating loss before Working Capital Changes	(70,972,407)	(82,941,415)
Changes in:		
Current Assets, Loans and Advances	(202,089,341)	(29,530,992)
Current Liabilities	331,994,715	145,568,148
Cash generated from Operations	58,932,967	33,095,741
Direct Taxes Paid	(5,009,306)	(369,866)
NET CASH FROM OPERATING ACTIVITIES	53,923,661	32,725,875
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(295,343)	(711,233)
Proceeds from sale of Fixed Assets	3,300	-
Purchase of Investments	(56,480,800)	(279,999,200)
NET CASH USED IN INVESTING ACTIVITIES	(56,772,843)	(280,710,433)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital	-	250,000,000
NET CASH FROM FINANCING ACTIVITIES	-	250,000,000
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(2,849,182)	2,015,442
Cash and cash equivalents as at the beginning of the year (as per Schedule 5)	3,036,092	1,020,650
Cash and cash equivalents as at the end of the year (as per Schedule 5)	(2,849,182)	2,015,442

IN TERMS OF OUR REPORT ATTACHED

FOR DELOITTE HASKINS & SELLS

Chartered Accountants

NALIN M. SHAH

Partner

FOR AND ON BEHALF OF THE BOARD

SUNIL KAKAR

Director

VIKRAM LIMAYE

Director

V. NARAYANAN

Company Secretary & Manager

Mumbai | April 25, 2011

SCHEDULE 1 Share Capital	₹	₹
	AS AT MARCH 31, 2011	AS AT MARCH 31, 2010
AUTHORISED:		
100,000,000 Equity Shares of ₹ 10/- each	1,000,000,000	1,000,000,000
ISSUED, SUBSCRIBED AND PAID-UP		
34,050,000 (Previous Year 34,050,000) Equity Shares of ₹ 10/- each, fully paid-up	340,500,000	340,500,000
[Of the above, 34,050,000 (Previous Year 25,000,100) Equity Shares are held by Infrastructure Development Finance Company Limited (IDFC), the holding company and its nominees with effect from December 9, 2010 and Nil (Previous Year 9,049,900) Equity Shares are held by IDFC Finance Limited, a wholly owned Subsidiary of IDFC which was the holding company up to February 03, 2010]		
	340,500,000	340,500,000

SCHEDULE 2 Fixed Assets												₹
DESCRIPTION	GROSS BLOCK			DEPRECIATION AND AMORTISATION				NET BLOCK				
	As at April 1, 2010	Additions	Deletions	As at March 31, 2011	As at April 1, 2010	Additions	Deletions	As at March 31, 2011	As at March 31, 2011	As at March 31, 2010		
TANGIBLE												
Furniture and Fittings	53,173	-	-	53,173	21,592	5,716	-	27,308	25,865	31,581		
Office Equipment	602,366	113,794	135,320	580,840	274,313	167,169	135,319	306,163	274,677	328,053		
Computers	150,956	181,549	-	332,505	61,203	88,875	-	150,078	182,427	89,753		
INTANGIBLE												
Computer Software	459,953	-	-	459,953	94,140	153,310	-	247,450	212,503	365,813		
Total	1,266,448	295,343	135,320	1,426,471	451,248	415,070	135,319	730,999	695,472	815,200		
Previous Year	555,215	711,233	-	1,266,448	128,850	322,398	-	451,248	815,200	426,365		

SCHEDULE 3 Investments						₹	₹
						AS AT MARCH 31, 2011	AS AT MARCH 31, 2010
LONG-TERM (TRADE)							
A. EQUITY SHARES (FULLY PAID)							
UNQUOTED			NUMBER OF SHARES		FACE VALUE ₹		
SUBSIDIARIES							
Dheeru Powergen Limited (formerly Dheeru Powergen Private Limited)			5,100		10	90,642,300	90,642,300
Jetpur Somnath Highway Limited			74,000		10	740,000	-
Jetpur Somnath Tollways Limited			74,000		10	740,000	-
B. REDEEMABLE PREFERENCE SHARES (FULLY PAID - UNQUOTED)							
SUBSIDIARIES							
Dheeru Powergen Limited (formerly Dheeru Powergen Private Limited)			78,516		100	7,851,600	7,851,600
C. BONDS (FULLY PAID - UNQUOTED)							
SUBSIDIARIES							
0.00% Dheeru Powergen Limited (Convertible) (formerly Dheeru Powergen Private Limited) (of the above 550,008 bonds were subscribed during the year)			2,365,061		100	236,506,100	181,505,300
						336,480,000	279,999,200

NOTE:

(i) Investments include ₹ 740,000 (Previous year ₹ Nil) in respect of equity shares which are subject to restrictive covenants.

SCHEDULE 4 Sundry Debtors (Unsecured, Considered Good)	₹	₹
(See Schedule 12 Note 2)	AS AT MARCH 31, 2011	AS AT MARCH 31, 2010
Over six months	19,434,764	3,475,321
Others	16,525,365	6,026,482
	35,960,129	9,501,803

SCHEDULE 5 Cash and Bank Balance	₹	₹
	AS AT MARCH 31, 2011	AS AT MARCH 31, 2010
Cash	35,241	15,126
Balance with Scheduled Bank in Current Accounts	151,669	3,020,966
	186,910	3,036,092

SCHEDULE 6 Loans and Advances (Unsecured)	₹	₹
	AS AT MARCH 31, 2011	AS AT MARCH 31, 2010
CONSIDERED GOOD		
Advances Recoverable in Cash or in Kind or for		
Value to be Received (See Schedule 12 Note 2)	7,253,886	26,622,070
Advance Payment of Tax	5,386,377	376,231
Advance Payment of Fringe Benefit Tax (Net of Provisions)	-	55,000
Advance against Investments	195,000,000	800
CONSIDERED DOUBTFUL		
Advance Recoverable in Cash or in Kind or for		
Value to be Received	6,392,114	6,392,114
	214,032,377	33,446,215
Less: Provision for Doubtful Advances	6,392,114	6,392,114
	207,640,263	27,054,101

SCHEDULE 7 Current Liabilities and Provisions	₹	₹
	AS AT MARCH 31, 2011	AS AT MARCH 31, 2010
CURRENT LIABILITIES		
Sundry Creditors - Other than Micro and Small Enterprises (See Schedule 12 Note 11)	486,802,592	154,910,553
Other Liabilities	1,714,457	1,611,781
	488,517,049	156,522,334
PROVISIONS		
Provision for Employee Benefits (See Schedule 12 Note 8(II))	2,827,400	2,482,309
	2,827,400	2,482,309

SCHEDULE 8 Operating and Other Income	₹	₹
	APRIL 1, 2010 TO MARCH 31, 2011	APRIL 1, 2009 TO MARCH 31, 2010
OPERATING INCOME		
Fees	36,224,559	9,120,051
(Tax Deducted at Source ₹ 3,995,571; Previous Year ₹ 771,335)		
Interest on loan	-	1,345,682
	36,224,559	10,465,733
OTHER INCOME		
Profit on sale of Fixed Assets	3,300	-
Interest on Income Tax refunds	565	-
Foreign Exchange Gain	27,319	-
	31,184	-
	36,255,743	10,465,733

SCHEDULE 9 Staff Expenses	₹	₹
	APRIL 1, 2010 TO MARCH 31, 2011	APRIL 1, 2009 TO MARCH 31, 2010
Salaries	49,892,478	70,654,355
Contribution to Provident and Other Funds (See Schedule 12 Note 8(I))	1,737,917	2,363,978
Staff Training and Welfare Expenses	784,139	1,741,951
	52,414,534	74,760,284

SCHEDULE 10 Establishment Expenses	₹	₹
	APRIL 1, 2010 TO MARCH 31, 2011	APRIL 1, 2009 TO MARCH 31, 2010
Rent	-	4,626
Rates & Taxes	33,453	3,800
Electricity Expenses	65,251	85,530
Insurance	27,525	14,222
Repairs and Maintenance - Others	46,311	510,553
	172,540	618,731

SCHEDULE 11 Other Expenditure	₹	₹
	APRIL 1, 2010 TO MARCH 31, 2011	APRIL 1, 2009 TO MARCH 31, 2010
Travelling and Conveyance	6,450,884	4,717,944
Bad Debts Written off	2,147,253	-
Postage, Telephone and Fax	724,340	699,393
Printing and Stationery	184,919	192,256
Shared Service Cost	16,811,067	-
Professional Fees	13,412,035	5,399,349
Tender Charges	1,576,765	1,252,300
Membership and Subscriptions	76,395	295,506
Advertisement & Publicity	-	8,000
Books & Periodicals	13,391	9,070
Business Development Expenses	39,787	223,913
Miscellaneous Expenses	106,520	595,609
Guarantee Commission	11,978,425	4,013,227
Interest on delayed payment of Income Tax	16,943	-
Loss on Foreign Exchange Fluctuation	-	39,312
Auditors' Remuneration (See Schedule 12 Note 4)	1,444,143	1,116,510
	54,982,867	18,562,389

1 Significant Accounting Policies

A. Accounting Convention

These accounts have been prepared in accordance with historical cost convention, applicable Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006, relevant provisions of the Companies Act, 1956.

B. System of Accounting

The Company adopts the accrual concept in the preparation of accounts. The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

C. Inflation

Assets and liabilities are recorded at historical cost to the Company. These costs are not adjusted to reflect the changing value in the purchasing power of money.

D. Fixed Assets

Fixed assets are stated at cost of acquisition, including any cost attributable for bringing the asset to its working condition, less accumulated depreciation.

E. Intangible Assets

Intangible Assets comprising of computers software are stated at cost of acquisition, including any cost attributable for bringing the asset to its working condition, less accumulated amortisation. Any technology support cost or annual maintenance cost for such software is charged annually to the Profit and Loss Account.

F. Depreciation & Amortisation

■ Tangible Assets

Depreciation on Fixed Assets, excluding certain electronic items, is provided on the written down value method, at the rates prescribed by Schedule XIV of the Companies Act, 1956. Certain electronic items are depreciated over a period of two years on straight line method based on the Management's estimate of the useful life of assets. Depreciation on additions during the year is provided on a pro-rata basis. Assets costing less than ₹ 5,000 each are written off in the year of capitalisation.

■ Intangible Assets

Intangible Assets consisting of computers software are being amortised over a period of three years on straight line method.

G. Operating Leases

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Profit and Loss Account, on a straight line basis, over the lease term.

H. Investments

Investments are classified into long-term investments and current investments. Investments, which are intended to be held for more than one year, are classified as long-term investments and investments, which are intended to be held for less than one year, are classified as current investments. Long-term investments are accounted at cost and any decline in the carrying value other than temporary in nature is provided for. Current investments are valued at cost or market/fair value, whichever is lower. In case of investments in units of mutual funds, the net asset value of units has been considered as the market value.

I. Revenue Recognition

- (a) Fees are recognised when reasonable right of recovery is established, the revenue can be reliably measured and there is no uncertainty regarding recoverability.
- (b) Dividend is recognised when the right to receive is established.
- (c) Interest Income is recognised on accrual basis.

J. Foreign Currency Transactions

Foreign currency transactions are accounted at the exchange rates prevailing on the date of the transactions. Foreign currency monetary items outstanding as at the Balance Sheet date are reported using closing rates of exchange. Gains and losses resulting from the settlement of such transactions and translation of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss Account.

K. Provisions and Contingencies

The Company creates a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

L. Income Tax

The accounting treatment for income-tax in respect of the Company's income is based on the Accounting Standard 22 on 'Accounting for Taxes on Income' as notified by the Companies (Accounting Standards) Rules, 2006. The provision made for income-tax in the accounts comprises both, the current tax and the deferred tax. The deferred tax assets and liabilities for the year, arising on account of timing differences, are recognised in the Profit and Loss Account and the cumulative effect thereof is reflected in the Balance Sheet.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

In situations where the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that the same can be realised against future taxable profits.

M. Employee Benefits

DEFINED CONTRIBUTION PLANS

The Company's contribution to Provident Fund is deposited with the prescribed authorities and is charged to the Profit and Loss Account.

■ The Company participates in the holding company's superannuation policy and the Company's contribution paid/payable during the year is charged to the Profit and Loss Account.

DEFINED BENEFIT PLAN

■ The net present value of the Company's obligation towards Gratuity to employees is unfunded and actuarially determined as at the Balance Sheet date based on the projected unit credit method. Actuarial gains and losses are recognised in the Profit and Loss Account.

2 Sundry Debtors include ₹ 35,960,129 (Previous Year ₹ 9,119,778) due from a subsidiary company. Loans and Advances include ₹ 4,481,579 (Previous Year ₹ 14,812,404) due from a subsidiary company and include ₹ 191,363 (Previous Year ₹ Nil) due from a Private Company in which Directors are interested as Directors.

3 Contingent Liabilities not provided for in respect of:

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
	(₹)	(₹)
(a) Capital Commitments (Net of advance)	1,224,000,000	1,224,000,000
(b) Guarantees Issued		
As a part of project assistance, the Company has provided the following guarantees:		
Financial Guarantees	668,877,240	432,525,600

4 Auditors' Remuneration

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
	(₹)	(₹)
Audit Fees	400,000	400,000
Tax Audit Fees	350,000	250,000
Other Matters	680,000	465,000
Out of pocket expenses	14,143	1,510
Service Tax	80,340	58,355
	1,524,483	1,174,865
Less: Service Tax set off claimed	80,340	58,355
	1,444,143	1,116,510

5 The primary mandate of the Company is to conceive, develop, execute and manage infrastructure projects in India. All other activities revolve around the main business. The Company does not have any geographical segments. As such, there are no separate reportable segments as per Accounting Standard 17 on 'Segment Reporting' as notified by the Companies (Accounting Standards) Rules, 2006.

6 As per the Accounting Standard 18 on 'Related Party Disclosures' as notified by the Companies (Accounting Standards) Rules, 2006, the related parties of the Company are as follows:

(a) Relationships:

I. HOLDING COMPANY:

Infrastructure Development Finance Company Limited

II. SUBSIDIARY COMPANY:

Dheeru Powergen Limited (Erstwhile Dheeru Powergen Private Limited)

Jetpur Somnath Tollways Limited (with effect from January 28, 2011)

Jetpur Somnath Highway Limited (Erstwhile IDFC Capital Company Limited)

(with effect from November 15, 2010)

III. FELLOW SUBSIDIARY (WITH WHOM THERE ARE TRANSACTIONS):

Uniquet Infra Ventures Private Limited

IV. KEY MANAGEMENT PERSONNEL:

Mr. V. Narayanan – Manager

(b) The nature and volume of transactions carried out with the above related parties in the ordinary course of business are as follows:

NAME OF THE RELATED PARTY	PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
		(₹)	(₹)
Infrastructure Development Finance Company Limited	Shared Service Cost	18,384,804	-
	Bank Guarantee Commission charges	9,708,953	4,103,677
	Subscription towards Equity Share Capital	-	250,000,000
	Purchase of Investments	500,000	-
	Advance Taken (Net of Repayments)	318,534,987	-
	Sundry Creditors – Balance Outstanding	460,965,515	116,538,500
Dheeru Powergen Limited	Bank Guarantee commission charged	34,866,990	6,730,368
	Upfront Fees charged	5,088,709	2,029,480
	Interest charged	-	1,345,682
	Loan Given and Repaid	-	30,000,000
	Subscription towards Equity Share Capital	-	90,642,300
	Subscription towards Preference Share Capital	-	7,851,600
	Bonds application money	195,000,000	800
	Subscription towards Bonds	55,000,800	181,505,300
	Sundry Debtors – Balance Outstanding	35,960,129	9,119,778
Advances Recoverable – Balance Outstanding	-	14,812,404	
Jetpur Somnath Tollways Limited	Subscription towards Equity Share Capital	740,000	-
	Advances Recoverable – Balance Outstanding	4,481,579	-
Jetpur Somnath Highway Limited	Subscription towards Equity Share Capital	240,000	-
Uniquet Infra Ventures Private Limited	Advances Recoverable – Balance Outstanding	191,363	-
Mr. V. Narayanan	Remuneration	-	-

7 Earnings Per Share

In accordance with the Accounting Standard 20 on “Earnings Per Share” as notified under the Companies (Accounting Standards) Rules, 2006, the Earning Per Share has been computed as under:

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
(a) Loss after taxation (₹)	(71,783,428)	(83,798,069)
(b) Weighted average number of equity shares (Nos.)	34,050,000	12,639,041
(c) Earnings Per Share (₹) (a)/(b) (Basic and Diluted)	(2.11)	(6.63)

8 In accordance with Accounting Standard 15 on “Employee Benefits” as notified by the Companies (Accounting Standards) Rules, 2006 the following disclosures have been made:

I. The Company has recognised the following amounts in the Profit and Loss Account towards contribution to defined contribution plans which are included under Contribution to Provident and Other Funds:

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
	(₹)	(₹)
Provident Fund	1,459,314	1,408,644
Superannuation Fund	278,603	955,334

II. The details of the Company's unfunded employee benefit plan for gratuity for its employees are given below which is as certified by the actuary and relied upon by the auditors:

PARTICULARS	CURRENT YEAR (₹)	PREVIOUS YEAR (₹)
CHANGE IN THE DEFINED BENEFIT OBLIGATIONS:		
Liability at the beginning of the year	1,795,308	1,369,526
Current Service Cost	679,579	990,846
Interest Cost	172,111	158,636
Benefits Paid	(306,589)	(238,724)
Actuarial Losses/(Gain)	486,991	(484,976)
Liability at the end of the year	2,827,400	1,795,308
AMOUNT RECOGNISED IN THE BALANCE SHEET:		
Liability at the end of the year	2,827,400	1,795,308
Amount recognised in the Balance Sheet under "Provision for Employee Benefits"	2,827,400	1,795,308
EXPENSE RECOGNISED IN THE PROFIT AND LOSS ACCOUNT:		
Current Service Cost	679,579	990,846
Interest Cost	172,111	158,636
Net Actuarial Losses/(Gain) to be recognised	486,991	(484,976)
Expense recognised in the Profit and Loss Account under staff expenses	1,338,681	664,506
RECONCILIATION OF THE LIABILITY RECOGNISED IN THE BALANCE SHEET:		
Opening Net Liability	1,795,308	1,369,526
Expense recognised	1,338,681	664,506
Contribution by the Company	(306,589)	(238,724)
Amount recognised in the Balance Sheet under "Provision for Employee Benefits"	2,827,400	1,795,308
Expected Employer's Contribution Next Year	1,743,580	700,126
EXPERIENCE ADJUSTMENTS:		
Defined Benefit Obligation	2,827,400	1,795,308
PRINCIPAL ASSUMPTIONS:		
	%	%
Discount Rate	8.30	8.10
Salary Escalation Rate (p.a.)	8.00	8.00

The estimate of future salary increase, considered in the actuarial valuation takes account of inflation, seniority, promotion and other relevant factors.

9 In accordance with the Accounting Standard 19 on 'Leases' as notified by the Companies (Accounting Standards) Rules, 2006, the following disclosure in respect of Operating Leases is made:

The Company has taken vehicle for an employee under Operating Lease, which expires by July 2012 (Previous Year August 2009 to October 2012). The committed lease rentals in the future are:

PARTICULARS	CURRENT YEAR (₹)	PREVIOUS YEAR (₹)
Not later than one year	607,068	875,004
Later than one year and not later than five years	202,356	1,227,894

10 Expenditure incurred in foreign currency:

PARTICULARS	CURRENT YEAR (₹)	PREVIOUS YEAR (₹)
Foreign Travel	435,646	330,674

11 No interest has been paid/payable by the Company during the year to the "suppliers" covered under the Micro Small and Medium Enterprises Development Act, 2006. The above information takes into account only those suppliers who have responded to inquiries made by the Company for this purpose.

12 The figures for the previous year have been regrouped/rearranged wherever necessary.

FOR AND ON BEHALF OF THE BOARD

SUNIL KAKAR
Director

VIKRAM LIMAYE
Director

V. NARAYANAN
Company Secretary & Manager

Mumbai | April 25, 2011

I. REGISTRATION DETAILS

Registration No. U 4 5 2 0 3 M H 2 0 0 7 P L C 1 7 6 6 4 0
 State Code 1 1
 Balance Sheet Date 3 1 0 3 2 0 1 1

II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN ₹ '000)

Public Issue	Right Issue
N I L	N I L
Bonus Issue	Stock Options
N I L	N I L
Qualified Institutional Placement - Equity	Qualified Institutional Placement - Preference
N I L	N I L

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN ₹ '000)

SOURCES OF FUNDS	Total Liabilities	Total Assets
	5 8 0 9 6 3	5 8 0 9 6 3
	Paid-up Capital	Reserves and Surplus
	3 4 0 5 0 0	N I L
APPLICATION OF FUNDS	Secured Loans	Unsecured Loans
	N I L	N I L
	Net Fixed Assets	Investments
	6 9 5	3 3 6 4 8 0
	Infrastructure Loans	Net Current Assets
	N I L	N I L
	Deferred Tax Asset	Miscellaneous Expenditure
	N I L	N I L

IV. PERFORMANCE OF THE COMPANY (AMOUNT IN ₹ '000)

Total Income	Total Expenditure
3 6 2 5 6	1 0 7 9 8 5
Profit Before Tax	Profit After Tax
(7 1 7 2 9)	(7 1 7 8 3)
Earnings per Share (in ₹)	Dividend %
(2 . 1 1)	N I L

V. GENERIC NAMES OF PRINCIPAL SERVICES OF THE COMPANY (AS PER MONETARY TERMS)

Item Code No. (ITC Code) N I L
 Product Description I N F R A S T R U C T U R E D E V E L O P M E N T
 A N D F I N A N C I N G

NAME OF SUBSIDIARY COMPANY	DHEERU POWERGEN PRIVATE LIMITED	JETPUR SOMNATH TOLLWAYS LIMITED	JETPUR SOMNATH HIGHWAY LIMITED
1. Financial year of the Subsidiary Companies ended on	March 31, 2011	March 31, 2011	March 31, 2011
2. Equity Shares of ₹10 each			
a) Number of Shares	5,100	74,000	74,000
b) Extent of Holding	51%	74%	74%
3. The Net aggregate of profits of the Subsidiary Company so far as these concern members of IDFC Projects Limited			
i. For the Financial Year of the Subsidiary			
a) Dealt with in the accounts of the Holding Company	Nil	Nil	Nil
b) Not dealt with in the accounts of the Holding Company	Nil	Nil	Nil
ii. For the previous financial years of the Subsidiary since it became the Holding Company's Subsidiary			
a) Dealt with in the accounts of the Holding Company	Nil	Nil	Nil
b) Not dealt with in the accounts of the Holding Company	Nil	Nil	Nil

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

SUNIL KAKAR
Director

VIKRAM LIMAYE
Director