Noida Toll Bridge Co. Ltd.

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Noida Toll Bridge Co. Ltd.

BOARD OF DIRECTORS

Gopi K Arora
Chairman

R K Bhargava

Piyush Mankad

Arun K Saha

K Ramchand
(Alternate Ravi Parthasarathy)

Deepak Premnarayen

Pradeep Puri
President & CEO

Monisha Macedo
Company Secretary

Audit Committee

Gopi K Arora
Chairman

R K Bhargava
Arun K Saha

Monisha Macedo
Company Secretary

HRD Committee

Gopi K Arora
Chairman

K Ramchand
(Alternate Ravi Parthasarathy)
Arun K Saha

Investor Grievance Committee

R K Bhargava
Chairman

Gopi K Arora
Piyush Mankad

Regd office: Noida Toll Bridge Company Limited, Toll Plaza, DND Flyway, Noida–201 301. U.P.
Tel : (0120) 2516495, 2516493, 2516456, 2516438 Fax : (0120) 2516440

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Eleventh Annual Report together with the Audited Accounts for the year ended March 31, 2007.

FINANCIAL HIGHLIGHTS:

(Rs. in Million)

	Year ended 31.3.2007	Year ended 31.3.2006
Income from Operations	471.11	390.74
Other Income	20.06	16.00
Operating & Administration Expenses	108.66	118.60
Miscellaneous Expenditure written off	12.43	25.40
Profit before Interest & Depreciation	370.08	262.74
Interest & Finance charges	180.66	232.54
Depreciation	78.01	3.34
Provision for Tax/FBT	0.80	0.78
Net Profit/(Loss) carried to Balance Sheet	110.61	26.08

The Profit before Interest and Depreciation has increased by more than 40% over the previous year, mainly due to an increase in the average daily traffic and toll collection by 13% and 20% respectively.

The work on the Mayur Vihar Link Road Project commenced in July 2006, after obtaining necessary approvals. Expenses directly attributable to the project have been capitalised. The expenses include proportionate staff cost and other expenses of employees directly related to the project and finance charges on the unsecured loan obtained specifically for the project.

The three year moratorium from charging depreciation, which was granted by the Ministry of Corporate Affairs, Government of India, expired in FY 2005-06. Depreciation on the Bridge and other assets has hence been provided for during the current year, under the straight line method.

There has been a substantial reduction in Interest and Finance Charges during the year, consequent upon prepayment of debt from the proceeds of the Global Depositary Receipts (GDR) issue.

As per the Concession Agreement which the Company has entered into with New Okhla Industrial Development Authority (NOIDA) and Infrastructure Leasing & Financial Services Limited (IL&FS), the Company would be entitled to a designated rate of return of 20% on the Project Cost during the Concession Period. The Independent Auditor has determined accrued return as designated under the Concession Agreement and due to the Company till March 31, 2007. The total amount to be recovered up to March 31, 2007, aggregates to Rs. 11091.17 million.

PREPAYMENT OF DEBT:

As per the terms of the debt restructuring approved by the Corporate Debt Restructuring Empowered Group of Banks and Financial Institutions (CDR), the Company was required to repay the second instalment of term loans of Rs. 50.15 crores to Banks and Financial Institutions on March 31, 2006, which was repaid out of the proceeds of the GDR. The Company has utilised the balance proceeds of the GDR to prepay Senior Lenders in April & May 2006, as approved by the CDR. As stipulated by the CDR, 1% of the prepaid loan amount has been recognized as prepayment charges.

SCHEME OF ARRANGEMENT:

The Board of Directors of the Company had approved a Scheme of Arrangement (Under Sections 391- 394 of the Companies Act, 1956) which included an amalgamation with the Company's wholly owned subsidiary, DND Flyway Limited.

The Honourable High Courts of Allahabad and Delhi, vide their orders dated February 27, 2007 and May 21, 2007, respectively, approved the Scheme of Arrangement. The Scheme has become effective on June 21, 2007 with effect from the Appointed Date i.e. July 1, 2006. Consequently, DND Flyway Ltd. has been amalgamated with the Company.

In the Scheme approved by the shareholders, the Company has proposed adjustments of accumulated losses and provisioning of certain financing expenses out of Reserves & Surplus. DND Flyway Limited had no liabilities other than with it's holding company. The proposed adjustments will be given effect to in the next financial year.

DIVIDEND:

The Directors do not recommend any dividend for the year.

OPERATIONS:

The traffic has shown a positive growth rate of around 13% p.a. during 2006-07, over the previous year. The Average Daily Traffic (ADT) during the year was 68,652 vehicles as against 60,840 vehicles in the previous year. On October 19, 2006, the facility witnessed the highest traffic so far, 90,278 vehicles. The highest growth rate in traffic during the last 3 years was achieved in March 2007 when the ADT was 75,461 as against 62,504 during March 2006, registering a growth of 21%. In order to cater to the fast pace of growth in traffic, the Company is taking steps to upgrade the tolling technology and increase the number of toll lanes.

The Average Toll Revenue/Day has increased from Rs. 0.90 million in FY 2005-06 to Rs. 1.08 million in FY 2006-07, showing an increase of 20%.

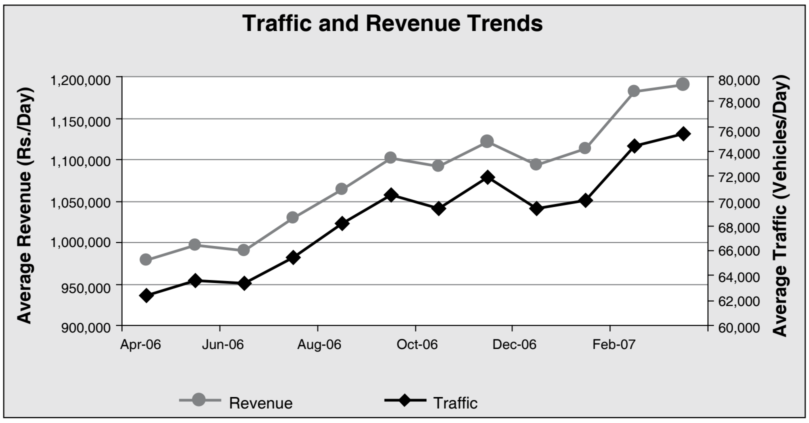
Traffic and Toll Revenue on DND Flyway (April 2006 - March 2007)

Month	Buses/ Trucks	Two-Wheelers	Cars	Total Vehicles	Traffic Growth*	Revenue (Rs.)	Revenue Growth*
Apr-06	1,193	17,009	44,235	**62,437**	9%	978,389	17%
May-06	1,242	17,359	44,992	**63,593**	12%	997,499	20%
Jun-06	1,252	17,726	44,377	**63,355**	13%	990,758	21%
Jul-06	1,235	17,515	46,695	**65,444**	11%	1,029,299	19%
Aug-06	1,258	19,025	47,861	**68,144**	13%	1,064,005	21%
Sep-06	1,390	19,947	49,207	**70,543**	12%	1,101,348	20%
Oct-06	1,361	18,730	49,306	**69,397**	9%	1,092,136	18%
Nov-06	1,326	20,088	50,466	**71,880**	15%	1,121,460	22%
Dec-06	1,293	18,248	49,838	**69,379**	10%	1,093,789	18%
Jan-07	1,270	17,367	51,467	**70,104**	15%	1,113,566	23%
Feb-07	1,399	18,626	54,416	**74,441**	14%	1,181,596	15%
Mar-07	1,418	19,721	54,323	**75,461**	21%	1,190,335	21%
Total/Average	**1,302**	**18,443**	**48,907**	**68,652**	**13%**	**1,079,021**	**20%**

*over the corresponding period in the previous year.

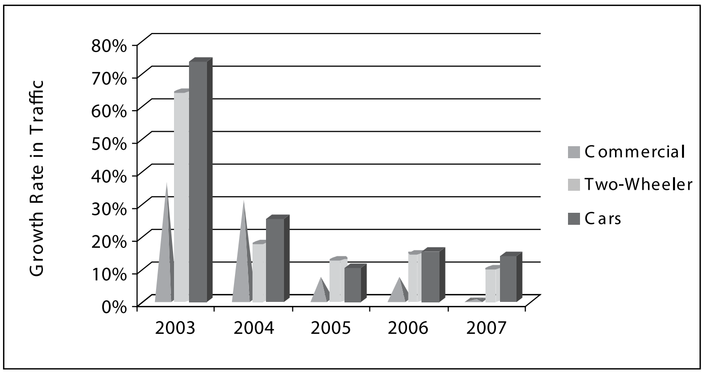
The traffic and revenue growth is depicted in Chart 1 below:

Chart 1



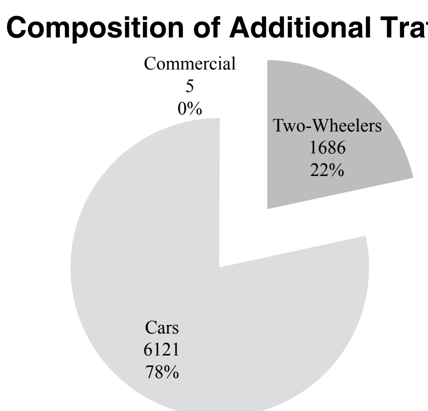
As in the previous years, the traffic mainly comprised of cars (71%) and two wheelers (27%). The growth in car traffic was 14% as compared to 10% in the two wheeler category, whereas the average daily commercial traffic remained virtually constant.

Chart 2-1



The Annual Average Daily Traffic (AADT) has increased by 7,812 vehicles (13%) between FY 2005-2006 and FY 2006-2007. The growth in AADT has been provided by various categories as shown below:

Chart 2-2



NEW LINK:

The Company started the implementation of the Mayur Vihar Link Road project in June 2006, after receiving all approvals and allotment of land. Phase-I of the project has been completed and the 'DND to Mayur Vihar' direction has been opened to traffic. The 'Mayur Vihar to DND' section is expected to be completed during this quarter of the Financial Year.

The link would result in further saving in travel time and distance, inducing Mayur Vihar residents to use the DND Flyway as their preferred route to South Delhi. The initial traffic on the Mayur Vihar Link is expected to be approximately 10,000 vehicles per day, once both phases are completed.

OPERATIONS & MAINTENANCE (O&M) OF THE PROJECT:

The Company had appointed Intertoll Management Services BV (Intertoll) of South Africa, as the O&M Operators in 1998. Subsequently, Intertoll created a 100% subsidiary by the name of Intertoll India Consultants Pvt. Ltd. (Intertoll India) to carry out the O&M services for the project. In February 2006, the Company renegotiated the O&M fee rates with Intertoll India, since the original fee structure was likely to be much higher in the coming years. The new agreement provided for a review of the fee rates anytime after a period of one year. Accordingly, Intertoll India presented a fresh fee proposal for years 2007 to 2012. The proposed fee rates were much higher than the existing rates and the internal estimates of the Company. The Board of Directors decided not to accept the fee proposal of Intertoll India and to manage the O&M operations through a joint venture with M/s IL&FS Transportation Networks Ltd., who have significant experience in the O&M of toll road projects. M/s ITNL Toll Management Services Ltd. has been incorporated as a subsidiary of the Company with the objective of carrying out O&M services for DND Flyway and other similar ventures on a pan-India basis.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

A Management Discussion & Analysis Report is attached to this report.

SHARE CAPITAL:

The issued, subscribed and paid-up Equity Share Capital of the Company on March 31, 2007, was Rs. 186,19,50,020/-.

SUBSIDIARIES:

The Audited Accounts of the Company's subsidiary, DND Flyway Ltd., as well as the Consolidated Financial Statements of the Company along with its subsidiary are attached. It may be noted that on June 21, 2007 (the date of filing the Delhi High Court Order with the Registrar of Companies), the Scheme of Arrangement u/s 391-394 became effective from the Appointed Date i.e. July 1, 2006. Consequently, DND Flyway Ltd. has been amalgamated with the Company and no Annual General Meeting has been convened and hence the Accounts as approved by the Board of Directors of DND Flyway Ltd. are attached without any Directors' Report and without being adopted by the shareholders of DND Flyway Ltd.

The Company has floated a new Company, M/s ITNL Toll Management Services Limited with an initial capital of Rs. 5 lacs, jointly with M/s IL&FS Transportation Networks Limited. This Company has been incorporated on June 22, 2007.

The Company has not made any loans and advances in the nature of loans, to its subsidiary, or companies in which its Directors are interested.

DIRECTORS:

Mr. Hari Sankaran was one of the first Directors of the Company, nominated on the Board of Directors by the Promoter, Infrastructure Leasing & Financial Services Limited. Due to his other commitments, Mr. Sankaran has resigned from the Board on August 22, 2006.

Mr. Ravi Parthasarathy was one of the first Directors of the Company, nominated on the Board of Directors by the Promoter, Infrastructure Leasing & Financial Services Limited. Due to his other commitments, Mr. Ravi Parthasarathy also resigned from the Board on July 19, 2006. Mr. Ravi Parthasarathy was, however, appointed as an Alternate to Mr. Karunakaran Ramchand with effect from July 19, 2006 and re-appointed as an Alternate to him on October 26, 2006.

Mr. P.T. Thomas was appointed as a non-retiring Nominee Director representing Industrial Development Bank of India with effect from August 17, 2005. Due to withdrawal of his nomination by IDBI, his resignation was taken on record by the Board of Directors with effect from March 6, 2007.

Mr. Sanjiv Saran, CEO, NOIDA, was appointed as a Nominee Director, in his ex-officio capacity, representing New Okhla Industrial Development Authority with effect from April 30, 2007. Due to a change in his portfolio, his resignation was taken on record by the Board of Directors at their Meeting held on July 17, 2007.

Mr. Deepak Premnarayen was appointed as an Additional Director at the Meeting of the Board of Directors held on October 26, 2006 and vacates office at the forthcoming Annual General Meeting of the Company. The Company has received a proposal from a Member of the Company under Section 257 of the Companies Act, 1956, for the appointment of Mr. Deepak Premnarayen as Director.

In accordance with the requirements of the Companies Act, 1956, one third of the Directors are liable to retire by rotation. Accordingly, Mr. R.K. Bhargava and Mr. Piyush Mankad, Directors, are due to retire by rotation at this Eleventh Annual General Meeting and, being eligible, have offered themselves for re-appointment.

None of the Directors of the Company are disqualified from being appointed as Directors as specified under Section 274 of the Companies Act, 1956.

FIXED DEPOSITS:

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

EMPLOYEES STOCK OPTION PLANS:

The Company has two employee stock option schemes, viz. ESOP-2004 and ESOP-2005. During the year, the Company has not granted any stock options. 1,00,000 Equity Shares of Rs. 10 each arising as a result of exercise of 1,00,000 stock options were allotted during the year under ESOP 2004 and the money realised due to the exercise of these stock options was Rs. 10,00,000. The earning per share was not affected by the issue of shares on exercise of these options.

Till date, no options have been granted under ESOP 2005. Under ESOP 2004, the options were granted as per the pricing formula approved by the shareholders as reproduced below:

The average of weekly highs and lows in the six months preceding the month of Grant. The average of such averages for all weeks in such period of six months shall be the Exercise Price. In case the price calculated on this basis falls below par it will be deemed to be at par for such purpose.

The price mentioned above shall be the price on the stock exchange on which the shares of the Company are listed. If the shares are listed on more than one stock exchange, but quoted only on one stock exchange on the given date, then the price on that stock exchange should be considered. If the share price is quoted on more than one stock exchange, then the stock exchange where there is highest trading volume on that date should be considered. If share price is not quoted on the given date, then the share price on the next trading day should be considered.

LISTING:

The Company’s Equity Shares aggregating to Rs. 186,19,50,020/- are listed on The Bombay Stock Exchange Ltd. and the National Stock Exchange of India Ltd.

10,815 Secured Deep Discount Bonds are listed on The Bombay Stock Exchange Ltd., the National Stock Exchange of India Ltd. and the UP Stock Exchange Association Ltd.

Pursuant to the Company's Issue of Global Depositary Receipts (GDR), the GDRs are listed on the AIM segment of the London Stock Exchange plc. since March / April 2006.

The Annual Listing Fees for Financial Year 2007-2008 have been paid to the aforementioned Stock Exchanges.

INTERNATIONAL FINANCIAL REPORTING STANDARD (IFRS):

Pursuant to listing on the Alternative Investment Market (AIM) segment of the London Stock Exchange, the Company is required to prepare and submit annual and semi-annual financial statements under IFRS, to AIM.

A reconciliation of Equity and Income statements under Indian GAAP and IFRS as on March 31, 2007, and the IFRS results (as well as annual audited financials prepared under Indian GAAP) will be available on the Company's website i.e. www.ntbcl.com by September 2007.

PARTICULARS OF EMPLOYEES:

Four employees employed throughout the year were in receipt of remuneration of Rs. 24 lacs or more per annum. In accordance with the provisions of Section 217 of the Companies Act, 1956 and the rules framed thereunder, the names and other particulars of the employees is set out in the Annexure to the Directors' Report. In terms of the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Directors' Report is being sent to all the shareholders of the Company excluding the Annexure. Any shareholder interested in obtaining a copy of the said Annexure may write to the Company Secretary at the Registered Office of the Company.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Company does not own any manufacturing facilities. It however, consumes a substantial amount of electricity for street lighting. In order to ascertain the scope for energy conservation and whether the operating practices of the O&M Operator are technically sound, the Company appointed M/s Dynaspede Integrated Systems Pvt. Ltd, Bangalore, for carrying out an energy audit on the project.

The highlights of the Energy Audit Report are as under :

1) The operating practices are satisfactory although there is scope for certain improvements.
2) 18 nos. Power Conditioner Cum Power Saver Devices be installed at a total cost of Rs. 2.3 million. This will result in saving on electricity consumption to the extent of Rs. 6.5 lacs p.a.
3) Explore installation of Solar Panels for outdoor advertisement panels.

The Company is in the process of implementing the recommendations of the report.

FOREIGN EXCHANGE EARNINGS & OUTGO:

The Company has not earned any foreign exchange during the year.

The Company had the following foreign exchange outgo:-

	As at March 31, 2007 (Rs)	As at March 31, 2006 (Rs)
Travel	1,014,314	1,125,567
Inventories at CIF Value	1,252,346	729,891
Consultancy/Legal Fee	5,629,859	NIL
Advances for Equipment	10,328,662	NIL

CORPORATE GOVERNANCE:

A report on Corporate Governance pursuant to the provisions of Clause 49 of the Listing Agreement is annexed to this report.

DIRECTORS' RESPONSIBILITY STATEMENT:

Section 217(2AA) of the Companies Act, 1956, requires the Board of Directors to provide a statement to the members of the Company in connection with maintenance of books, records, preparation of annual accounts, in conformity with the accepted Accounting Standards and past practices followed by the Company. Pursuant to the foregoing, and on the basis of a representation received from the operating management, and after due enquiry, it is confirmed that:

1. In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed alongwith proper explanation relating to material departures.

2. The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.

3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

4. The Directors have prepared the Annual Accounts on a going concern basis.

STATUTORY AUDITORS:

M/s Luthra & Luthra, Chartered Accountants, the Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and have expressed their willingness to continue as Auditors, if re-appointed.

DIVIDEND POLICY:

The Company has not declared any dividends since incorporation. Dividends when declared, will be subject to approval of the shareholders at the Annual General Meeting of the Company and based on the recommendation of the Board of Directors of the Company. The Board may also declare interim dividends.

The Directors intend to recommend the commencement of payment of dividends when the profitability of the Company is established. The Directors intend that the Company should target the payment of a dividend for the year ending March 31, 2008, subject to the Company operating satisfactorily and so long as the Company is under the debt restructuring scheme approved by the CDR Empowered Group of Banks & FIs (CDR), with the prior consent of the CDR.

Generally, the factors which may be considered by the Board before making any recommendations for dividend may include, but are not limited to, future capital expenditure plans, profits earned during the financial year, cost of raising funds from alternate sources, cash flow position and applicable taxes including tax on dividend. The Directors anticipate that on commencement of payment of dividends, a relatively low level of dividend payment, relative to profits, will be appropriate initially, but that keeping in mind the foregoing, they would pursue a policy of aiming to progressively increase the proportion of profits distributed to shareholders by way of dividend.

ACKNOWLEDGEMENTS

The Board of Directors place on record their appreciation for the continued support extended to them by the various Government authorities, Banks, Financial Institutions and Shareholders of the Company.

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

By order of the Board

For NOIDA TOLL BRIDGE COMPANY LIMITED

Mr. Gopi Arora
Chairman

Noida
Uttar Pradesh

Date: July 17, 2007

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Development / Competition and Threats

India has 3.3 million km of roads which makes it the second largest road network in the world. However, less than half of this road network is paved. The road network carries 65% of the total freight traffic and 80% of the total passenger traffic in India. The national highways constitute barely 2% of this road network but carry 40% of the total road traffic. There are only 200 km of expressways in the country. The Government of India as well as many State Governments are laying great emphasis on development of the road network and have drawn up ambitious plans which require the private sector to play a key role in the fulfillment of these plans.

The emerging scenario is resulting in a significant amount of business opportunities in the areas of BOT concessions, O&M of roads and toll automation consultancy. The Company by virtue of being one of the first toll road/bridge projects implemented on a BOT basis in the country and having acquired an international reputation for high quality of services and deployment of state-of-art technology, is ideally positioned to take advantage of opportunities available in the sector.

DND Flyway, as such, continues to compete with the two free bridges which cross the Yamuna River in the same influence area as the Delhi Noida Toll Bridge, namely Nizamuddin Bridge and Okhla Bridge. However, both these bridges are close to saturation point, particularly, during peak hours. The maximum capacity of the Delhi Noida Bridge is 220,000 vehicles per day. The traffic on the bridge has grown from approximately 17,000 vehicles per day in March 2001 to more than 75,000 vehicles per day in March 2007. The trend in traffic growth is encouraging and is likely to continue with the rapid development of recreational, commercial and residential spaces in the catchment area. As a consequence of the commissioning of the Mayur Vihar Link, the catchment area of DND Flyway has been extended to cover the East Delhi colonies of Mayur Vihar, Vasundhra Enclave, Patparganj etc.

The Delhi Metro Rail Corporation is in the process of extending the Connaught Place to Anand Vihar ISBT line to Noida. The line is scheduled to open in 2010 and will largely cater to commuters travelling between Noida and Central Delhi. The extension of the Metro line to Noida is unlikely to significantly impact the traffic on Delhi Noida Bridge as the major impact of the Metro line will be to reduce the number of commuters using other forms of public transport such as buses.

Risks and Concerns

The Concession Agreement provides for traffic risk mitigation measures by allowing for New Okhla Industrial Development Authority (NOIDA) to grant Development Rights. The Company has, in its possession, land around the DND Flyway both in Noida and Delhi, which will be developed in phases, subject to grant of Development Rights by NOIDA/Govt. of UP/ Govt. of Delhi, which are under process. The denial of Development Rights or conditional grant of the same will also pose a financial threat to the Company.

Segment-wise and Product-wise Performance

The Company had carried out a traffic forecast validation study through M/s Halcrow Consulting India Ltd. in March, 2006. Comparison of traffic for the period April 1, 2006 to March 31, 2007 is given based on the revised projections.

Class	2-Wheelers	Cars	Trucks/Buses	Total
Projected	19,662	49,192	1,518	70,372
Actual	18,446	48,876	1,302	68,652
Achievement	94%	99%	86%	98%

Outlook

The outlook for growth in traffic on the Delhi Noida Bridge is positive. Traffic levels on the Delhi Noida Bridge are expected to increase as Noida and Greater Noida experience development and population growth. In their review, Halcrow Consulting estimate that by 2021 the population of Noida and Greater Noida areas will increase by 2 million and the daily vehicle trips on the Delhi Noida Bridge will increase to 200,504.

Pursuant to the restructuring of the Deep Discount Bonds and repayment of term loans out of the proceeds of the GDR issue, the interest and finance charges have reduced substantially in the Financial Year 2006-07.

The Mayur Vihar Link is expected to be fully commissioned by the second quarter of Financial Year 2007-08 and traffic from the link will be fully realised in the Financial Year 2008-09.

Internal Control System and its Adequacy

The Company has a well-defined Internal Control System for all areas of operation, under the supervision of the HRD Committee, Audit Committee, Investor Grievance Committee and Marketing Committee of Directors.

The Toll Collection and Management System has inbuilt self audit capabilities. The Company has independently conducted both system and financial audits on the toll operations.

The Company has adequate internal control systems to monitor business and operational performance, which are aimed at ensuring business integrity and promoting operational efficiency. The Company has appointed M/s. Patel & Deodhar, Chartered Accountants as Internal Auditors to ensure that the Company's systems and practices are designed with adequate internal controls to match the size and nature of operations of the Company.

The Internal Auditors conduct a periodic audit and review covering all areas of operations, based on an audit programme. The reports of the auditors along-with the Management's response are placed before the Audit Committee for discussion and further action. The Audit Committee also reviews the Annual Accounts of the Company before they are submitted to the Board for their approval and adoption.

Financial and Operational Performance

The year 2005-06 was a landmark year in the history of the Company as this was the first year in which the Company has recorded profit since the commencement of it's operation in February 7, 2001. The increasing trend in profitability has been maintained during Financial Year 2006-07 despite an increase of depreciation charge by Rs. 75 million as compared to the previous year.

The Company has shown all round improvement in performance during the year. The financial and operational performance as compared to the earlier year is as shown below:

	Year ended 31.3.2007	Year ended 31.3.2006	Change
Toll Income (Rs./Mn)	395.88	330.75	19.7%
Advertisement & Other Income (Rs./Mn)	95.30	76.00	25.3%
Average Daily Traffic (Nos.)	68,652	60,840	12.8%
Average toll realisation per vehicle (Rs.)	15.72	14.83	6%

The traffic growth on DND Flyway has been impressive – from 60,840 vehicle/day in 2005-06 to 68,652 vehicle/day during 2006-07 i.e. an increase of 13%. The buoyancy in traffic is expected to continue.

Human Resources

The Company has a lean organization with a staff strength of 15. Qualified personnel reporting to the President & CEO, head the key functions such as Finance, Secretarial, Marketing and Operations.

Cautionary Statement

Certain statements in the Management Discussion and Analysis Report describing the Company's objectives, estimates and expectations or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors, which could make a difference to the Company's operations include traffic, government concessions, network improvements, changes in government regulations and other incidental factors over which the Company does not have any direct control.

REPORT ON CORPORATE GOVERNANCE

(1) Corporate Governance

The Company has always maintained that efforts to institutionalize corporate governance practices cannot solely rest upon adherence to a regulatory framework. An organization's business practices, reflected in the values, personal beliefs and actions of its employees, determine the quality of corporate governance.

The Board of Directors fully support and endorse corporate governance practices as provided in the listing agreements. The Company has complied with the said provisions and listed below is the Report of Directors of Noida Toll Bridge Company Limited on Corporate Governance.

(2) Board of Directors

(i) Composition of the Board

The Board of Directors comprises of six Directors and one Alternate Director. All the Directors on the Board are non-executive. The Board comprises of three Independent Directors (including the Chairman) and three Nominee Directors who bring a wide range of skills and experience to the Board.

The composition of the Board of Directors as on March 31, 2007, is as given below:

Sl. No.	Name	Executive/ Non-Executive	Independent/Promoter/ Nominee	Representing/Nominee
1.	Mr. Gopi Arora, Chairman	Non-Executive	Independent	-
2.	Mr. R K Bhargava	Non-Executive	Independent	-
3.	Mr. Piyush G Mankad	Non-Executive	Independent	-
4.	Mr. Arun K Saha	Non-Executive	Promoter/Nominee Director	IL&FS - Transportation Networks Limited
5.	Mr. K. Ramchand (Alternate Director: Mr. Ravi Parthasarathy)	Non-Executive	Promoter/Nominee Director	IL&FS - Transportation Networks Limited
6.	Mr. Deepak Premnarayen	Non-Executive	Nominee Director	Intertoll Management Services BV - O&M Operator

Note :

The composition of the Board is in conformity with the Listing Agreement.

(ii) Directorships / Committee Memberships / Committee Chairmanships

Details of the Directorships and Committee Memberships/Chairmanships on Committees of public companies (including Noida Toll Bridge Company Limited), held by all the Directors on the Board as specified in their annual disclosures submitted to the Company, are as provided below:

Sl. No.	Board of Directors	No. of Directorships	No. of Memberships of Committees*	No. of Chairmanships of Committees
1.	Mr. Gopi Arora (Chairman)	15	7	1
2.	Mr. R K Bhargava	8	6	3
3.	Mr. Piyush G Mankad	10	8	2
4.	Mr. Arun K Saha	15	10	5
5.	Mr. K Ramchand	14	3	-
6.	Mr. Ravi Parthasarathy	14	-	-
7.	Mr. Deepak Premnarayen	1	-	-

* Memberships in committees includes the Chairmanships.

Notes :

(a) For the purpose of considering the total number of Directorships, all public limited companies, whether listed or not, have been considered. Private limited companies, foreign companies and companies under Section 25 of the Companies Act, 1956, however, have not been included. Further, only the Audit Committee and the Shareholders'/Investor Grievance Committee have been considered for calculating the total number of Committee memberships/Chairmanships held by a Director.

(b) Directorships do not include Alternate Directorships.

(iii) Meetings Held

Four meetings of the Board of Directors were held in the Financial Year 2006-2007 on the following dates:-

1. May 1, 2006
2. July 19, 2006
3. October 26, 2006
4. January 23, 2007

Information specified under Annexure 1A of Clause 49 of the Listing Agreement has been placed before the Board of Directors at the aforesaid meetings. The Board was presented with a report on compliances with various statutes and applicable laws every quarter.

(iv) Attendance

Attendance of each Director at the Meetings of the Board of Directors held during the Financial Year 2006-2007 (April 1, 2006 to March 31, 2007) and at the last Annual General Meeting (AGM):

Sl. No.	Board of Directors	No. of Board Meetings held during the tenure	No. of Board Meetings attended	Attendance at the last AGM held on September 27, 2006
1.	Mr. Gopi K Arora (Chairman)	4	4	✓
2.	Mr. R K Bhargava	4	3	–
3.	Mr. Piyush Mankad	4	3	–
4.	Mr. P.T. Thomas*	4	3	–
5.	Mr. Ravi Parthasarathy*	1	1	–
6.	Mr. Hari Sankaran*	2	2	–
7.	Mr. K Ramchand (Alternate Director: Mr. Ravi Parthasarathy)	4	– 3	– –
8.	Mr. Arun K Saha	4	3	–
9.	Mr. Deepak Premnarayen*	4	2	Not Applicable

Notes :

The following changes took place in the Board of Directors during the year:
*Resignations/Appointments during the year:

- Mr. P.T. Thomas resigned with effect from March 6, 2007.
- Mr. Ravi Parthasarathy resigned as a Director with effect from July 19, 2006 and was appointed as Alternate Director to Mr. K. Ramchand at the same meeting.
- Mr. Hari Sankaran resigned with effect from August 22, 2006.
- Mr. Deepak Premnarayen's tenure lapsed at the Annual General Meeting held on September 27, 2006 and he was appointed as an Additional Director with effect from October 26, 2006.

(3) Audit Committee

(i) The Audit Committee of the Company is constituted in accordance with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges read with Section 292A of the Companies Act, 1956.

(ii) The Company Secretary of the Company acts as the Secretary to the Committee.

(iii) The terms of reference of the Audit Committee are as given under Clause 49 of the Listing Agreement of the Stock Exchanges and inter alias includes:

- Overseeing the Company's financial position and disclosure of financial information to ensure that the financial statements are correct.
- Reviewing with Management the quarterly financial statements before submission to the Board of Directors for approval.
- Reviewing the Company's internal audit reports.
- Recommending the appointment and removal of external/internal auditor, fixation of audit fee and approval for payment of any other services.
- Investigating any activity within its terms of reference.

(iv) The Company did not enter into any material individual transactions with related parties, that may have a potential conflict with the interest of the Company at large. Financial Statements are prepared in conformity with the Accounting Standards.

(v) The Chairman of the Audit Committee was present at the last Annual General Meeting held on September 27, 2006, to answer shareholder queries.

(vi) Six meetings of the Audit Committee were held in the Financial Year 2006-2007. The dates on which the said meetings were held are as follows: May 1, 2006, July 19, 2006, September 12, 2006, October 26, 2006, December 19, 2006 and January 23, 2007.

(vii) The composition of the Audit Committee and particulars of meetings attended by the members of the Audit Committee are given below:

Name	Category	No. of Meetings held during tenure	No. of Meetings Attended
Mr. Gopi K Arora, Chairman	Independent, Non-Executive	6	6
Mr. R K Bhargava	Independent, Non-Executive	6	5
Mr. Arun K Saha	Non-Executive	6	4
Mr. P.T. Thomas*	Independent, Non-Executive	6	3

* Resigned with effect from March 6, 2007

(viii) The necessary quorum was present at all the meetings.

(4) Remuneration Committee – Termed HRD Committee of Directors

(i) The Company constituted a Remuneration Committee termed HRD Committee of Directors on January 12, 1999 in accordance with the provisions of the Listing Agreement.

(ii) The broad terms of reference of the HRD Committee are as under :

- Reviewing HRD policy, the compensation policy relating to salary, performance related pay, increments, promotions, allowances, perquisites, loan and interest subsidy facilities and other forms of reward or compensation for the employees of the Company.
- Administration and superintendence of the Employee Stock Option Plans of the Company.

(iii) The Company's remuneration policy has been laid out in its Employee Handbook which has been approved by the HRD Committee of Directors. Any amendments to the same are also subject to approval by the HRD Committee of Directors.

(iv) As all Directors in the Company are Non-Executive, they are not paid any compensation except sitting fees, reimbursement of expenses incurred to attend meetings and Stock Options in some cases.

(v) Four meetings of the HRD Committee were held in the Financial Year 2006-2007. The dates on which the said meetings were held are as follows: May 1, 2006, July 19, 2006, October 26, 2006 and January 23, 2007.

(vi) The composition of the Remuneration Committee and the details of meetings attended by the members of the Remuneration Committee are given below:

Name	Category	No. of Meetings held during tenure	No. of Meetings Attended
Mr. Gopi K Arora, Chairman	Independent, Non-Executive	4	4
Mr. Ravi Parthasarathy	Non-Executive	2	2
Mr. Karunakaran Ramchand/ Mr. Ravi Parthasarathy	Non-Executive	2	2
Mr. Hari Sankaran	Non-Executive	2	2
Mr. Arun K Saha	Non-Executive	1	1

Note:

- Mr. Hari Sankaran resigned from the Board of Directors with effect from August 22, 2006.
- Mr. Ravi Parthasarathy resigned from the Board of Directors with effect from July 19, 2006.
- Mr. Karunakaran Ramchand was appointed on the HRD Committee of Directors with effect from July 19, 2006 with Mr. Ravi Parthasarathy as his Alternate.
- Mr. Arun K Saha was appointed on the Committee on October 26, 2006.

(vii) The Chairman of the HRD Committee was present at the last Annual General Meeting of the Company held on September 27, 2006.

(5) Shareholders Committee termed as Investor Grievance Committee

(i) The broad terms of reference of the Investor Grievance Committee are as under :

- The Committee looks into the status of redressal of Shareholders and Debentureholders complaints and suggests measures to improve investor relations.
- The Committee is the authority for issue of duplicate certificates and rematerialisation requests.
- The Investor Grievance Committee of Directors is the approving authority under the Code of Conduct for prevention of Insider Trading, formulated by the Company in accordance with the SEBI (Prevention of Insider Trading) Regulations, 1992 and is authorised to accept any modifications/ alterations in the said Code.

(ii) In order to expedite the process of transfers, the Board has delegated the authority to approve debenture as well as share transfers and transmissions to any one of: Mr. Pradeep Puri, President & CEO, Ms. Monisha Macedo, Company Secretary and Mr. T K Banerjee, Chief Financial Officer. The transfer/transmission formalities are processed as and when they are received and transfers are never retained for more than a week.

(iii) Ms. Monisha Macedo, Sr. Vice President & Company Secretary, has been designated the Compliance Officer for the Stock Exchanges as well for Investor queries/complaints and the Insider Trading Code.

(iv) Three meetings of the Investor Grievance Committee were held in the Financial Year 2006-2007. The dates on which the said meetings were held are as follows: April 20, 2006, July 19, 2006 and February 1, 2007.

(v) Two special meetings of the Investor Grievance Committee were held on January 12, 2007 and January 16, 2007 for preparation of a Report under the Insider Trading Code, for submission to the SEBI.

(vi) The composition of the Investor Grievance Committee and the details of meetings attended by the members of the Investor Grievance Committee are given below:

Name	Category	No. of Meetings held during tenure	No. of Meetings Attended
Mr. R K Bhargava, Chairman	Independent, Non-Executive	5	5
Mr. Gopi Arora	Independent, Non-Executive	5	3
Mr. Piyush Mankad*	Independent	4	4

*Appointed with effect from July 19, 2006.

(vii) Investor Complaints received during the year

During the year April 1, 2006 to March 31, 2007, the Company received 55 Investor complaints (non-receipt of interests and debenture certificates), of which all were resolved within a reasonable time period. There were no pending complaints at the end of the year.

(6) Disclosure of Remuneration to Directors/pecuniary transactions of Executive/Non-Executive Directors of the Company during the Financial Year

(i) There are no Executive Directors on the Board of the Company.

(ii) Besides sitting fees, travel and lodging expenses for attending Board/Committee Meetings, the Company has not made any payment or reimbursement of expenses to its Non-Executive Directors, other than providing a car and driver to Mr. RK Bhargava, Non-Executive Director, for attending meetings on behalf of the Company.

(iii) Details of Directors' holdings of Equity Shares in the Company is as follows:

S.No.	Name of Director	Current Holdings
1.	Mr. Gopi Arora	8,611
2.	Mr. R. K. Bhargava	50,000
3.	Mr. Ravi Parthasarathy	35,000
4.	Mr. Arun Kumar Saha	100,000
5.	Mr. Karunakaran Ramchand	40,000

(iv) No stock options have been granted during Financial Year 2006-07.

(v) Sitting Fees :

The sitting fees paid to the Directors for attending Board/Committee Meetings is Rs. 5,000/- per meeting. In some cases, travel/lodging expenses to attend Board Meetings have also been reimbursed to the Directors. Details of sitting fees paid in the last financial year are given below:

S.No.	Director/Institution	Sitting Fees paid for attendance at Board and Committee Meetings for the period April 1, 2006 to March 31, 2007 Rupees
1.	Mr. G K Arora	95,000
2.	Mr. R K Bhargava	65,000
3.	Mr. Piyush Mankad	35,000
4.	Mr. P. T. Thomas (fees paid to IDBI)	30,000
5.	Mr. Ravi Parthasarathy	45,000
6.	Mr. Hari Sankaran	30,000
7.	Mr. Arun K Saha	45,000
8.	Mr. Deepak Premnarayen	10,000

(7) General Body Meetings

(i) Annual General Meetings:

Year	Location	Date and Time
10th AGM held for the Financial Year 2005-06	Power Management Institute (N.T.P.C.), Plot 5-14, Sector 16A, Noida 201 301, Uttar Pradesh	September 27, 2006 at 10:30 am
9th AGM held for the Financial Year 2004-05	Power Management Institute (N.T.P.C.), Plot 5-14, Sector 16A, Noida 201 301, Uttar Pradesh	September 28, 2005 at 10:30 am
8th AGM held for the Financial Year 2003-04	Power Management Institute (N.T.P.C.), Plot 5-14, Sector 16A, Noida 201 301, Uttar Pradesh	September 15, 2004 at 10.30 am

At the 10th Annual General Meeting of the Company, a special resolution was passed, approving alterations to the Articles of Association of the Company.

At the 9th Annual General Meeting of the Company, two special resolutions were passed. One special resolution pertained to delisting of Equity Shares from the Uttar Pradesh Stock Exchange. The second special resolution was passed for the re-appointment of Ms. Monisha Macedo, Senior Vice President & Company Secretary, as Manager of the Company for a period of 3 years w.e.f. June 1, 2005.

At the 8th Annual General Meeting of the Company, a special resolution was passed for amending the Articles of Association of the Company, pursuant to the signing of Amendment Agreement No. 2 to the Shareholders Agreement dated May 5, 2000.

No resolutions have been passed by postal ballot in the last Financial Year and currently no resolution is proposed to be passed by postal ballot.

(ii) Details of the Last Extraordinary General Meeting of the Shareholders of the Company is given below :

Date and Time	Location
January 24, 2006 at 10.30 am	Radisson MBD Hotel, Noida, L-2, Sector-18, Noida 201 301, Uttar Pradesh

At the Extraordinary General Meeting of the Company held on January 24, 2006, the following four special resolutions were passed:

(a) Approval of the Global Depository Receipt (GDRs) issue;

(b) Investment of Foreign Institutional Investors ("FIIs") in the Equity Share Capital of the Company in excess of the limit;

(c) Approval of Employee Stock Option Plan 2005;

(d) Amendment to the Memorandum of Association of the Company for increase in the Authorised Share Capital of the Company.

(iii) Other General Meetings of the Company held in the last Financial Year

Details of Meeting	Date and Time	Location
High Court convened Meeting of the Shareholders of the Company to consider and approve a Scheme of Amalgamation of the Company with its wholly owned subsidiary under Sections 391-394 of the Companies Act, 1956	January 5, 2007 at 11:00 am	Power Management Institute (N.T.P.C.), Plot 5-14, Sector 16A, Noida 201 301, Uttar Pradesh

At the High Court convened Meeting of the Shareholders of the Company a resolution was passed for approving the Scheme of Amalgamation of the Company with its wholly owned subsidiary DND Flyway Limited.

(8) Disclosures

(i) Related party transactions

There were no materially significant related party transactions with the Promoters, Directors, the Management, subsidiaries or relatives that could have a potential conflict with the interest of the Company at large. Details of all related party transactions are disclosed in the Notes to Accounts.

(ii) Risk Management

The Company has a well defined risk management framework in place. The Company periodically places before the Board the risk assessment and minimization procedures being followed by the Company and steps taken by it to mitigate these risks.

(iii) Non Compliances

The Company has complied with all the statutory requirements and hence has not paid any penalties nor have any strictures been imposed by the Stock Exchanges or SEBI or any other statutory authority, for non-compliance on any matter related to the capital markets, since the Company was incorporated.

(iv) Compliance with mandatory and non-mandatory list of items in the Listing Agreement

The Company has complied with the list of mandatory items mentioned in the corporate governance clause of the Listing Agreement. Further, the Company has adopted the following non-mandatory requirements of the Clause:

(a) Maintenance of Chairman's Office

The Company has provided it's Non-executive Chairman with an office, the expenses of which are borne by the Company. The Chairman is reimbursed all expenses incurred in the performance of his duties.

(b) Remuneration Committee termed as HRD Committee of Directors

The Company has set up an HRD Committee. For more details on the HRD Committee of Directors, please refer to para 4 of this report.

(c) Audit Qualifications

The statutory financial statements of the Company for the Financial Year 2006-2007 are unqualified.

(9) Subsidiary Companies

(i) DND Flyway Limited

The Company had a wholly owned subsidiary – DND Flyway Limited (DND). The same was, however, not a material non-listed Indian subsidiary, as defined under Clause 49 of the Listing Agreement.

The minutes of DND were periodically placed before the Board of the Company. The consolidated financial statements of DND Flyway Limited and the Company were reviewed by the Audit Committee of Noida Toll Bridge Company Limited.

The Company had filed a petition for a Scheme of Amalgamation, with its wholly owned subsidiary DND Flyway Limited, under Sections 391-394 of the Companies Act, 1956 with the Hon'ble High Courts of Judicature at Allahabad and Delhi. The Honourable High Courts of Allahabad and Delhi have approved the Scheme of Amalgamation between the Noida Toll Bridge Company Limited and its 100% subsidiary, DND Flyway Ltd and the amalgamation is effective from the Appointed Date i.e. July 1, 2006.

(ii) ITNL Toll Management Services Limited

A subsidiary, ITNL Toll Management Services Limited, was incorporated on June 22, 2007, for the purpose of taking over the Operations & Maintenance (O & M) of the Delhi Noida Bridge w.e.f. August 1, 2007.

(10) Code of Business Conduct and Ethics

The Company has framed a Code of Business Conduct and Ethics (Code of Conduct) in line with the SEBI requirement. This Code of Conduct has been posted on the Company's website.

All board members and senior managerial personnel have affirmed compliance with the said Code. A declaration to this effect from the President & CEO of the Company is attached to the Report.

(11) Code of Conduct for dealing in securities of the Company

The SEBI (Prevention of Insider Trading) Regulations, 1992, had made it mandatory for all listed companies to frame a Code of Conduct and Internal Procedures, based on the model Code of Conduct for Prevention of Insider Trading issued by SEBI, which prohibits a person having access to Price Sensitive Information about a company, to deal in securities of that company, either himself or through others. Accordingly, the Company had put in place a code of conduct, applicable to all its Employees Directors for dealing in the securities of the Company, with effect from November 15, 2003.

In terms of the Code, the Directors and Employees have to, inter alias, disclose to the Compliance Officer once a year, a declaration of their dependants and the number of securities of the Company held by them or their Declared Dependants. Any change, however, is to be declared promptly.

In addition to the above none of the parties to whom the Code is applicable are allowed to deal in the securities of the Company during the Non-Trading period, as defined in the code i.e. prior to the price sensitive information being made public.

The Compliance Officer has, for the Financial Year 2006-07, received the required disclosures from all the Directors and Employees.

(12) Means of Communication

The main channel of communication to the shareholders is through the Annual Report, which includes inter alias, the Directors' Report, the Report of the Board of Directors on Corporate Governance, Management Discussion and Analysis Report and the audited financial results.

Shareholders are also intimated through the press and the Company's website www.ntbcl.com of the quarterly performance and financial results of the Company. The unaudited quarterly results/audited annual results are also published in 2 English (Delhi, Mumbai Edition) and 1 Hindi daily, usually Jansatta (Hindi), Economic Times (English) and Financial Express (English). The shareholding pattern of the Company is available on the Company's website and the same is updated quarterly.

In terms of Clause 51 of the Listing Agreements, the Company files its Annual Report, quarterly results and shareholding pattern statement through the Electronic Data Information Filing and Retrieval system (EDIFAR) website of SEBI.

Further, in terms of the Listing Agreement, information on investor related issues (Record Dates/ Book Closures/Board Meetings/price sensitive information) and announcements/press releases are communicated to the Stock Exchanges.

(13) General Shareholder Information

(a)	Registered Office	:	Toll Plaza, DND Flyway, Opposite Sector 15A, Noida 201 301, Uttar Pradesh
(b)	Location of Facility	:	DND Flyway, Noida 201 301, Uttar Pradesh
(c)	Correspondence Address	:	C/o IL&FS, India Habitat Centre, East Court, Zone VI, 4th Floor, Lodhi Road, New Delhi 110 003 or Registered Office address
(d)	Date of Book Closure for Deep Discount Bonds and Equity Shares	:	Book Closure Dates (Ensuing) September 10, 2007 to September 20, 2007
(e)	Date, Time and Venue of the Annual General Meeting	:	AGM 11: September 20, 2007 at 10:30 am at the Radisson MBD Hotel, Noida, L-2 Sector-18, Noida 201 301, Uttar Pradesh
(f)	Financial Year	:	April 01, 2006 to March 31, 2007
(g)	Dividend Payment Date	:	No Dividend has been declared so far
(h)	Transfer of unclaimed investor funds to Investor Education and Protection Fund	:	As per the provisions of Section 205C of the Companies Act, 1956, amounts lying unpaid/ unclaimed in interest/dividend accounts for a period of seven years are required to be transferred to the Investor Education and Protection Fund (IEPF) set up by the Central Government. Accordingly, the following unpaid/unclaimed funds lying with the Company have been transferred to the IEPF: • Refund of application money from the Public Issue of Deep Discount Bonds and Fully Convertible Debentures in November 1999 (Rs. 6,000/-)

			• Interest paid on the Fully Convertible Debentures (FCDs), on March 31, 2000 (Rs. 35,569/-)
(i)	Listing on Stock Exchanges and Stock Code	:	The Deep Discount Bonds, Equity Shares and GDRs of the Company are listed as follows: The National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 Tel : 022 - 2659 8100 Fax : 022 - 2659 8237 / 38 Stock Code: Equity EQ DDBs N2 The Bombay Stock Exchange Limited 1st Floor, New Trading Ring, Rotunda Building, P J Towers, Dalal Street, Fort, Mumbai - 400 001 Tel : 022 - 2272 1233 / 2272 1234 Fax : 022 - 2272 1552 Stock Code: Equity 532481 DDBs 912453 The Uttar Pradesh Stock Exchange Assn. Ltd. Padam Towers, 14/113 Civil Lines, Kanpur - 208 001 Tel : 0512 - 233 8115 / 233 8074 Fax : 0512 - 233 8175 / 233 8220 Equity Shares of the Company have been de-listed from the Uttar Pradesh Stock Exchange with effect from 20.10.2005 and now only the Deep Discount Bonds are listed with the Uttar Pradesh Stock Exchange. The GDRs of the Company are listed on the Alternative Investment Market of the London Stock Exchange. London Stock Exchange plc 10 Paternoster Square London EC4M 7LS Tel.: 044 (0) 2077971000 Stock Code: NTBC
(j)	Depository ISIN Nos.	:	Equity Shares - INE781B01015 Deep Discount Bonds - INE781B11022
(k)	Listing Fees	:	Paid for all the above Stock Exchanges for 2005-2006, 2006-2007 and 2007-2008.
(l)	Investor Correspondence Address	:	Investors can write to Ms. Monisha Macedo, Senior Vice President & Company Secretary, at the following address : Noida Toll Bridge Company Limited, Toll Plaza, DND Flyway, Noida 201 301 Uttar Pradesh Phone : 0120-251 6438

			Fax : 0120-251 6440 E-mail : ntbcl@ntbcl.com Website : www.ntbcl.com or to the Registrars at the address given below, mentioning Unit: Noida Toll Bridge Company Limited.
(m)	Address of the Company's Depository as well as Physical Registrar & Transfer Agents	:	Karvy Computershare Pvt. Limited, "Karvy House", 46, Avenue 4, Street #1, Banjara Hills, Hyderabad - 500 034 Tel : 040-2342 0815 - 2342 0820 Fax : 040-2342 0814
(n)	Auditors of the Company	:	Luthra & Luthra, Chartered Accountants A-16/9, Vasant Vihar, New Delhi - 110 057
(o)	Bankers of the Company	:	Canara Bank Head Office Address: Canara Bank Building 2nd and 3rd Floor Adi Marzban Path Ballard Estate Mumbai - 400 038 Branch Office Address: Canara Bank C 3, Sector 1 Noida - 201 301 Uttar Pradesh
(p)	Share/Debenture Transfer System	:	Physical transfers of the listed instruments are handled by the Registrar and Transfer Agents - Karvy Computershare Pvt. Ltd. and processed within the stipulated time. To expedite share transfers in the physical segment, the authority for approving transfers/ transmissions of the Company's securities has been delegated to specific senior management personnel of the Company.

(q) Dematerialisation of securities and liquidity

The Equity Shares and Deep Discount Bonds (DDBs) of the Company are in the list of scrips specified by SEBI to be compulsorily traded in the dematerialised form. The Company's Deep Discount Bonds as well as the Equity Shares are available for trading in the depository systems of both National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). The ISIN allotted to the Company's Equity Shares is INE781B01015 and to the Deep Discount Bonds is INE781B11022.

Shares/Debentures dematerialised upto March 31, 2007

Type of Security	No. of Shares/ DDBs	% of Shares/ DDBs	No. of Shareholders/ DDB holders	% of Shareholders/ DDB holders
Shares	17,38,43,421	93.37	42,778	95.33
DDBs	10,123	93.60	17	0.70

(r) The Distribution Schedule of Shareholders as on March 31, 2007:

Category	No. of Holders	% of Holders	Shares	% of Shares
From - To				
1 - 5000	34,332	76.51	72,17,388	3.88
5001 - 10000	5,824	12.98	49,05,243	2.63
10001 - 20000	2,514	5.60	39,63,685	2.13
20001 - 30000	774	1.73	20,17,890	1.08
30001 - 40000	351	0.78	12,77,840	0.69
40001 - 50000	335	0.75	16,15,061	0.87
50001 - 100000	400	0.89	30,48,687	1.64
100001 - Above	342	0.76	16,21,49,208	87.08
Total	**44,872**	**100.00**	**18,61,95,002**	**100.00**

(s) Shareholding Pattern of the Company as on June 30, 2007 is as follows:-

Category of shareholder	No. of shareholders	Total number of shares	Total shareholding as a percentage of total number of shares
Promoter Shareholding			
Infrastructure Leasing & Financial Services Ltd.	1	19,00,000	1.02
IL&FS Transportation Networks Ltd.	1	4,71,95,007	25.35
Total Promoter Shareholding	**2**	**4,90,95,007**	**26.37**
Public Shareholding			
Financial Institutions/ Banks	4	36,45,600	1.96
Central Govt./State Govt.- New Okhla Industrial Development Authority	1	1,00,00,000	5.37
Venture Capital Funds	1	7,100	0.00
Insurance Companies	4	1,29,56,336	6.96
Foreign Institutional Investors	14	4,42,57,909	23.77
Bodies Corporate	1,127	98,17,510	5.27
Individual shareholders holding nominal share capital up to Rs. 1 lakh	43,384	2,20,94,663	11.87
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	198	53,73,205	2.89

Any Other -			
Trust	3	7,060	0.00
Clearing Members	105	2,32,516	0.12
NRI	262	4,84,784	0.26
Foreign Bodies	3	33,23,317	1.78
Total Public Holding	**45,106**	**11,22,00,000**	**60.26**
Shares held by Custodians and against which Depository Receipts have been issued	1	2,48,99,995	13.37
GRAND TOTAL	**45,109**	**18,61,95,002**	**100.00**

(t) Stock Market Data

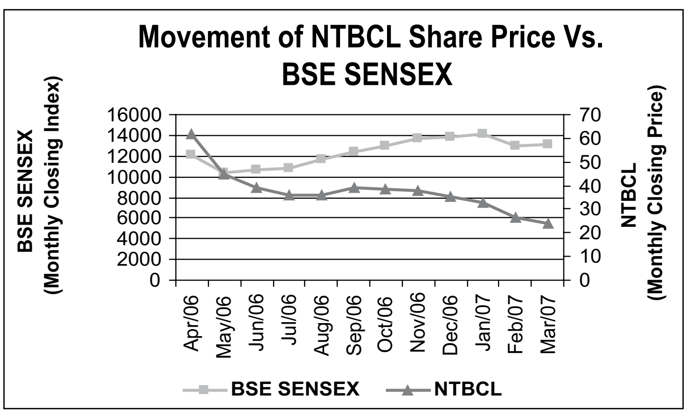
Data of the Company for the Financial Year 2006- 2007 is given below:

NTBCL shares on BSE & BSE Sensex

	NTBCL shares on BSE			BSE Sensex	
Month	**High (Rs)**	**Low (Rs)**	**No. of Shares**	**High**	**Low**
April 2006	64.35	37.20	6,55,63,698	12,102	11,008.43
May 2006	64.80	41.00	1,10,24,784	12,671.11	9,826.91
June 2006	47.50	33.50	28,36,021	10,597.23	8,799.01
July 2006	40.00	32.15	13,77,355	10,940.45	9,875.35
August 2006	41.70	34.70	52,84,424	11,794.43	10,645.99
September 2006	42.50	35.00	1,00,60,993	12,485.17	11,444.18
October 2006	43.60	37.90	1,07,41,041	13,075.85	12,178.83
November 2006	41.75	36.65	51,95,831	13,799.08	12,937.30
December 2006	38.50	32.10	22,55,324	14,035.30	12,801.65
January 2007	38.35	32.30	42,29,465	14,325.92	13,303.22
February 2007	35.00	25.00	57,31,050	14,723.88	12,800.91
March 2007	28.10	22.15	28,39,432	13,386.95	12,316.10

(u) Stock Performance

The performance of the Company's share relative to the BSE Sensitive Index is given in the Chart below:



(v) Outstanding ADR/GDR

The Company had issued 1,24,99,999 GDRs including the Green Shoe Option of 11,36,363 each representing 5 ordinary shares of Rs.10 each, in March/April 2006. These GDRs were issued in the name of the overseas depository - Deutsche Bank Trust Company Americas. As on June 30, 2007, there were 49,79,999 GDRs outstanding, representing 2,48,99,995 underlying equity shares.

(w) Secretarial Audit

A qualified practicing Company Secretary has carried out a secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited and the total issued and listed capital. The secretarial audit report confirms that the total issued / paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

(14) <u>Accounting Standards</u>

The Company confirms that it has complied with all applicable Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) from time to time.

Date : July 17, 2007

DECLARATION

TO THE MEMBERS OF
NOIDA TOLL BRIDGE COMPANY LIMITED

This is to confirm that Noida Toll Bridge Company Limited has laid down a Code of Business Conduct and Ethics for all its Board Members and Senior Management Personnel as per the provisions of Clause 49 of the Listing Agreement with Stock Exchanges.

This Code has been posted on the website of the Company and all Board Members and Senior Management Personnel of the Company have affirmed compliance with this Code.

Sd/-
PRADEEP PURI
President & CEO

Noida
July 10, 2007

CERTIFICATE

TO THE MEMBERS OF
NOIDA TOLL BRIDGE COMPANY LIMITED

1. We have examined the compliance of conditions of Corporate Governance by Noida Toll bridge Company Limited (the Company), for the year ended March 31, 2007, as stipulated in Clause 49 of the Listing Agreement of the Company with stock exchanges.

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

3. In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

For **Luthra & Luthra**
Chartered Accountants

VISHAL GUPTA
Partner
(Membership No. 98796)

New Delhi
July 17, 2007

CERTIFICATE

TO THE MEMBERS OF
NOIDA TOLL BRIDGE COMPANY LIMITED

On the basis of information and explanation given and documents produced before us, Noida Toll Bridge Company Limited had granted stock options to the employees / directors of the company under Employees Stock Option Plan 2005 which were subsequently withdrawn during financial year 2005-06, thereafter no stock options have been granted by the company to the employees / directors under the said scheme upto July 9, 2007.

Subject to the above paragraph, we here by certify that, upto July 9, 2007, the company has complied with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Special Resolution was passed at the Extraordinary General Meeting of the Company held on January 24, 2006, with respect to their Employee Stock Option Plan 2005.

For **Luthra & Luthra**
Chartered Accountants

VISHAL GUPTA
Partner
(Membership No. 98796)

New Delhi
July 9, 2007

CERTIFICATE

TO THE MEMBERS OF
NOIDA TOLL BRIDGE COMPANY LIMITED

On the basis of information and explanation given and documents produced before us, we hereby certify that Noida Toll Bridge Company Limited upto the July 9, 2007 from the date of approval of the scheme by the shareholders of the company has complied with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Special Resolution was passed at the Extraordinary General Meeting of the Company held on March 25, 2004, with respect to their Employee Stock Option Plan 2004.

For **Luthra & Luthra**
Chartered Accountants

VISHAL GUPTA
Partner
(Membership No. 98796)

New Delhi
July 9, 2007

AUDITOR'S REPORT

TO THE MEMBERS OF
NOIDA TOLL BRIDGE COMPANY LIMITED
Noida (U.P.)

1. We have audited the attached Balance Sheet of **Noida Toll Bridge Company Limited** as at March 31, 2007, the Profit and Loss Account and the Cash Flow Statement 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 Auditing Standards generally accepted in India. These 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 disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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' Auditors Report Order, 1988 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the said Order, to the extent applicable to the Company.

4. We draw the attention of the shareholders to note number 3(a)(iii) of Schedule 17 'Significant Accounting Policies & Notes to Accounts' regarding revaluation of leased land, wherein the formal agreement for grant of development rights, is pending execution.

5. Further to our comments in the Annexure referred to above, we report that:

   (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 accounts 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 and the Profit and Loss Account dealt with by this report are in agreement with the books of accounts;

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

   (e) on the basis of written representations received from the Directors, and taken on record by the Board of Directors, we report that none of the directors are disqualified as at March 31, 2007, from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

   (f) in our opinion and according to the information and 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, 2007;

      ii. In the case of the Profit and Loss Account, of the profit 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.

For **LUTHRA & LUTHRA**
Chartered Accountants

VISHAL GUPTA
Partner
(Membership No. 98796)

Place : Noida, U.P.
Date : April 30, 2007

ANNEXURE TO THE AUDITOR'S REPORT

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

1. The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.

2. As per the information and explanations given to us, fixed assets have been physically verified by the Management at reasonable intervals, and discrepancies (if any) noticed on verification during the year have been properly adjusted in the books of accounts.

3. The Company has not disposed off substantial part of fixed assets during the year.

4. As per the information and explanations given to us, inventories have been physically verified at reasonable intervals during the year by the Management.

5. The procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.

6. On the basis of our examination, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stock and book records are not material and have been properly dealt with in the books of accounts.

7. The Company has not taken / granted any secured or unsecured loan, from / to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.

8. In our opinion, the rate of interest and other terms and conditions of loans taken/granted by the Company, secured or unsecured, are prima facie not prejudicial to the interest of the Company.

9. In respect of loans and advances, the payment of principal amount and interest has been made as per the revised repayment schedule approved by the CDR.

10. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for toll collection. We have not observed any failure on the part of the Company to correct major weakness in internal control system.

11. As per the information and explanations given to us, there are no transactions that need to be entered in the Register maintained under Section 301 of the Companies Act, 1956.

12. According to the information and explanations given to us, the Company has not accepted deposits from the public.

13. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

14. According to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, cess and any other statutory dues with the appropriate authorities. There are no arrears of outstanding statutory dues outstanding as at March 31, 2007 for a period of more than six months from the date they became payable.

15. The Company has been in existence for a period of more than 5 years. Its accumulated losses at the end of the Financial Year are less than 50% of its net worth and it has not incurred cash losses in the Financial Year.

16. As per the information and explanations given to us, the Company has not defaulted in the repayment of dues to any financial institution or bank or debenture holders in accordance with the terms and conditions of the CDR approval for debt restructuring.

17. The Company has maintained adequate documents and records in cases where the Company have been granted secured loans and advances to the employees.

18. The Company is dealing in securities (units of mutual funds), proper records of transactions and contracts have been maintained and timely entries have been made therein. Shares, securities, debentures and other securities have been held by the Company in its own name except to the extent of the exemption granted under Section 49 of the Act.

19. The Company has not given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the Company.

20. Term loans taken by the Company were applied for the purpose for which they were obtained.

21. Fund raised on short-term basis has not been used for long-term investment.

22. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.

23. The Company has created securities in respect of debentures issued.

24. The Company has not raised money by public issue during the year.

25. Based upon the audit procedures performed and information and explanations given by the Management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

26. Other clauses of the Order are not applicable to the Company.

For **LUTHRA & LUTHRA**
Chartered Accountants

VISHAL GUPTA
Partner
(Membership No. 98796)

Place : Noida, U.P.
Date : April 30, 2007

NOIDA TOLL BRIDGE COMPANY LIMITED
BALANCE SHEET AS AT MARCH 31, 2007

	Schedule	As at March 31, 2007 Rupees	As at March 31, 2007 Rupees	As at March 31, 2006 Rupees
SOURCES OF FUNDS				
SHAREHOLDERS' FUNDS				
Equity Share Capital	1	1,861,950,020		1,804,131,870
Reserves & Surplus	2	1,758,781,493		1,627,820,150
			3,620,731,513	3,431,952,020
LOAN FUNDS				
Secured Loans	3		1,709,860,002	3,235,185,538
Unsecured Loans	4		150,000,000	
			5,480,591,515	**6,667,137,558**
APPLICATION OF FUNDS				
FIXED ASSETS				
Gross Block	5	4,259,577,312		4,154,462,554
Less: Depreciation		218,059,874		138,494,274
Net Block			4,041,517,438	4,015,968,280
CAPITAL WORK IN PROGRESS			276,578,661	14,860,530
INVESTMENTS	6		83,472,068	1,232,000,000
CURRENT ASSETS, LOANS & ADVANCES				
Inventories	7	224,833		276,390
Sundry Debtors	8	1,036,917,060		1,042,765,357
Cash and Bank balances	9	2,102,495		302,323,495
Loans & Advances	10	58,672,486		16,594,791
		1,097,916,874		1,361,960,033
LESS: CURRENT LIABILITIES & PROVISIONS	11	122,271,712		182,109,507
NET CURRENT ASSETS			975,645,162	1,179,850,526
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)	12		99,450,707	111,882,045
PROFIT & LOSS ACCOUNT (Debit balance)			3,927,479	112,576,177
			5,480,591,515	**6,667,137,558**

For Notes forming part of the Accounts, refer to Schedule **17**

The Schedules referred to above form an integral part of the Balance Sheet and Profit and Loss Account.

As per our report of even date attached.

For LUTHRA & LUTHRA
Chartered Accountants

Vishal Gupta
Partner

Noida, U.P.
April 30, 2007

For and on behalf of
NOIDA TOLL BRIDGE COMPANY LIMITED

Director

Director

Pradeep Puri
President & CEO

T. K. Banerjee
CFO
Noida, U.P.
April 30, 2007

Monisha Macedo
Manager and
Company Secretary

Noida Toll Bridge Co. Ltd.

NOIDA TOLL BRIDGE COMPANY LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2007

	Schedule	For the Year ended March 31, 2007 Rupees	For the Year ended March 31, 2007 Rupees	For the Year ended March 31, 2006 Rupees
INCOME				
Income From Operations	**13**		471,110,677	390,740,036
Other Income	**14**		20,066,874	16,003,785
			491,177,551	**406,743,821**
EXPENDITURE				
Operating and Administration Expenses	**15**		108,658,265	118,598,831
Finance Charges	**16**		180,659,007	232,545,012
Depreciation		83,552,978		3,342,017
Less: Transfer from Revaluation Reserve		5,542,345	78,010,633	
Miscellaneous Expenditure Written Off			12,431,338	25,399,032
			379,759,243	**379,884,892**
PROFIT / (LOSS) FOR THE YEAR			**111,418,308**	**26,858,929**
Provision for Taxation/FBT			(803,246)	(778,741)
PROFIT / (LOSS) AFTER TAX FOR THE YEAR			**110,615,062**	**26,080,188**
Transfer to Debenture Redemption Reserve			(1,966,364)	(983,182)
Balance Brought Forward from the Previous Year			(1,142,526,504)	(1,167,623,510)
Accumulated Losses			(1,033,877,806)	(1,142,526,504)
Balance of General Reserve			1,029,950,327	1,029,950,327
Loss Carried to Balance Sheet			**(3,927,479)**	**(112,576,177)**
Basic Profit per Equity Share (in Rs.)			0.59	0.21
Diluted Profit per Equity Share (in Rs.)			0.59	0.21

For Notes forming part of the Accounts, refer to Schedule **17**

The Schedules referred to above form an integral part of the Balance Sheet and Profit and Loss Account.

As per our report of even date attached.

For LUTHRA & LUTHRA
Chartered Accountants

Vishal Gupta
Partner

Noida, U.P.
April 30, 2007

For and on behalf of
NOIDA TOLL BRIDGE COMPANY LIMITED

Director

Director

Pradeep Puri
President & CEO

T. K. Banerjee
CFO
Noida, U.P.
April 30, 2007

Monisha Macedo
Manager and
Company Secretary

NOIDA TOLL BRIDGE COMPANY LIMITED
SCHEDULES FORMING PART OF THE ACCOUNTS

	As at March 31, 2007 Rupees	As at March 31, 2007 Rupees	As at March 31, 2006 Rupees
SCHEDULE 1			
SHARE CAPITAL			
Authorised			
200,000,000 (Previous Year 200,000,000) Equity Shares of Rs. 10 each		2,000,000,000	2,000,000,000
Issued, Subscribed and Paid up			
186,195,002 (Previous Year 180,413,187) Equity Shares of Rs. 10 each Fully Paid up		1,861,950,020	1,804,131,870
SCHEDULE 2			
RESERVES & SURPLUS			
Securities Premium			
Opening Balance	1,311,743,288		
Received during the year	144,511,737		1,428,918,136
Less : Share Issue Expenses	9,974,413		117,174,848
		1,446,280,612	1,311,743,288
Revaluation Reserve			
Opening Balance	315,093,680		315,093,680
Less : Transfer to Profit and Loss Account	5,542,345		–
		309,551,335	315,093,680
Debenture Redemption Reserve			
Opening Balance	983,182		
Transfer from Profit and Loss Account	1,966,364		983,182
		2,949,546	983,182
General Reserve			
Opening Balance	1,029,950,327		1,029,950,327
Less : Debit balance in Profit and Loss Account	1,029,950,327		1,029,950,327
		–	–
		1,758,781,493	**1,627,820,150**

NOIDA TOLL BRIDGE COMPANY LIMITED
SCHEDULES FORMING PART OF THE ACCOUNTS

	As at March 31, 2007 Rupees	As at March 31, 2007 Rupees	As at March 31, 2006 Rupees
SCHEDULE 3			
LOAN FUNDS			
Secured Loans			
a. Debentures and Bonds			
10,815 Deep Discount Bonds of face value of Rs. 20,715 each (See Note 3(f)(i) and 3(h) of Schedule 17)	224,032,725		224,032,725
Less: Unexpired Discount	112,841,452		121,552,328
		111,191,273	102,480,397
Nil (Previous Year 5,138,500) Series A Zero Coupon Bond of Rs. 100 each. (See Note 3(f)(ii) of Schedule 17)	–		256,925,000
Less: Repayment during the year	–		256,925,000
		–	–
Accumulated Liability of ZCB (Series B) (See Note 3(e) and 3(f)(iii) of Schedule 17)			
Opening balance	86,110,361		53,446,234
Add: Accumulation during the year	36,161,053		32,664,127
		122,271,414	86,110,361
b. Term Loans (See Note 3(e), 3(f)(iv), (v), (vi) and (vii) of Schedule 17)			
Banks	392,465,804		1,039,360,189
Financial Institutions	310,257,665		780,442,789
Others	726,007,729		1,152,041,907
		1,428,731,198	2,971,844,885
c. Funded Interest		43,536,987	74,476,922
d. Lease Finance (See Note 3(s) of Schedule 17)		4,129,130	272,973
		1,709,860,002	**3,235,185,538**

NOTES:

1. Deep Discount Bonds issued at Rs. 5,000 each would be redeemed at Rs. 20,715 at the end of the 16th year from the date of allotment i.e. November 3, 1999 as per Scheme of restructuring of DDBs approved by Honourable Allahabad High Court.
2. Series A Zero Coupon Bonds of Rs. 100 each issued to Financial Institutions and Others against conversion of 50% of Term Loan as per terms of Restructuring approved by the Corporate Debt Restructuring Empowered Group of the Banks and Financial Institutions have been repaid in full during the previous year.
3. Series B Zero Coupon Bonds of Rs. 100 each issued to Banks, Financial Institutions and Others would be redeemed not later than March 31, 2014.

	As at March 31, 2007 Rupees	As at March 31, 2006 Rupees
SCHEDULE 4		
Unsecured Loans		
Short Term Loan	150,000,000	–
	150,000,000	**–**

SCHEDULE 5

FIXED ASSETS
(See note 2(d), 2(e) & 2(f) and 3(a) & 3(b) of Schedule 17)

(Amount in Rupees)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1.04.2006	Additions	Deletions / Adjustment	As at 31.03.2007	As at 1.04.2006	For the Year	Deletions / Adjustment	As at 31.03.2007	As at 31.03.2007	As at 31.03.2006
Delhi Noida Link Bridge (Refer Note(A) below and 2(d) & (e) and 3(a) of Schedule 17)	4,134,196,677	66,239,719	1,260,309	4,199,176,087	130,270,511	79,600,648	222,338	209,648,821	3,989,527,266	4,003,926,166
Leasehold Building	7,320,106	23,481,293		30,801,399	236,132	359,878		596,010	30,205,389	7,083,974
Plant & Machinery										
- Data Processing Equipment	1,995,155	1,109,244	1,114,784	1,989,615	1,780,175	419,777	1,103,514	1,096,438	893,177	214,980
- Office Equipment	3,245,486	8,111,087	344,925	11,011,648	2,098,864	1,108,439	289,193	2,918,110	8,093,538	1,146,622
Vehicles (Refer Note (B) below)	5,826,917 **	5,591,328 **	3,001,617 **	8,416,628	3,300,612	1,391,461	2,336,786	2,355,287	6,061,341	2,526,305
Furniture & Fixtures	1,878,213	6,345,194	41,472	8,181,935	807,980	672,775	35,547	1,445,208	6,736,727	1,070,233
	4,154,462,554	**110,877,865**	**5,763,107**	**4,259,577,312**	**138,494,274**	**83,552,978**	**3,987,378**	**218,059,874**	**4,041,517,438**	**4,015,968,280**
Capital Work-in-Progress	14,860,530	266,586,729	4,868,598	276,578,661	–	–	–	–	276,578,661	14,860,530
Previous Year	***4,145,897,592***	***9,554,850***	***989,888***	***4,154,462,554***	***135,649,442***	***3,342,017***	***497,185***	***138,494,274***	***4,015,968,280***	***4,010,248,150***

Notes :

(A) Delhi Noida Link Bridge includes value of Land appurtenant to the Bridge on both sides of Delhi and Noida for Rs. 315,093,680. The revaluation was carried out in the year 2003-04.

(B) **Vehicles include Rs. 5,591,328 (Previous Year Rs. 1,646,334) for assets acquired under Finance Lease.

NOIDA TOLL BRIDGE COMPANY LIMITED
SCHEDULES FORMING PART OF THE ACCOUNTS

	As at March 31, 2007 Rupees	As at March 31, 2006 Rupees
SCHEDULE 6		
INVESTMENTS (At Cost)		
A. Current and Quoted, other than Trade Investments		
Principal PNB Fixed Maturity Plan (FMP-34) 91 Days-Series VII Dividend Payout 408,073.816 (Previous Year NIL) units	4,080,738	
OLPIG HSBC Liquid Plus-Inst-Growth - 1,260,144.298 (Previous Year NIL) units of face value of Rs. 10 each	13,058,372	
Lotus India FMP-3 Months-Series I-Institutional Growth-500,000 (Previous Year NIL) units of face value of Rs. 10 each	5,000,000	
Lotus India Liquid Plus Fund Retail Growth-907,999.656 (Previous Year NIL) units of face value of Rs. 10 each	9,217,740	
M150QG ABN AMRO FTP Series 4 Quarterly Plan E-Growth 1,001,521.805 (Previous Year NIL) units	10,015,218	
M17G ABN AMRO Long term Floating Rate Fund-Institutional-Growth 3,770,677.544 (Previous Year NIL) units	41,600,000	
Chola Liquid Inst.Plus-Cumulative - NIL (Previous Year 31,663,605.851) units of face value of Rs. 10 each		450,000,000
LIC Mutual Fund LICMF Liquid Fund-Growth Plan - NIL (Previous Year 5,271,003,665) units of face value of Rs. 10 each		66,500,000
Can Bank Mutual Fund NLFIG Can Liquid Fund - Institutional - Growth-NIL (Previous Year 5,494,462.3669) units of face value of Rs. 10 each		70,000,000
Principal Cash Management Fund - Liquid Option Instl. Prem.Plan-Growth-353,185.290 (Previous Year 32,638,523.172) units of face value of Rs. 10 each		355,000,000
Birla Sun Life Mutual Fund- B503G Birla Cash Plus- Instl. Prem.-Growth-204,547.082 (Previous Year 26,139,313.528) units of face value of Rs. 10 each		290,000,000
Note: 1.The Net Asset Value of quoted investments as at the period ended - Rs. 83,125,142 (Previous Year Rs. 1,233,254,402)		
B. Long Term and Unquoted, other than Trade Investments		
Investments in Equity Shares of Subsidiary Company DND Flyway Limited-50,000 Equity Shares of face value of Rs. 10 each	500,000	500,000
	83,472,068	**1,232,000,000**
SCHEDULE 7		
INVENTORIES (At Cost)		
Electronic Cards and 'On Board Units'	224,833	276,390
SCHEDULE 8		
SUNDRY DEBTORS (Unsecured, Considered Good)		
Debts Outstanding for more than six months	1,036,246,931	1,036,246,931
Others	670,129	6,518,426
	1,036,917,060	**1,042,765,357**

NOIDA TOLL BRIDGE COMPANY LIMITED
SCHEDULES FORMING PART OF THE ACCOUNTS

	As at March 31, 2007 Rupees	As at March 31, 2006 Rupees
SCHEDULE 9		
CASH AND BANK BALANCES		
Cash in Hand	209,124	142,108
Balances with Scheduled Banks		
- In Current Accounts	1,893,371	2,181,387
- Fixed Deposits	–	300,000,000
	2,102,495	**302,323,495**
SCHEDULE 10		
LOANS AND ADVANCES (Unsecured, Considered good)		
a. Advances / Income Recoverable in Cash or in Kind or for Value to be Received	34,203,393	12,545,851
b. Advance Payment against Taxes	22,673,388	2,451,735
c. Deposits	1,795,705	1,597,205
	58,672,486	**16,594,791**
Amounts due from Directors	NIL	NIL
Maximum amount due from Directors during the year	NIL	NIL

NOIDA TOLL BRIDGE COMPANY LIMITED
SCHEDULES FORMING PART OF THE ACCOUNTS

	As at March 31, 2007 Rupees	As at March 31, 2007 Rupees	As at March 31, 2006 Rupees
SCHEDULE 11			
CURRENT LIABILITIES AND PROVISIONS			
a. Current Liabilities			
Sundry Creditors	179,183		78,974
Advance Payments and Unexpired Discounts	20,057,868		11,030,894
Interest Accrued but not Due on Secured Loans	9,044,109		650,685
Other Liabilities	85,206,952		154,802,864
Investor Education and Protection Fund			
Unclaimed application money for allotment of Fully Convertible Debentures and Deep Discount Bond	–		84,855
		114,488,112	166,648,272
b. Provisions			
Provision for Taxes	60,719		38,496
Provision for Retirement Benefits and other benefits (See note 3(n) of Schedule 17)	7,722,881		15,422,739
		7,783,600	
		122,271,712	**182,109,507**

NOIDA TOLL BRIDGE COMPANY LIMITED
SCHEDULES FORMING PART OF THE ACCOUNTS

	As at March 31, 2007 Rupees	As at March 31, 2007 Rupees	As at March 31, 2006 Rupees
SCHEDULE 12			
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)			
a. Preliminary Expenses			
Balance brought forward	–		647,790
Less: Amount charged to Profit & Loss Account	–		647,790
		–	–
b. Expenses Incurred on Public Issue of Fully Convertible Debentures and Deep Discount Bonds			
Balance brought forward	–		7,017,094
Less: Amount charged to Profit & Loss Account	–		7,017,094
		–	–
c. Deferred Revenue Expenses (See Note 3(l) of Schedule 17)			
Balance brought forward	–		5,302,810
Less: Amount charged to Profit & Loss Account	–		5,302,810
		–	–
d. Ancillary Cost in connection with arrangement of borrowings for DDBs (See Note 3(l) of Schedule 17)			
Balance brought forward	111,882,045		–
Add: Amount incurred during the year	–		124,313,383
Less: Amount charged to Profit & Loss Account	12,431,338		12,431,338
		99,450,707	111,882,045
		99,450,707	**111,882,045**

NOIDA TOLL BRIDGE COMPANY LIMITED
SCHEDULES FORMING PART OF THE ACCOUNTS

	For the Year ended March 31, 2007 Rupees	For the Year ended March 31, 2007 Rupees	For the Year ended March 31, 2006 Rupees
SCHEDULE 13			
INCOME FROM OPERATIONS			
Toll Revenue		395,884,188	330,749,134
License Fee			
Space for Advertisement			
– Noida Side	46,212,850		33,742,156
– Delhi Side (Net of License Fees paid to MCD)	24,250,971		25,541,843
Office Space	3,243,333		–
Others	1,519,335		706,903
		75,226,489	59,990,902
		471,110,677	**390,740,036**
SCHEDULE 14			
OTHER INCOME			
Profit on Sale of Units of Mutual Fund		13,536,854	3,947,265
Exchange Rate Fluctuation		1,388,050	7,966,082
Miscellaneous Income		5,141,970	4,090,438
		20,066,874	**16,003,785**

NOIDA TOLL BRIDGE COMPANY LIMITED
SCHEDULES FORMING PART OF THE ACCOUNTS

	For the Year ended March 31, 2007 Rupees	For the Year ended March 31, 2006 Rupees
SCHEDULE 15		
OPERATING AND ADMINISTRATION EXPENSES		
Salaries, Wages and Bonus (Includes provision)	32,601,043	36,415,959
Contribution to Provident and Other Funds	2,981,499	1,107,949
Staff Welfare Expenses	3,483,274	2,195,168
Fees Paid to O & M Contractor	25,020,000	33,015,978
Consumption of Cards and On Board Unit	1,911,134	1,424,825
Legal & Professional Charges (See Note 3(q) of Schedule 17)	11,851,898	15,397,018
Agency Fees	3,711,036	2,255,046
Insurance Expenses	7,110,573	6,391,869
Travelling and Conveyance	4,506,100	5,104,657
Advertisement and Business Promotion Expenses	2,285,819	1,899,008
Rent	1,222,000	951,194
Repair & Maintenance - Building	4,253,216	886,698
Repair & Maintenance - Others	2,272,904	1,718,271
Telephone, Fax and Postage	2,522,446	1,700,466
Electricity Expenses	6,466,184	2,029,031
Rates and Taxes	4,257,288	3,113,556
Director's Sitting Fees	355,000	478,000
Loss on Sale of Fixed Assets	40,192	(11,460)
Printing & Stationery	2,223,537	1,296,868
Other Expenses	1,392,154	1,228,730
	120,467,297	**118,598,831**
Less : Amounts transfer to Capital Work-in-Progress	(11,809,032)	–
	108,658,265	**118,598,831**
SCHEDULE 16		
FINANCE CHARGES		
Interest on Deep Discount Bonds	8,710,876	(5,040,067)
Interest on Term Loan	124,273,689	195,253,818
Pre-payment Charges	11,170,795	–
Amortisation of Zero Coupon Bond Series B	36,161,053	32,664,127
Other Finance Charges (Includes Lease Finance Charges Rs. 115,003 (Previous Year Rs. 39,036)	342,594	9,667,134
	180,659,007	**232,545,012**

SCHEDULE 17 : SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

(1) Background

(a) Corporate Information

Noida Toll Bridge Company Limited (NTBCL) is a public limited company incorporated and domiciled in India on April 8,1996 with its registered office at Toll Plaza, DND Flyway, Noida - 201 301, Uttar Pradesh, India. The equity shares of NTBCL are publicly traded in India on the National Stock Exchange and Bombay Stock Exchange. The Global Depository Receipts (GDRs) represented by equity shares of NTBCL are traded on Alternate Investment Market (AIM) of the London Stock Exchange. The financial statements of NTBCL are the responsibility of the Management of the Company.

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 and the Ashram flyover which has been constructed at the landfall of the Delhi Noida Toll Bridge and it operates under a single business and geographical segment.

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

A 'Concession Agreement' entered into between NTBCL, Infrastructure Leasing and Financial Services Limited (IL&FS, the promoter company) and New Okhla Industrial Development Authority (NOIDA), 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 December 30, 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.

(c) Designated Returns to be Recovered

The independent auditors of the Project appointed in terms of the Concession Agreement have ascertained the cost of the Delhi Noida Link Bridge incurred till March 31, 2001 on provisional basis pending certain payments, which would be effected on submission of the final bills by the contractor as per terms of the contract and clearance of the same by the Project Engineer. The independent auditors have also determined the accrued return as designated under the Concession Agreement and due to the company till March 31, 2006. The total amount to be recovered up to March 31, 2007 under the Concession Agreement including 20% return on project cost aggregates to Rs. 11,091.17 million as calculated by the Management. The same is subject to audit by the Independent Auditor.

(2) Significant Accounting Policies

(a) Basis of Preparation

The financial statements of NTBCL have been prepared on accrual basis of accounting and in accordance with the provisions of the Companies Act, 1956 and comply with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India.

These financial statements have been drawn up in accordance with the going-concern principle and on a historical cost basis. The presentation and grouping of individual items in the balance sheet, the income statement and the cash flow statement are based on the principle of materiality.

(b) <u>Significant accounting judgments and estimates</u>

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.

(c) <u>Foreign Currency Transactions</u>

Transactions in foreign currencies are recorded at the currency rate ruling at the date of transactions. Monetary assets and liabilities denominated in foreign currency are retranslated at the exchange rate ruling at the Balance Sheet date. In case of forward contracts for foreign exchange, the difference between the forward rate and the exchange rate at the date of the transaction are recognised over the life of the contract.

In case of liabilities incurred for acquisition of fixed assets, the loss or gain on conversion, at the rates prevailing at the year end is adjusted to the carrying amount of related fixed assets. All other differences are taken to the income statement.

(d) <u>Fixed Assets</u>

Fixed assets have been 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.

Fixed assets include the Delhi Noida Link Bridge and Ashram Flyover which are stated at original cost of acquisition including incidental expenses relating to the acquisition and installation of the assets.

Expenses incurred on the Delhi Noida Link Bridge include direct and indirect expenses incurred for procurement/construction of land and buildings, roads, bridges, culverts, plant and machinery including toll plazas and other equipment and related expenses. (See also Note 3(a) below)

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 fixed assets 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.

(e) <u>Revaluation of Fixed Assets</u>

Revalued assets are recorded at revalued amounts and the incremental values are shown as Revaluation Reserve. Revaluation Reserve is transferred to the General Reserve to the extent relatable to the assets disposed off. Depreciation to the extent related to the incremental value of the assets on revaluation thereof is withdrawn from Revaluation Reserve and credited to the Profit & Loss Account.

(f) 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
Bridge	62 years
Chain Link Fencing (included in Bridge)	15 years
Advertisement Structures (included in Bridge)	5 years

(g) Impairment

Where an indication of impairment exists, or when annual impairment testing for an asset is required, the Management 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.

(h) 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 finance charges in the income statement in the period in which they are incurred.

(i) Investments

Current investments have been valued at lower of cost or fair value determined on the basis of category of investments. Long term investments have been valued at cost.

(j) Inventories

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

(k) Provisions

Provisions are recognised when the Company 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 Company expects some or all of a provision to be reimbursed, 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.

(l) <u>Employee costs</u>

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

The cost of accumulated compensated leave is determined on the basis of accumulated compensated leave due to an employee as on the date of financial statement multiplied by salary as on that date.

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

The Gratuity plan for the Company is a defined benefit plan. 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.

(m) <u>Leases</u>

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

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.

(n) <u>Revenue Recognition</u>

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 space and others is recognised on an accruals basis in accordance with contractual rights.

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).

(o) <u>Taxes</u>

Current tax represents the amount that would be payable based on computation of tax as per prevailing taxation laws. Current tax include taxes on income and fringe benefit tax.

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 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.

(p) Securities Premium Account

Difference between the issue price of GDRs represented by inherent equity shares and the face value of inherent equity shares has been recorded as Securities Premium. Share issue expenses is adjusted against the Securities Premium Account as permitted by Sec 78(2) of the Companies Act, 1956.

(q) Debenture Redemption Reserve

Debenture Redemption Reserve (DRR) is created for redemption of the Deep Discount Bonds (DDBs) for an amount equal to the issue price of the DDBs by appropriating from the Profits of the year a sum calculated under sum of digits method over the remaining life of the DDBs. The adequacy of DRR is reviewed by Management at periodic intervals.

(r) Share based payment transactions

The Company operates two equity-settled, share option plan for eligible employees which includes Directors of the Group whether full time or not and such other persons eligible under applicable laws. The options are valued as the difference between the trading price of the security in the stock exchange at the date of the grant and exercise price and are expensed over the vesting period, based on the Company's estimate of shares that will eventually vest. The total amount to be expensed over the vesting period is determined by reference to the value of the options granted, excluding the impact of any non-market vesting conditions. At each Balance Sheet date, the entity revises its estimates of the number of options that are expected to become exercisable.

(s) 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.

(t) Miscellaneous Expenditure

Miscellaneous expenditure pertaining to the expenses not relating to the construction of the bridge during the pre-operative period is amortised over a period of five years from the date of commencement of commercial operations. Expenditure incurred in connection with restructuring of DDBs is amortised under straight line method over ten financial years commencing from FY 2005-06.

(u) Earnings per Share

Basic earnings per share is 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 is 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.

(3) NOTES TO ACCOUNTS:

(a) Fixed Assets

(i) **Capitalisation of the Delhi Noida Link Bridge:**

In the earlier years NTBCL had capitalized the expenses incurred on the project, pending receipt of the final bill from the EPC contractor on the basis of Management estimates as the matter was referred to arbitration. Both the parties of the contract mutually agreed to settle all the disputes at Rs. 115 million and executed the 'Settlement Agreement and Mutual Release' agreement on September 28, 2006. Accordingly, Rs. 62.10 million (being settlement value in excess of book liability regarding the same) has been capitalised with the cost of bridge. (See also Note 3(g)(iv)).

(ii) **Depreciation:**

The Company had obtained approval from the Department of Company Affairs vide its letter dated December 14, 2003 for not charging depreciation on the Delhi Noida Link Bridge for a three year period commencing from Financial Year 2003-04. Accordingly, depreciation on the Bridge had not been provided for during the financial years 2003-04 to 2005-06. The Company commenced providing depreciation on the Delhi Noida Link Bridge since April 1, 2006.

The Gross Block of Delhi Noida Link Bridge includes Rs. 315,093,680 (previous year Rs. 315,093,680) on account of revaluation of the asset carried out in the past. Consequent to the revaluation, there is an additional charge for depreciation of Rs. 5,542,345 for the year and an equivalent amount has been withdrawn from Revaluation Reserve and credited to the Profit & Loss Account.

(iii) **Revaluation of Fixed Assets:**

- Delhi Noida Link Bridge includes value of Land appurtenant to the Bridge on both sides of Delhi and Noida. The Company had during the year 2003-04 carried out revaluation of Land for 34 acres on Noida side (original cost Rs. 5,719,849 and written down value Rs. 5,519,581 as on April 1, 2003) for which the value has been increased by Rs. 1,345,044,007.
- New Okhla Industrial Development Authority (NOIDA) has accorded in principle approval to grant Development Rights to the Company and formal agreement in this regard is pending execution. The terms and conditions of the formal agreement may impact land valuation.

(b) Sale of Revalued Land:

After obtaining approval from the Shareholders and the Lenders, the Company had sold 30.493 acres of revalued land to its wholly owned subsidiary in the year 2003-04 at the revalued price. Consequent to such sale, revaluation amount pertaining to land sold had been transferred from the Revaluation Reserve to the General Reserve in the year 2003-04.

(c) Wholly Owned Subsidiary:

The Company created a Wholly Owned Subsidiary Company, namely, DND Flyway Ltd. during the year 2003-04 after obtaining the approval of the Lenders as well as Trustees to the Debenture holders and the Shareholders of the Company. Six Equity Shares of face value of Rs. 10 each of the DND Flyway Ltd. are held jointly with individuals (with the Company as first named Shareholder).

(d) GDR Issue:

With a view to deleverage the Company and to meet the cost of Mayur Vihar Link, the Company launched a Global Depository Receipts (GDR) in the UK market in the month of March 2006 to raise new equity capital. Accordingly, the Company issued 56,818,180 Equity Shares represented by 11,363,636 GDRs (each GDR representing 5 Ordinary Shares of Rs. 10 each) @ $3.96/GDR through M/S Collins Stewart Limited and Edelweiss Capital Limited to the Institutional Investors and raised $44,999,998.56 (equivalent to INR 1,997,099,936) The Company also granted Collins Stewart Limited an over allotment option of up to 10% of the total number of new ordinary shares issued to the Depository. The Company has received $4,499,997.48 (equivalent to INR 201,329,887) in April 2006 towards over allotment.

As the construction of the Mayur Vihar link to the Delhi Noida Toll Bridge could not be commenced by April 21, 2006, pending receipt of all approvals, the Company used the funds for the prepayment of loans as mentioned in the GDR issue Admission documents.

The proceeds of the issue have been utilised upto the date of financial statement as follows:

Share Issue Expenses (Inclusive of expenses incurred up to 31.3.2006 Rs. 117,174,848)	Rs. 126,949,484
Repayment of Secured Loans due on 31.03.2006	Rs. 501,480,339
Prepayment of Secured Loan (inclusive of prepayment charges)/Project Cost of Mayur Vihar Link	Rs. 1,570,000,000

(e) Debt Restructuring:

Pursuant to the approved Debt Restructuring package, the Company has issued

- Zero Coupon Bonds (Series B) of face value of Rs. 100 each aggregating to Rs. 55.54 crores to Banks, Financial Institutions and others repayable no later than March 31, 2014 towards the Net Present Value of the sacrifice made by them by way of reduction of interest rates from the contracted terms. The Company is creating provision on a year to year basis on the principle of Sinking Fund by applying the weighted average interest rate on outstanding borrowings prior to restructuring as the discount rate and thereby arrive at the amount of the yearly charge. The Company has obtained confirmation from professional experts with respect to appropriateness of the Sinking Fund Method as well as the adequacy of the charge on a year to year basis to account for the liability towards the ZCBs in the books. Accordingly, the Profit and Loss Account has been debited with Rs. 36,161,053 (Previous Year Rs. 32,664,127) being the required amount towards provision and the corresponding liability has been created under the head Secured Loans. The Company has redeemed ZCBs (Series B) aggregating to Rs. 27,771,100/- during the year 2003-04 and the same has been adjusted against the face value of the Zero Coupon Bonds (Series B) issued by the Company.
- The Company has repaid Terms Loans and redeemed Zero Coupon Bonds (Series A) as per terms of restructuring.

(f) Secured Loans:

(i) Deep Discount Bonds are secured by a pari passu first charge in favour of the trustees along with the other senior lenders of the Company on all the project assets which include the Delhi Noida Link Bridge and all tangible and intangible assets including but not limited to rights over the project site, project documents, financial assets such as receivables, cash, investments, insurance proceeds etc. (See note 3(h)).

(ii) The Company had issued Series A Zero Coupon Bonds of Rs. 100 each for an aggregate amount of Rs. 513,850,000 to be repaid in two equal installments on March 31, 2005 and 2006 as per terms of Restructuring approved by the Corporate Debt Restructuring Empowered Group of the Banks and Financial Institutions on October 29, 2002. These Zero Coupon Bonds are secured by pari passu first charge on the Company's assets both present and future. Both the installments have been repaid on due dates. The Company has filed the documents with the Registrar of Companies for release of the charge.

(iii) The Company has issued Series B Zero Coupon Bonds of Rs. 100 each for an aggregate amount of Rs. 555,422,000 to Banks and Financial Institutions against the sacrifice made by them by way of reduction of interest rates from the contracted terms pursuant to the approval of the Companies debt restructuring package by the Corporate Debt Restructuring Empowered Group of the Banks and Financial Institutions. These Zero Coupon Bonds are secured by pari passu first charge on the Company's assets both present and future.

(iv) The loan of Rs. 350,000,000 taken from M/s Infrastructure Leasing & Financial Services Ltd. (IL&FS) during the year 2004-05 is secured by pari passu first charge on the Company's assets both present and future along with the other Senior Lenders of the Company.

(v) The Company has during the year 2005-06 taken a Loan of Rs. 124,313,383 from M/s IL&FS Ltd. which is secured by pari passu first charge on the Company's assets both present and future.

(vi) The Company has taken loans in 2004-05 from M/s IL&FS Ltd. and M/s Infrastructure Development Finance Company Ltd. (IDFC) of Rs. 944,321,313 carrying interest @8.5% p.a. for carrying out the Scheme of Arrangement with the Deep Discount Bond holders approved by the Honourable Allahabad High Court. The Loan is secured by pari passu first charge on the Company's assets both present and future along with the other Senior Lenders of the Company.

(vii) Term loans from banks, financial institutions and others are secured by a charge on:

- Immovable properties of the Company situated in the states of Delhi and Uttar Pradesh.
- The whole of the movable properties of the Company, both present and future.
- All the Company's book debts, receivables, revenues of whatsoever nature and wheresoever arising, both present and future.
- All the rights, titles, interest, benefits, claims and demands whatsoever of the Company under any agreements entered into by the Company in relation to the project including consents, agreements or any other documents entered into or to be entered into by the Company pertaining to the project, as amended, varied or supplemented from time to time.
- All the rights, titles, interest of the Company in and relation to the Trust & Retention account proceeds, being the bank account established by the Company for crediting all the revenues from the project including but not limited to toll collections from the project.
- All the rights, titles, interest benefits, claims and demands whatsoever of the Company in the Government permits, authorizations, approvals, no objections, licenses pertaining to the project and to any claims or proceeds arising in relation to or under the insurance policies taken out by the Company pertaining to the assets of the projects of the Company.

(g) Contingent Liabilities:

(a) Contingent Liabilities in respect of:

		As at March 31, 2007 Rs./Million	As at March 31, 2006 Rs./Million
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances paid against such contracts Rs. 276.12 million (Previous Year Rs. 4.87 million))	144.21	7.67
(ii)	Claims not acknowledged as debt by the Company.	NIL	NIL

(iii) Based on an environment and social assessment, compensation for rehabilitation and resettlement of project-affected persons has been estimated and considered as part of the project cost and provided for based on estimates made by the Company.

(iv) Claims made by the Contractor M/s Mitsui Marubeni Corporation aggregating to Nil million (Previous Year Rs. 251.26 million) have been settled by way of a 'Settlement Agreement and Mutual Release' on September 28, 2006 with the contractor resulting in a joint application terminating the arbitration proceedings. (See Note 2(b)(i)).

(v) Claims made by the Contractor M/s AFCONS Ltd pertaining to the Construction of the Ashram Flyover aggregating to Rs. 19.82 million (Previous Year Rs. 19.82 million) have not been accepted by the Company. The matter was referred for adjudication by both parties. The adjudication proceeding has been concluded and adjudicator has ruled that the claims are time barred. However, the matter has been referred to arbitration by M/s AFCONS Ltd.

(vi) The Company 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 at Rs. 29.32 million and provided the same as a part of the project cost. The actual settlement may result in probable obligation to the extent of Rs. 30 million based on Management estimates.

(h) Debt Restructuring in respect of Deep Discount Bonds:

The Company raised Rs. 500 million through a public issue of 1,00,000 Deep Discount Bonds (DDBs) in November 1999 with a issue price of Rs. 5,000 each and having an effective annual interest rate of 14.67%. Each DDB was stated to have a face value of Rs. 45,000 per bond in November 2015 (the maturity value of all the DDBs being Rs. 4,500 million in aggregate).

The DDBs are secured by a pari passu first charge in favour of the trustees along with the other senior lenders of the Company on all the project assets which include the Delhi Noida Toll Bridge and all tangible and intangible assets including but not limited to rights over the project site, project documents, financial assets such as receivables, cash, investments, insurance proceeds and so forth.

Pursuant to a "take-out" financing arrangement made by the Company with IDFC and IL&FS, the holders of the DDBs were given the option to sell the DDBs to IDFC (60%)/IL&FS (40%) at predetermined prices of Rs. 9,500 per bond at the end of 5th year i.e. November 2004 (at a yield of 13.70% per annum) and Rs. 16,500 per bond at the end of the 9th year i.e. November 2008 (at a yield of 14.19% per annum).

The Company approached the CDR Empowered Group in January 2004 for restructuring of the DDBs. The CDR Empowered Group at its Meeting held in February 2004 approved the Company's proposal and the same was communicated in their letter dated May 17, 2004. The said proposal was consented to by a majority of 54% of the DDB holders (by value).

Scheme of Arrangement

The Company filed a Scheme of Arrangement (Scheme) under Sections 391-393 of the Act with the Honorable High Court of Judicature at Allahabad in July 2004 for approval of the debt restructuring package as approved by the CDR Empowered Group under the CDR Scheme to give a statutory and binding force to the restructuring of the DDBs.

Under the Scheme of Arrangement with respect to restructuring of the DDBs, the Company was to provide to every DDB Holder an option to either reschedule the contracted annual yield (i.e. the interest rate) and also vary the terms and conditions in respect thereof with effect from the Appointed Date ("Appointed Date" to mean April 1, 2002) in the manner specified in Option-I or an exit option in the manner specified under Option-II, hereunder.

The details of the options were as follows:

(a) Option-I: DDB Holders electing this would be entitled to the following: (i) contracted rate of interest i.e. at 13.6974% per annum until March 31, 2002 and thereafter the effective yield to be reduced to 8.5% per annum; (ii) the date of maturity for the DDB will be November 3, 2015 and the maturity value per DDB calculated at the revised interest would be Rs. 20,715 per bond (subject to deduction of tax, if applicable); (iii) the Company to have a right to call/purchase DDBs from the DDB Holders at any time after the Effective Date (November 24, 2005 i.e. the date on which the certified copy of the Order of the High Court sanctioning the Scheme was filed with the ROC, Uttar Pradesh) with interest calculated at the rate of 13.697% per annum until March 31, 2002 and at 8.5% per annum thereafter up to the date of such payment; (iv) the DDBs will have no credit enhancement and the Take-Out Obligations of the Take-Out Lenders will not be exercisable.

(b) Option-II: DDB Holders who are not willing to accept the revised terms and conditions as set out in Option-I above will be entitled to encash the DDBs by submitting them to the Take-Out Lenders for the take out offer at a predetermined price of Rs. 9,500 per DDB (subject to deduction of tax, if applicable) on the take out date i.e. November 3, 2004 plus an interest at the rate of 8.5% for delay, if any, thereafter up to the date of payment.

Under the Scheme of Arrangement, the Company had to send letters to the DDB holders to exercise the options, immediately after the record date and in any case within 15 days therefrom. If a DDB holder did not exercise the option within 21 days, the DDB holder would be deemed to have exercised Option-II. Payments are to be made to the DDB holders, within a period of 60 days of the record date, fixed by the Company for this purpose, subject to applicable terms and conditions, laws and regulations.

The Scheme was approved by the High Court on October 24, 2005 and the Company has completed implementation of the Scheme. The Scheme as approved by the Honorable High Court has an overriding effect over the terms of the offer document through which the DDBs were offered including but not limited to the procedure mentioned therein for effecting the take out offer.

The Company had fixed December 30, 2005 as the record date to determine the DDB holders who were entitled to receive option letters for implementation of aforesaid scheme and February 28, 2006 as the date of payment. The Company sent letters to the DDB holders and the last date for exercise of options by the DDB holders was February 7, 2006.

Status of DDBs

As on February 7, 2006, a total of 142 DDB holders had exercised Option-I, (amounting to 10,815 DDBs) and 1,837 DDB holders had exercised or had, by default, fallen under Option-II, (amounting to 52,087 DDBs). In terms of the Scheme of Arrangement, all the rights attached to the DDBs, in relation to which the DDB holders who have exercised their options or have, by default, fallen under Option-II, have been extinguished with effect from the payment date, i.e. February 28, 2006.

As per the takeout schedule specified in the terms and conditions of the offer document in terms of which the Company had offered the DDBs, the DDB holders holding 37,098 DDBs exercised Put Option on the take out date i.e. on November 3, 2004. These have not been considered for the Take-out option, but have been extinguished as on February 28, 2006.

The Company has recompensed IL&FS Rs. 124.31 million towards the cost incurred for the completion of the DDB restructuring.

(i) Scheme of Amalgamation with DND Flyway Ltd.:

The Company has filed a Scheme of Amalgamation with its 100% subsidiary DND Flyway Limited in the Honourable High Courts of Allahabad and Delhi. As per the terms of the Scheme, the Company will adjust accumulated losses, prepayment charges towards repayment of loan, unamortized value of the Zero Coupon Bonds-Series B and other contingencies out of Reserves & Surplus. In the event of the Scheme being approved by the Court, the Company will write back the provisions made in the Income Statement with regard to the foregoing. Pending approval of the Scheme of Amalgamation, the Company has recorded all the expenses and income in accordance with existing accounting policies without considering the impact of proposed Scheme of Amalgamation.

(j) Investments in Mutual Fund:

During the year, the Company acquired and sold units of Mutual Funds on various dates as under:

Particulars	Purchases		Sales	
	Units	Amount Rupees	Units	Amount Rupees
Principal PNB Fixed Maturity Plan (FMP-34) 91 Days-Series VII Dividend Payout	408,073.82 (NIL)	4,080,738.16 (NIL)	(NIL)	(NIL)
Birla Sun Life Cash Manager–IP Daily Dividend	2,408,266.83 (NIL)	24,087,484.79 (NIL)	2,408,266.83 (NIL)	24,132,969.56 (NIL)
Birla Sun Life Cash Manager–IP Growth	1,944,607.62 (NIL)	24,132,969.56 (NIL)	1,944,607.62 (NIL)	24,271,425.59 (NIL)
TFCRG8 Tata Fixed Horizon Fund Series – 8	354,498.14 (NIL)	3,544,981.40 (NIL)	354,498.14 (NIL)	3,568,839.12 (NIL)
M150QG ABN AMRO FTP Series 4 Quarterly Plan E–Growth	1,871,124.83 (NIL)	20,015,218.05 (NIL)	869,603.03 (NIL)	10,015,218.05 (NIL)
M17G ABN AMRO Long term Floating Rate Fund–Institutional–Growth	3,770,677.54 (NIL)	41,600,000.00 (NIL)	– (NIL)	– (NIL)
Lotus India Liquid Fund–Retail	1,795,631.44 (NIL)	18,215,495.40 (NIL)	1,795,631.44 (NIL)	18,361,683.54 (NIL)

Particulars	Purchases		Sales	
	Units	Amount Rupees	Units	Amount Rupees
Lotus India Liquid Plus Fund Retail Growth	1,816,019.70 (NIL)	18,361,683.54 (NIL)	908,020.04 (NIL)	9,215,495.40 (NIL)
Lotus India FMP-3 Months–Series I – Institutional Growth	500,000.00 (NIL)	5,000,000.00 (NIL)	– (NIL)	– (NIL)
OLPIG HSBC Liquid Plus–Inst-Growth	2,520,305.79 (NIL)	25,858,371.30 (NIL)	1,260,161.49 (NIL)	13,055,273.02 (NIL)
HSBC Cash Fund–Inst-Plan	1,032,764.00 (NIL)	13,055,273.01 (NIL)	1,032,764.00 (NIL)	13,058,371.30 (NIL)
Reliance Liquid Fund-Cash Plan Growth	541,058.44 (NIL)	6,950,000.00 (NIL)	541,058.44 (NIL)	6,967,381.38 (NIL)
Templeton India –Treasury Management Account Regular Plan	6,086.65 (31,550.96)	11,000,000.00 (53,500,000.00)	6,086.65 (43,057.11)	11,120,954.73 (73,420,057.79)
Prudential ICICI Liquid Plan	NIL (483,833.90)	NIL (8,000,000.00)	NIL (483,833.90)	NIL (8,202,823.17)
Birla Cash Plus – Instl. Prem.–Growth*	204,547.08 (26,139,313.53)	4,000,000.00 (290,000,000.00)	26,343,860.61 (NIL)	295,235,000.65 (NIL)
UTI Floating Rate Fund–Short Term Loan (Growth Option)	NIL (455,178.57)	NIL (5,000,000.00)	NIL (455,178.57)	NIL (5,052,117.95)
UTI – Liquid Cash Plan Regular-Growth Option	2,969.87 (3,575.23)	3,566,000.00 (4,000,000.00)	2,969.87 (3,575.23)	3,634,290.28 (4,047,989.90)
UTI – Liquid Cash Plan Institutional - Growth	NIL (9,305.00)	NIL (10,547,989.81)	NIL (9,305.00)	NIL (10,692,215.65)
HSBC Mutual Fund – OCFG HSBC Cash Fund–Growth	NIL (486,885.08)	NIL (5,500,000.00)	NIL (1,068,848.05)	NIL (12,117,637.16)
D40 DSP Merrill Lynch Liquidity Fund–Growth	NIL (1,298,166.94)	NIL (22,000,000.00)	NIL (1,298,166.94)	NIL (22,243,701.10)
Chola Liquid Inst. Plus Cumulative*	1,024,383.59 (33,958,089.88)	15,065,556.97 (481,500,000.00)	32,687,989.44 (2,294,484.03)	467,769,591.97 (32,158,378.28)
Chola Liquid Fund Regular Cumulative	448,752.47	6,500,000.00	448,752.47	6,565,556.97
HDFC Cash Management Fund –Savings Plan–Growth	NIL (2,055,575.33)	NIL (30,000,000.00)	NIL (2,870,045.07)	NIL (41,990,261.75)
TLHG01 Tata Liquid High Investment Fund–Growth	NIL (8,789.50)	NIL (10,000,000.00)	NIL (8,789.50)	NIL (10,050,374.60)
TLSG01 Tata Liquid Super High Inv. Fund–Appreciation	6,385.21 (14,589.27)	8,500,000.00 (18,550,374.60)	6,385.21 (14,589.27)	8,588,599.50 (18,765,550.83)
Standard Chartered Liquidity Manager – Growth	NIL (1,587,356.25)	NIL (15,900,000.00)	NIL (1,587,356.25)	NIL (16,005,154.32)
LIC Mutual Fund – LICMF Liquid Fund – Growth Plan*	5,226,347.18 (25,046,042.82)	67,900,000.00 (316,500,000.00)	10,497,350.84 (19,775,039.155)	138,857,172.14 (250,235,322.97)
Can Bank Mutual Fund NLFIG Can Liquid Fund–Institutional*	NIL (24,332,619.05)	NIL (310,000,000.00)	5,494,432.37 (18,838,156.69)	70,309,338.23 (240,224,174.06)
Principal Cash Management Fund Liquid Option Instl. Prem Plan*	353,185.29 (32,638,523.17)	4,000,000.00 (355,000,000.00)	32,991,708.46 (Nil)	360,575,007.50 (Nil)
DSP Merrill Lynch Liquidity	2,686,559.80	61,500,000.00	2,686,559.80	62,042,636.33
JM Fixed Maturity Fund Series-III Monthly Growth	1,056,695.31	10,566,953.06	1,056,695.31	10,633,555.92
ABN AMRO FTP Series-III Quarterly Plan D growth	8,074,680.00	80,746,800.00	8,074,680.00	82,379,435.43

* Includes balance brought forward from previous year.

Of the above 7,848,417.12 (Previous Year 101,206,908.58) units remained unsold as on March 31, 2007 and have been shown under Investment (See Schedule 6).

Profit from sale of the above units of Rs. 13,536,854 (Previous Year Rs. 3,947,265) is included in other income (See Schedule 14).

Figures in brackets are the previous year figures.

(k) Outstanding Balance with Small-Scale Industrial Unit:

There are no amounts outstanding as payable to any small-scale industrial units as on March 31, 2007.

(l) Miscellaneous Expenditures:

Deferred revenue expenses include expenses incurred in connection with Restructuring of Deep Discount Bonds.

(m) Effect of change in Foreign Exchange Rates:

Net foreign exchange gain of Nil (Previous Year gain Rs. 539,916) has been adjusted against capitalization of fixed assets during the year.

(n) Employees Post Retirement Benefits:

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

Gratuity is computed as 30 days salary, for every completed year of service or part thereof 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 Group 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.

The Superannuation (pension) plan for the Group 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.

The Provident Fund (being administered by a trust) 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

	March 31, 2007 Rs.
Current service cost	633,636
Interest cost on benefit obligation	328,464
Expected return on plan assets	(175,067)
Net actuarial(gain)/loss recognised in year	1,165,174
Annual expenses	**1,952,207**

Benefit Liability

	March 31, 2007 Rs.
Defined benefit obligation	5,126,991
Fair value of plan assets	5,126,991
Benefit Liability	**–**

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

	March 31, 2007 Rs.
Opening defined benefit obligation	3,174,784
Interest cost	328,464
Exchange difference on translation	–
Current service cost	633,636
Expected return on plan assets	(175,067)
Net actuarial(gain)/loss recognised in year	1,165,174
Closing defined benefit obligation	**5,126,991**

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

	March 31, 2007 Rs.
Opening fair value of plan assets	4,322,634
Expected return	–
Contributions	804,357
Benefits paid	–
Actuarial gains/(losses) on fund	–
Closing fair value of plan assets	**5,126,991**

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:

	March 31, 2007 %
Discount rate	7.50
Future salary increases	7.00
Rate of interest	8.10

As the Company has adopted the revised AS 15 (Revised 2005) Employees Benefits issued by the ICAI, w.e.f. April 1, 2006, therefore the previous year figures have not been disclosed. The change in accounting policy does not have any impact of the financials for the current period.

(o) <u>Expenditure in Foreign Currency:</u>

		Year ended March 31, 2007 Rupees	Year ended March 31, 2006 Rupees
(a)	Travel	1,014,314	1,125,567
(b)	Inventories (OBU),(at CIF Value)	1,252,346	729,891
(c)	Consultancy/Legal fee	5,629,859	NIL
(d)	Advances for Equipment	10,328,662	NIL

(p) Managerial Remuneration:

Remuneration paid / payable to Managers

		Year ended March 31, 2007 Rupees	Year ended March 31, 2006 Rupees
(a)	Salaries	2,474,340	1,986,375
(b)	Contribution to Provident and other funds	202,896	111,078
(c)	Monetary value of perquisites	722,550	691,389
		3,399,786	2,788,842

(q) Auditor's Remuneration:

Legal and Professional charges include remuneration paid to Auditors as follows:

		Year ended March 31, 2007 Rupees	Year ended March 31, 2006 Rupees
(a)	As Statutory Auditors	200,000	200,000
(b)	Limited review of half yearly accounts	198,000	198,000
(c)	For Audit of Financial Statement under IFRS	525,000	NIL
(d)	For other Audit Services	–	750,000
(e)	For taxation matters	75,000	75,000
(f)	For Other Services	370,000	243,000
(g)	Reimbursement of out of pocket expenses	55,000	25,000
(h)	Service Tax*	174,174	148,002
		1,597,174	1,639,002

* Service Tax has been debited to Cenvat Credit Account

(r) List of Related parties and Transactions / Outstanding Balances:

(i) Company exercising significant influence over the Company

Infrastructure Leasing & Financial Services Ltd.

Transactions / Outstanding balances	Year ended March 31, 2007 Rupees	Year ended March 31, 2006 Rupees
Expenditure on other service	1,599,591	1,205,766
Miscellaneous Expenses written off	12,431,338	12,431,338
Agency Fees	NIL	4,491,267
Interest on Term Loan	75,257,316	92,527,278
Recoverable as at the year end	NIL	139,514
Payable as at the year end	251,718	193,336
Unsecured Loan	150,000,000	NIL
Equity as at the year end	19,000,000	410,000,070
Deep Discount Bonds	NIL	NIL
Term Loan as at the year end	726,007,729	1,152,041,907
Zero Coupon Bonds (Series A)	NIL	NIL
Zero Coupon Bonds (Series B)	171,000,000	171,000,000
Funded Interest	43,536,987	43,536,987

(ii) **Company Holding Substantial Interest in voting power of the Company**

IL&FS Transportation Network Limited

	Year ended March 31, 2007 Rupees	Year ended March 31, 2006 Rupees
Recoverable at the period end	223,254	NIL
Equity as at the period end	45,200,007	NIL

(iii) **Enterprise which is controlled by the Company**

DND Flyway Ltd.

Transactions / Outstanding balances	Year ended March 31, 2007 Rupees	Year ended March 31, 2006 Rupees
Investment in Equity Shares	500,000	500,000
Receivable as at the year end	1,034,841,881	1,034,841,881

(iv) **Key Management Personnel**

Mr. Pradeep Puri (President & CEO)

Ms. Monisha Macedo (Manager)

Transactions / Outstanding balances	Year ended March 31, 2007 Rupees	Year ended March 31, 2006 Rupees
Vehicle Loan as at the year end	NIL	39,028
House Renovation Loan at the year end	83,683	123,982
Consumer Durable Loan	939,633	Nil
Remuneration paid	29,617,156	13,245,562

(s) **Lease obligations:**

The Company had taken one vehicle under finance lease, reconciliation of minimum lease payments and their present value is as under:

	Minimum Lease Payment (Rupees)	Present Value of Minimum Lease Payments (Rupees)	Lease Charges (Rupees)
Amount paid upto 31/3/2007	758,845	643,844	115,001
Amount payable not later than one year	1,375,056	974,822	400,234
Amount payable later than one year but not later than five years	3,644,593	3,154,308	490,285
Total	**5,778,494**	**4,772,974**	**1,005,520**
Previous Year	**1,767,301**	**1,579,089**	**188,212**

The total cost of the vehicle and its carrying amount as at 31.3.2007 is Rs. 5,591,328 (Previous Year Rs. 1,646,334) and Rs. 5,220,410 (Previous Year Rs. 658,534) respectively.

(t) **Capitalisation of Borrowing Cost:**

The Company has borrowed Rs. 15 crore for the construction of Mayur Vihar Link. The interest cost of the same of Rs. 9,123,288 has been debited to Capital Work-in-Progress for the Mayur Vihar Link.

(u) Earning/ (Loss) Per Share:

		Year ended March 31, 2007	Year ended March 31, 2006
I	**BASIC PROFIT PER SHARE**		
A.	Number of Equity Shares of Rs. 10 each fully paid up at the beginning of the year	180,413,187	122,400,007
B.	Number of Equity Shares of Rs. 10 each fully paid up at the year end	186,195,002	180,413,187
C.	Weighted Average number of Equity Shares outstanding during the period	186,044,491	124,735,645
D.	Net Profit for the Period	Rs. 110,661,836	Rs. 26,080,188
E.	**Basic Profit per Share**	**Rs. 0.59**	**Rs. 0.21**
II	**DILUTED PROFIT PER SHARE**		
F.	Weighted Average number of Equity Shares Outstanding during the period	186,044,491	124,735,645
G.	Number of potential Equity Shares of Rs. 10 each after option under ESOP is exercised	NIL	100,000
H.	Weighted Average number of Equity Shares after option under ESOP is exercised	NIL	72,329
I.	Number of potential Equity Shares of Rs. 10 each after Green Shoe option under GDR is exercised	NIL	5,681,815
J.	Weighted Average number of Equity Shares after Green Shoe option under GDR is exercised	NIL	171,233
K.	Total number of potential Equity Shares (F+H+J)	186,044,491	124,979,207
L.	Net Profit for the period	Rs. 110,661,836	Rs. 26,080,188
M.	Diluted Profit	Rs. 110,661,836	Rs. 26,080,188
N.	**Diluted Profit per Share**	**Rs. 0.59**	**Rs. 0.21**
O.	Nominal value of Equity Share	Rs. 10.00	Rs. 10.00

(v) Previous Year's Comparatives:

Figures for the previous year have been regrouped / reclassified to conform to current year's presentation. Figures in brackets represent negative balance except otherwise stated.

For and on behalf of
NOIDA TOLL BRIDGE COMPANY LIMITED

Director	Director	**Pradeep Puri** President & CEO
T. K. Banerjee CFO Noida, U.P. April 30, 2007	**Monisha Macedo** Manager and Company Secretary	

NOIDA TOLL BRIDGE COMPANY LIMITED
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(In terms of amendment to Schedule VI Part IV)

I	**Registration Details**					
	Registration No.	:	20-19759	State Code	:	20
	Balance Sheet Date	:	March 31, 2007			
II	**Capital Raised during the Year** (Amount in Rs. Thousands)					
	Public Issue	:	NIL	Right Issue	:	NIL
	Bonus Issue	:	NIL	Private Placement (GDR/ESOP)	:	57,818
III	**Position of Mobilisation and Deployment of Funds** (Amount in Rs. Thousands)					
	Total Liabilities	:	5,480,592	Total Assets	:	5,480,592
	Sources of Funds					
	Paid-up Capital	:	1,861,950	Reserves and Surplus	:	1,758,782
	Secured Loans	:	1,709,860	Unsecured Loans	:	150,000
	Application of Funds					
	Net Fixed Assets (including Capital Work-in-Progress)	:	4,318,096	Investments	:	83,472
	Net Current Assets	:	975,645	Misc. Expenditure	:	99,451
	Accumulated Losses	:	3,928			
IV	**Performance of the Company** (Amount in Rs. Thousands)					
	Turnover & Other Income	:	491,177	Total Expenditure	:	379,759
	Profit before Tax	:	111,418	Profit after Tax	:	110,615
	Earning per Share in Rs.	:	0.59	Dividend rate %	:	N/A
V	**Generic Names of three Principal Products/Services of the Company** (as per monetary terms)					
	Item Code No. (ITC Code)	:	NIL			
	Product Description	:	The Company has been set up for the purpose of construction & operation of Delhi Noida Link Bridge Project on Build, Operate, Own & Transfer (BOOT) system.			

For and on behalf of
NOIDA TOLL BRIDGE COMPANY LIMITED

Director	Director	**Pradeep Puri** President & CEO
T. K. Banerjee CFO Noida, U.P. April 30, 2007	**Monisha Macedo** Manager and Company Secretary	

NOIDA TOLL BRIDGE COMPANY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2007

	Year ended March 31, 2007 Rupees	Year ended March 31, 2006 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit / (Loss) for the year	110,615,062	26,080,188
Adjustments For :		
Depreciation	78,010,633	3,342,017
Miscellaneous Expenditure Written off	12,431,338	24,751,242
Preliminary Expenses Written off	–	647,790
Finance Charges	180,659,007	232,545,012
Profit on Sale of Assets	40,192	(11,460)
Other Income	(13,536,854)	(3,947,265)
Exchange Rate Fluctuation	(1,388,050)	(7,966,082)
	366,831,328	275,441,442
Adjustments for Movement in Working Capital:		
Decrease / (Increase) in Sundry Debtors	5,848,297	(1,649,966)
Decrease / (Increase) in Inventories	51,557	482,137
Decrease / (Increase) in Loans and Advances	(42,077,695)	(4,465,994)
Increase / (Decrease) in Current Liabilities	(68,231,219)	44,787,824
Cash From/(Used In) Operating Activities	**262,422,268**	**314,595,443**
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase / Addition to Fixed Assets	(368,739,839)	(16,745,571)
Proceeds from Sale of Fixed Assets	1,735,537	504,163
Gain/(Loss) on Sale of Units of Mutual Funds	13,536,854	3,947,265
Cash From/(Used In) Investing Activities	**(353,467,448)**	**(12,294,143)**
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Share Capital	203,717,937	2,017,016,018
Share Issue Expenses	(9,974,413)	(117,174,848)
Term Loans from Banks and Financial Institutions	150,000,000	
Repayment of Term Loan from Banks and Financial Institutions	(1,574,053,622)	(501,480,339)
Interest and Finance Charges Paid	(127,393,654)	(204,917,234)
Public Issue Expenses		
Cash From/(Used In) Financing Activities	**(1,357,703,752)**	**1,193,443,597**
Net Increase/Decrease in Cash and Cash Equivalents	(1,448,748,932)	1,495,744,897
Cash and Cash Equivalents as at April 1, 2006	1,533,823,495	38,078,598
Cash and Cash Equivalents as at March 31, 2007	**85,074,563**	**1,533,823,495**
Components of Cash and Cash Equivalents as at:	**March 31, 2007**	**March 31, 2006**
Cash in hand	209,124	142,108
Balances with the Scheduled Banks:		
- In Current Accounts	1,893,371	2,181,387
- In Deposit Accounts	–	300,000,000
Short Term Investments (Maturity less than 3 months)	82,972,068	1,231,500,000
	85,074,563	**1,533,823,495**

For and on behalf of
NOIDA TOLL BRIDGE COMPANY LIMITED

Director

Director

Pradeep Puri
President & CEO

T. K. Banerjee
CFO
Noida, U.P.
April 30, 2007

Monisha Macedo
Manager and
Company Secretary

AUDITOR'S CERTIFICATE

We have verified the above Cash Flow Statement of Noida Toll Bridge Company Limited derived from the audited financial statements of the Company for the year ended March 31, 2007 and found the statement to be in accordance therewith and also with the requirements of clause 32 of the listing agreement with the Stock Exchanges.

For LUTHRA & LUTHRA
Chartered Accountants

Noida, U.P.
April 30, 2007

Vishal Gupta
Partner

STATEMENT UNDER SECTION 212 OF THE COMPANIES ACT, 1956
RELATING TO THE SUBSIDIARY COMPANY

1.	Name of the Company		DND Flyway Limited
2.	Financial period of the Subsidiary ended on		March 31, 2007
3.	Holding Company's Interest in the Subsidiary Company		100% of the Equity Share capital of Rs. 500,000
4.	Net aggregate amount of the Profit/(Loss) of the Subsidiary Company (concerning the members of Noida Toll Bridge Company Limited) not dealt with or provided for in the accounts of Noida Toll Bridge Company Limited		
	(a)	For the current year	(Rs. 57,140)
	(b)	For the previous year since it became a subsidiary	(Rs. 199,492)
5.	Net aggregate amount of the Profit/(Loss) of the Subsidiary Company (concerning the members of Noida Toll Bridge Company Limited) dealt with or provided for in the accounts of Noida Toll Bridge Company Limited.		
	(a)	For the current year	Nil
	(b)	For the previous year since it became a subsidiary	Nil

Pradeep Puri President & CEO Noida, U.P. April 30, 2007	Director	Director	**Monisha Macedo** Manager and Company Secretary	**T.K. Banerjee** CFO

AUDITOR'S REPORT

TO THE MEMBERS OF
DND FLYWAY LIMITED
New Delhi.

1. We have audited the attached Balance Sheet of **DND Flyway Limited** as at March 31, 2007, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date, 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 Auditing Standards generally accepted in India. These 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 disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 of the said Order.

4 We draw your attention to the fact that New Okhla Industrial Development Authority (NOIDA) has conveyed its in-principle approval to grant development rights on land acquired on a sub-lease basis from Noida Toll Bridge Company Limited. (Refer to Note No. B (1) of Schedule – 5 'Significant Accounting Policies & Notes to Accounts').

5. Further to our comments in the Annexure referred to above, we report that:

   (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 accounts as required by law have been kept by the Company so it far as appears from our examination of those books;

   (c) the Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of accounts;

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

   (e) on the basis of written representations received from the Directors, and taken on record by the Board of Directors, we report that none of the Directors are disqualified as at March 31, 2007, from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

6. 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, 2007;

   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.

For **LUTHRA & LUTHRA**
Chartered Accountants

Vishal Gupta
Partner
(Membership No. 98796)

Place : Noida
Date : April 27, 2007

ANNEXURE TO THE AUDITOR'S REPORT

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

1. The nature of the Company's business/activities during the year is such that clauses (i), (iii), (vi), (vii), (viii), (xi), (xii), (xiii), (xiv), (xvi), (xviii), (xix) and (xx) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable for the year ended March 31, 2007.

2. As the stock in trade consists only of land and the Management is of the opinion that physical verification is not required, the same has not been physically verified. Hence, clauses 4(ii)(b) and (c) of the Order are not applicable.

3. There is an adequate internal control procedure commensurate with the size of the Company and the nature of its business, for the purchase of inventory and for the sale of goods.

4. There were no transactions which require to be entered in a register in pursuance of Section 301 of the Companies Act, 1956. Hence clause 4(v)(b) of the Order is not applicable.

5. Provident Fund and Employees' State Insurance Act are not applicable. Further, the Company is regular in depositing undisputed statutory dues including investor education and protection fund, income tax, sales tax, wealth tax, customs duty, excise duty, cess and any other statutory dues with the appropriate authorities.

6. There were no dues of sales tax / income tax / customs duty / wealth tax / excise duty / cess outstanding on account of any dispute.

7. The Company has been incorporated for a period of less than five years and its accumulated losses at the end of the Financial Year are less than fifty per cent of its net worth. However, the Company has incurred cash losses in the Financial Year.

8. As per the information and explanations given to us, the Company has acquired secured land with charge of all secured lenders of NTBCL. In our opinion, the terms and conditions of such charge is not prejudicial to the interest of the Company.

9. As per the information and explanations given to us, the funds raised on short-term basis have not been used for long-term investment and vice versa.

10. As per the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For **LUTHRA & LUTHRA**
Chartered Accountants

Vishal Gupta
Partner
(Membership No. 98796)

Place : Noida
Date : April 27, 2007

DND FLYWAY LIMITED
BALANCE SHEET AS AT MARCH 31, 2007

	Schedule	As at March 31, 2007 Rupees	As at March 31, 2007 Rupees	As at March 31, 2006 Rupees
SOURCES OF FUNDS				
SHAREHOLDERS' FUNDS				
Equity Share Capital	1		**500,000**	**500,000**
APPLICATION OF FUNDS				
CURRENT ASSETS, LOANS & ADVANCES				
Stock in Trade	2	1,034,841,881		1,034,841,881
Cash and Bank balances	3	299,488		355,608
		1,035,141,369		1,035,197,489
LESS: CURRENT LIABILITIES & PROVISIONS	4	1,034,898,001		1,034,896,981
NET CURRENT ASSETS			243,368	300,508
PROFIT AND LOSS ACCOUNT (Debit balance)			256,632	199,492
			500,000	**500,000**
For Notes forming part of the Accounts, refer to Schedule	5			

The Schedules referred to above form an integral part of the Balance Sheet and Profit and Loss Account.

As per our report of even date attached.

For LUTHRA & LUTHRA
Chartered Accountants

For and on behalf of
DND FLYWAY LIMITED

Vishal Gupta
Partner

Director

Director

Noida
April 27, 2007

Noida
April 27, 2007

DND FLYWAY LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2007

	Schedule	For the Year ended March 31, 2007 Rupees	For the Year ended March 31, 2006 Rupees
INCOME		Nil	Nil
		Nil	**Nil**
EXPENDITURE			
Operating and Administration Expenses			
Auditor's Remuneration		57,140	55,100
Rates & Taxes		–	600
Finance Charges			
Other Finance Charges		–	24
		57,140	**55,724**
PROFIT / (LOSS) FOR THE YEAR		**(57,140)**	**(55,724)**
Balance Brought Forward from the Previous Year		(199,492)	(143,768)
Loss Carried to Balance Sheet		**(256,632)**	**(199,492)**
Basic / Diluted Loss per Equity Share (in Rs.)		(1.14)	(1.11)
For Notes forming part of the Accounts, refer to Schedule	**5**		

The Schedules referred to above form an integral part of the Balance Sheet and Profit and Loss Account.

As per our report of even date attached.

For LUTHRA & LUTHRA
Chartered Accountants

Vishal Gupta
Partner

Noida
April 27, 2007

For and on behalf of
DND FLYWAY LIMITED

Director

Director

Noida
April 27, 2007

DND FLYWAY LIMITED
SCHEDULES FORMING PART OF THE ACCOUNTS

		As at March 31, 2007 Rupees	As at March 31, 2006 Rupees
SCHEDULE 1			
SHARE CAPITAL			
Authorised			
50,000 Equity Shares of Rs. 10		500,000	500,000
Issued, Subscribed and Paid up			
50,000 Equity Shares of Rs. 10 each fully paid up		500,000	500,000
SCHEDULE 2			
STOCK IN TRADE (At Cost)			
Land		1,034,841,881	1,034,841,881
SCHEDULE 3			
CASH AND BANK BALANCES			
Balances with Scheduled Banks - In Current Accounts		299,488	355,608
SCHEDULE 4			
CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities			
Sundry Creditors (balance includes Rs. 1,034,841,881 Previous Year Rs. 1,034,841,881 due to Noida Toll Bridge Company Limited, the Holding Company)	1,034,841,881		1,034,841,881
Other Liabilities	56,120		55,100
		1,034,898,001	
		1,034,898,001	**1,034,896,981**

SCHEDULE 5

ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

(A) ACCOUNTING POLICIES:

(1) Basis of Accounting:

The financial statements have been prepared under the historical cost convention, on an accrual basis of accounting in accordance with the Companies Act 1956 (to the extent applicable) and comply with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India.

(2) Stock in Trade:

Stock in Trade has been valued at cost of acquisition.

(3) Miscellaneous Expenditure:

Preliminary expenses have been amortised as and when incurred.

(B) NOTES TO ACCOUNTS:

(1) The Company has acquired 30.493 acres of land for a consideration of Rs. 1,034,841,881 from its Holding Company Noida Toll Bridge Company Limited (NTBCL). The land is sub-leased for a period of twenty four years commencing March 31, 2004 with existing charge in favour of all Secured Lenders of NTBCL. This pertains to the surplus land acquired for the construction of DND Toll Bridge in accordance with the terms of the Concession Agreement entered into between NTBCL, New Okhla Industrial Development Authority (NOIDA) and Infrastructure Leasing & Financial Services Limited (IL&FS). NOIDA has conveyed its "in-principle" approval to grant development rights, execution of the formal agreement in this regard is however pending. The Company shall commence commercial activity on grant of development rights. Sale consideration is payable out of the development income proceeds.

The sub-lease deed was registered on October 4, 2004. Charge in favour of all the Secured Lenders of NTBCL was registered with the ROC on November 8, 2004.

(2) As the land is intended to be used for commercial development, the Board has decided to consider the same as Stock in Trade. The sub-leased land was valued by a professional valuer in February 2004, Management is of the opinion that since then there have been no material changes in the conditions of land, hence, the same has been recorded in the books at its fair value.

(3) Remuneration to Auditor includes:

	Year ended March 31, 2007 Rupees	Year ended March 31, 2006 Rupees
Statutory Audit Fees	50,000	50,000
Service Tax	7,140	5,100
Total	**57,140**	**55,100**

(4) <u>List of Related Parties and Transactions / Outstanding Balances:</u>

(i) Company holding substantial interest in voting power of the Company

Noida Toll Bridge Company Limited

Transactions / Outstanding balances	Year ended March 31, 2007 Rupees	Year ended March 31, 2006 Rupees
Current Account Balance	1,034,841,881	1,034,846,881
Equity as at the year end	500,000	500,000

(ii) Key Managerial Personnel

Mr. Gopi Arora	Chairman
Mr. Pradeep Puri	Director
Mr. Ajay Mathur	Director

(5) The Company has carried out it's deferred tax computation in accordance with AS 22. In accordance with the same, no provision for Deferred Tax Asset / Liability is required to be created.

(6) Previous year figures have been regrouped and rearranged, wherever necessary.

(7) <u>Basic and Diluted Earning / (Loss) Per Share</u>

	Year ended March 31, 2007 Rupees	Year ended March 31, 2006 Rupees
I. <u>BASIC LOSS PER SHARE</u>		
i. Number of Equity Shares at the beginning of the Year (Nominal value of Rs. 10 each, paid up in full)	50,000	50,000
ii. Number of Equity Shares at the end of the Year (Nominal value of Rs. 10 each, paid in full)	50,000	50,000
iii Weighted Average number of Equity Shares outstanding during the year (Nominal value of Rs. 10 each, paid up in full)	50,000	50,000
iv. Net Loss for the Period	(57,140)	(55,724)
Basic Loss per Share (iv/iii)	**(1.14)**	**(1.11)**
Face Value of Equity Share	10	10

For and on behalf of
DND FLYWAY LIMITED

Director Director

Noida
April 27, 2007

DND FLYWAY LIMITED
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(In terms of amendment to Schedule VI Part IV)

I Registration Details

Registration No.	:	55-124710	State Code	:	55
Balance Sheet Date	:	March 31, 2007			

II Capital Raised during the Year (Amount in Rs. Thousands)

Public Issue	:	NIL	Right Issue	:	NIL
Bonus Issue	:	NIL	Private Placement	:	NIL

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

Total Liabilities	:	500	Total Assets	:	500
Sources of Funds					
Paid-up Capital	:	500	Reserves and Surplus	:	NIL
Secured Loans	:	NIL	Unsecured Loans	:	NIL
Application of Funds					
Net Fixed Assets (including Capital Work-in-Progress)	:	NIL	Investments	:	NIL
Net Current Assets	:	243	Misc. Expenditure	:	NIL
Accumulated Losses	:	257			

IV Performance of the Company (Amount in Rs. Thousands)

Turnover & Other Income	:	NIL	Total Expenditure	:	57
~~Profit~~/Loss before Tax	:	57	~~Profit~~/Loss after Tax	:	57
Earning per Share in Rs.	:	(1.14)	Dividend rate %	:	N/A

V Generic Names of three Principal Products/Services of the Company (as per monetary terms)

Item Code No. (ITC Code)	:	NIL
Product Description	:	The Company has been set up to purchase, acquire, lease, hire, promote and improve land for commercial utilisation.

For and on behalf of
DND FLYWAY LIMITED

Director Director

Noida
April 27, 2007

DND FLYWAY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2007

		Year ended March 31, 2007 Rupees	Year ended March 31, 2006 Rupees
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Loss for the Year	(57,140)	(55,724)
	Adjustments For:		
	Finance Charges	–	24
		(57,140)	(55,700)
	Adjustments for Movement in Working Capital:		
	Decrease / (Increase) in Inventories	–	–
	Increase / (Decrease) in Current Liabilities	1,020	–
	Cash From / (Used In) Operating Activities	**(56,120)**	**(55,700)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Cash From / (Used In) Investing Activities	**–**	**–**
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Share Capital	–	–
	Term Loans from Banks and Financial Institutions	–	–
	Interest and Finance Charges Paid	–	(24)
	Public Issue Expenses	–	–
	Cash From / (Used In) Financing Activities	**–**	**(24)**
	Net Increase / Decrease in Cash and Cash Equivalents	(56,120)	(55,724)
	Cash and Cash Equivalents as at April 1, 2006	355,608	411,332
	Cash and Cash Equivalents as at September 30, 2006	**299,488**	**355,608**
	Components of Cash and Cash Equivalents as at:	**March 31, 2007**	**March 31, 2006**
	Cash in hand	–	–
	Balances with the Scheduled Banks:		
	- In Current Accounts	299,488	355,608
	- In Deposit Accounts	–	–
		299,488	**355,608**

For and on behalf of
DND FLYWAY LIMITED

Director Director

AUDITOR'S CERTIFICATE

We have verified the above Cash Flow Statement of DND Flyway Limited derived from the audited financial statements of the Company for the year ended March 31, 2007 and found the statement to be in accordance therewith.

For LUTHRA & LUTHRA
Chartered Accountants

Noida
April 27, 2007

Vishal Gupta
Partner

AUDITOR'S REPORT

To The Board of Directors
NOIDA TOLL BRIDGE COMPANY LIMITED
On the Consolidated Financial Statements
of "Noida Toll Bridge Company Limited" and its
Subsidiary "DND Flyway Limited"

1. We have audited the attached Consolidated Balance Sheet of **Noida Toll Bridge Company Limited** and its subsidiary as at March 31, 2007, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement 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 have conducted our audit in accordance with Auditing Standards generally accepted in India. These 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 disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We draw the attention of the Board to the note number 2(b)(iii) of Schedule 17 'Significant Accounting Policies & Notes to Accounts' regarding revaluation of leased land, wherein the formal agreement for grant of development rights, is pending execution.

4. We report that :

   (a) The consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, 'Consolidated Financial Statement' issued by the Institute of Chartered Accountants of India and on the basis of separate audited financial statements of Noida Toll Bridge Company Limited and its subsidiary.

   (b) On the basis of the information and explanations given to us and on consideration of the separate audit reports on the individual audited financial statements of Noida Toll Bridge Company Limited and its subsidiary, we are of the opinion that:

      i. The consolidated balance sheet gives a true and fair view of the consolidated state of affairs of Noida Toll Bridge Company Limited and its subsidiary as at March 31, 2007;

      ii. The consolidated profit and loss account gives a true and fair view of the consolidated profit of Noida Toll Bridge Company Limited and its subsidiary for the year ended on that date; and

      iii. The consolidated cash flow statement gives a true and fair view of the consolidated cash flow of Noida Toll Bridge Company Limited and its subsidiary for the year ended on that date.

For **LUTHRA & LUTHRA**
Chartered Accountants

Vishal Gupta
Partner
(Membership No. 98796)

Place : Noida
Date : April 30, 2007

NOIDA TOLL BRIDGE COMPANY LIMITED AND ITS SUBSIDIARY COMPANY
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2007

	Schedule	As at March 31, 2007 Rupees	As at March 31, 2007 Rupees	As at March 31, 2006 Rupees
SOURCES OF FUNDS				
SHAREHOLDERS' FUNDS				
Equity Share Capital	1	1,861,950,020		1,804,131,870
Reserves & Surplus	2	2,788,731,820		2,657,770,477
			4,650,681,840	
4,461,902,347				
LOAN FUNDS				
Secured Loans	3		1,709,860,002	3,235,185,538
Unsecured Loans	4		150,000,000	–
			6,510,541,842	**7,697,087,885**
APPLICATION OF FUNDS				
FIXED ASSETS				
Gross Block	5	5,294,596,667		5,189,481,909
Less: Depreciation		218,237,348		138,671,748
Net Block			5,076,359,319	5,050,810,161
CAPITAL WORK-IN-PROGRESS			276,578,661	14,860,530
INVESTMENTS	6		82,972,068	1,231,500,000
CURRENT ASSETS, LOANS & ADVANCES				
Inventories	7	224,833		276,390
Sundry Debtors	8	2,075,179		7,923,476
Cash and Bank balances	9	2,401,983		302,679,103
Loans & Advances	10	58,672,486		16,594,791
		63,374,481		327,473,760
LESS: CURRENT LIABILITIES & PROVISIONS	11	122,327,832		182,164,607
NET CURRENT ASSETS			(58,953,351)	145,309,153
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)	12		99,450,707	111,882,045
PROFIT AND LOSS ACCOUNT (Debit balances)			1,034,134,438	1,142,725,996
			6,510,541,842	**7,697,087,885**
For Notes forming part of the Accounts, refer to Schedule	17			

The Schedules referred to above form an integral part of the Balance Sheet and Profit and Loss Account.

As per our report of even date attached.

For LUTHRA & LUTHRA
Chartered Accountants

Vishal Gupta
Partner

Noida
April 30, 2007

For and on behalf of
NOIDA TOLL BRIDGE COMPANY LIMITED

Director

Director

Pradeep Puri
President & CEO

T. K. Banerjee
CFO

Monisha Macedo
Manager and
Company Secretary

Noida
April 30, 2007

NOIDA TOLL BRIDGE COMPANY LIMITED AND ITS SUBSIDIARY COMPANY
CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2007

	Schedule	For the Year ended March 31, 2007 Rupees	For the Year ended March 31, 2007 Rupees	For the Year ended March 31, 2006 Rupees
INCOME				
Income from Operations	**13**		471,110,677	390,740,036
Other Income	**14**		20,066,874	16,003,785
			491,177,551	**406,743,821**
EXPENDITURE				
Operating and Administration Expenses	**15**		108,715,405	118,654,531
Finance Charges	**16**		180,659,007	232,545,036
Depreciation		83,552,978		3,342,017
Less: Transfer from Revaluation Reserve		5,542,345	78,010,633	
Miscellaneous Expenditure Written Off			12,431,338	25,399,032
			379,816,383	**379,940,616**
PROFIT / (LOSS) FOR THE PERIOD			**111,361,168**	**26,803,205**
Provision for Taxation / FBT			(803,246)	(778,741)
PROFIT / (LOSS) FOR THE PERIOD			**110,557,922**	**26,024,464**
Debenture Redemption Reserve			(1,966,364)	(983,182)
Balance Brought Forward from the Previous Year			(1,142,725,996)	(1,167,767,278)
Loss Carried to Balance Sheet			**(1,034,134,438)**	**(1,142,725,996)**
Basic Loss per Equity Share (in Rs.)			0.59	0.21
Diluted Loss per Equity Share (in Rs.)			0.59	0.21
For Notes forming part of the Accounts, refer to Schedule	**17**			

The Schedules referred to above form an integral part of the Balance Sheet and Profit and Loss Account.

As per our report of even date attached.

For LUTHRA & LUTHRA
Chartered Accountants

Vishal Gupta
Partner

Noida
April 30, 2007

For and on behalf of
NOIDA TOLL BRIDGE COMPANY LIMITED

Director

Director

Pradeep Puri
President & CEO

T. K. Banerjee
CFO

Monisha Macedo
Manager and
Company Secretary

Noida
April 30, 2007

NOIDA TOLL BRIDGE COMPANY LIMITED AND ITS SUBSIDIARY COMPANY
SCHEDULES FORMING PART OF THE ACCOUNTS

	As at March 31, 2007 Rupees	As at March 31, 2007 Rupees	As at March 31, 2006 Rupees
SCHEDULE 1			
SHARE CAPITAL			
Authorised			
200,000,000 Equity Shares of Rs. 10 each		2,000,000,000	2,000,000,000
Issued, Subscribed and Paid up			
186,195,002 (Previous Year 180,413,187) Equity Shares of Rs. 10 each Fully Paid up		1,861,950,020	1,804,131,870
SCHEDULE 2			
RESERVES & SURPLUS			
Revaluation Reserve			
Opening Balance	1,345,044,007		1,345,044,007
Less : Transfer to Profit & Loss Account	5,542,345		
		1,339,501,662	1,345,044,007
Debenture Redemption Reserve			
Opening Balance	983,182		
Transfer from Profit & Loss Account	1,966,364		983,182
		2,949,546	983,182
Securities Premium			
Opening Balance	1,311,743,288		
Received during the year	144,511,737		1,428,918,136
Less : Share Issue Expenses	9,974,413		117,174,848
		1,446,280,612	1,311,743,288
		2,788,731,820	**2,657,770,477**

	As at March 31, 2007 Rupees	As at March 31, 2007 Rupees	As at March 31, 2006 Rupees
SCHEDULE 3			
LOAN FUNDS			
Secured Loans			
a. Debentures and Bonds			
10,815 (Previous Year 10,815) Deep Discount Bonds of face value of Rs. 20,715 (Previous Year Rs. 20,715) each (See Note 2(e)(i) and 2(g) of Schedule 17)	224,032,725		224,032,725
Less: Unexpired Discount	112,841,452		121,552,328
		111,191,273	102,480,397
NIL (Previous Year 5,138,500) Series A Zero Coupon Bond of Rs. 100 each. (See Note 2(e)(ii) of Schedule 17)	–		256,925,000
Less: Repayment during the year	–		256,925,000
		–	–
Accumulated Liability of ZCB (Series B) (See Note 2(d) and 2(e)(iii) of Schedule 17)			
Opening balance	86,110,361		53,446,234
Add: Accumulation during the period	36,161,053		32,664,127
		122,271,414	86,110,361
b. Term Loans (See Note2(d), 2(e)(iv), (v) (vi) and (vii) of Schedule 17)			
Banks	392,465,804		1,039,360,189
Financial Institutions	310,257,665		780,442,789
Others	726,007,729		1,152,041,907
		1,428,731,198	2,971,844,885
c. Funded Interest		43,536,987	74,476,922
d. Lease Finance (See Note 2(n) of Schedule 17)		4,129,130	272,973
		1,709,860,002	**3,235,185,538**

Notes:

1. Deep Discount Bonds issued at Rs. 5000 each would be redeemed at Rs. 20,715 at the end of the 16th year from the date of allotment i.e November 3, 1999 as per Scheme of Restructuring of DDBs approved by Honourable Allahabad High Court.
2. Series A Zero Coupon Bonds of Rs. 100 each issued to Financial Institutions and Others against conversion of 50% of Term Loan as per terms of Restructuring approved by the Corporate Debt Restructuring Empowered Group of the Banks and Financial Institutions have been repaid in full during the previous year.
3. Series B Zero Coupon Bonds of Rs. 100 each issued to Banks, Financial Institutions and Others would be redeemed not later than March 31, 2014.

	As at March 31, 2007 Rupees	As at March 31, 2006 Rupees
SCHEDULE 4		
Unsecured Loans		
Short Term Loan	150,000,000	
	150,000,000	**–**

NOIDA TOLL BRIDGE COMPANY LIMITED AND ITS SUBSIDIARY COMPANY
SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE 5

FIXED ASSETS
(See Note 1(e) and 2(b) of Schedule 17)

(Amount in Rupees)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1.04.2006	Additions	Deletions / Adjustment	As at 31.03.2007	As at 1.04.2006	For the Year	Deletions / Adjustment	As at 31.03.2007	As at 31.03.2007	As at 31.03.2006
Delhi Noida Link Bridge (Refer Note(A) below and 1(e) and 1(f) of Schedule 17)	5,169,216,032	66,239,719	1,260,309	5,234,195,442	130,447,985	79,600,648	222,338	209,826,295	5,024,369,147	5,038,768,047
Leasehold Building	7,320,106	23,481,293		30,801,399	236,132	359,878		596,010	30,205,389	7,083,974
Plant & Machinery										
- Data Processing Equipment	1,995,155	1,109,244	1,114,784	1,989,615	1,780,175	419,777	1,103,514	1,096,438	893,177	214,980
- Office Equipment	3,245,486	8,111,087	344,925	11,011,648	2,098,864	1,108,439	289,193	2,918,110	8,093,538	1,146,622
Vehicles (Refer Note (B) below)	5,826,917 **	5,591,328 **	3,001,617 **	8,416,628	3,300,612	1,391,461	2,336,786	2,355,287	6,061,341	2,526,305
Furniture & Fixtures	1,878,213	6,345,194	41,472	8,181,935	807,980	672,775	35,547	1,445,208	6,736,727	1,070,233
	5,189,481,909	**110,877,865**	**5,763,107**	**5,294,596,667**	**138,671,748**	**83,552,978**	**3,987,378**	**218,237,348**	**5,076,359,319**	**5,050,810,161**
Capital Work-in-Progress	14,860,530	266,586,729	4,868,598	276,578,661					276,578,661	14,860,530
Previous Year	***5,180,916,947***	***9,554,850***	***989,888***	***5,189,481,909***	***135,826,916***	***3,342,017***	***497,185***	***138,671,748***	***5,050,810,161***	***5,045,090,031***

Notes :

(A) Delhi Noida Link Bridge includes value of Land appurtenant to the Bridge on both sides of Delhi and Noida (Original Cost Rs.131,680,824 and Written Down Value Rs. 127,070,480). Gross Block of Delhi Noida Link Bridge includes revalued land on Noida side carried out in the year 2003-04 for Rs. 1,345,044,007.

(B) ** Vehicles include Rs. 5,591,328 (previous year Rs. 1,646,334) for assets acquired under Finance Lease.

	As at March 31, 2007 Rupees	As at March 31, 2006 Rupees
SCHEDULE 6		
INVESTMENTS (At Cost)		
A. Current and Quoted, other than Trade Investments		
Principal PNB Fixed Maturity Plan (FMP-34) 91 Days-Series VII Dividend Payout 408,073.816 (Previous Year NIL) units	4,080,738	
OLPIG HSBC Liquid Plus-Inst-Growth-1,260,144.298 (Previous Year NIL) units of face value of Rs. 10 each	13,058,372	
Lotus India FMP-3 Months-Series I-Institutional Growth-500,000 (Previous Year NIL) units of face value of Rs. 10 each	5,000,000	
Lotus India Liquid Plus Fund Retail Growth-907,999.656 (Previous Year NIL) units of face value of Rs. 10 each	9,217,740	
M150QG ABN AMRO FTP Series 4 Quarterly Plan E-Growth 1,001,521.805 (Previous Year NIL) units	10,015,218	
M17G ABN AMRO Long term Floating Rate Fund-Institutional-Growth 3,770,677.544 (Previous Year NIL) units	41,600,000	
Chola Liquid Inst.Plus-Cumulative - NIL (Previous Year 31,663,605.851) units of face value of Rs. 10 each		450,000,000
LIC Mutual Fund LICMF Liquid Fund-Growth Plan - NIL (Previous Year 5,271,003,665) units of face value of Rs. 10 each		66,500,000
Can Bank Mutual Fund NLFIG Can Liquid Fund - Institutional - Growth-NIL (Previous Year 5,494,462.3669) units of face value of Rs. 10 each		70,000,000
Principal Cash Management Fund - Liquid Option Instl. Prem. Plan-Growth-353,185.290 (Previous Year 32,638,523.172) units of face value of Rs. 10 each		355,000,000
Birla Sun Life Mutual Fund-B503G Birla Cash Plus-Instl.Prem.-Growth-204,547.082 (Previous Year 26,139,313.528) units of face value of Rs. 10 each		290,000,000
	82,972,068	**1,231,500,000**

Note: 1.The Net Asset Value of quoted investments as at the period ended - Rs. 83,125,142 (Previous Year Rs. 1,233,254,402)

	As at March 31, 2007 Rupees	As at March 31, 2006 Rupees
SCHEDULE 7		
INVENTORIES (At Cost)		
Electronic Cards and 'On Board Units'	224,833	276,390

	As at March 31, 2007 Rupees	As at March 31, 2006 Rupees
SCHEDULE 8		
SUNDRY DEBTORS (Unsecured, Considered Good)		
Debts Outstanding for more than six months	1,405,050	1,405,050
Debts Outstanding for less than six months	670,129	6,518,426
	2,075,179	**7,923,476**

NOIDA TOLL BRIDGE COMPANY LIMITED AND ITS SUBSIDIARY COMPANY
SCHEDULES FORMING PART OF THE ACCOUNTS

	As at March 31, 2007 Rupees	As at March 31, 2006 Rupees
SCHEDULE 9		
CASH AND BANK BALANCES		
Cash in Hand	209,124	142,108
Balances with Scheduled Banks		
- In Current Accounts	2,192,859	2,536,995
- Fixed Deposits		300,000,000
	2,401,983	**302,679,103**
SCHEDULE 10		
LOANS AND ADVANCES (Unsecured, Considered good)		
a. Advances / Income Recoverable in Cash or in Kind or for Value to be Received	34,203,393	12,545,851
b. Advance Payment against Taxes	22,673,388	2,451,735
c. Deposits	1,795,705	1,597,205
	58,672,486	**16,594,791**
Amounts due from Directors	NIL	NIL
Maximum amount due from Directors during the year	NIL	NIL

	As at March 31, 2007 Rupees	As at March 31, 2007 Rupees	As at March 31, 2006 Rupees
SCHEDULE 11			
CURRENT LIABILITIES AND PROVISIONS			
a. Current Liabilities			
Sundry Creditors	179,183		78,974
Advance Payments and Unexpired Discounts	20,057,868		11,030,894
Interest Accrued but not Due on Secured Loans	9,044,109		650,685
Other Liabilities	85,263,072		154,857,964
Investor Education and Protection Fund			
Unclaimed application money for allotment of Fully Convertible Debentures and Deep Discount Bond	–		84,855
		114,544,232	166,703,372
b. Provisions			
Provision for Taxes	60,719		38,496
Provision for Retirement Benefits and other benefits (See Note 1(m) of Schedule 17)	7,722,881		15,422,739
		7,783,600	
		122,327,832	**182,164,607**

NOIDA TOLL BRIDGE COMPANY LIMITED AND ITS SUBSIDIARY COMPANY
SCHEDULES FORMING PART OF THE ACCOUNTS

	As at March 31, 2007 Rupees	As at March 31, 2007 Rupees	As at March 31, 2006 Rupees
SCHEDULE 12			
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)			
a. Preliminary Expenses			
Balance brought forward	–		647,790
Less: Amount charged to Profit & Loss Account	–		647,790
		–	–
b. Expenses Incurred on Public Issue of Fully Convertible Debentures and Deep Discount Bonds			
Balance brought forward	–		7,017,094
Less: Amount charged to Profit & Loss Account	–		7,017,094
		–	–
c. Deferred Revenue Expenses (See Note 2(j) of Schedule 17)			
Balance brought forward	–		5,302,810
Less: Amount charged to Profit & Loss Account	–		5,302,810
		–	–
d. Ancillary Cost in connection with arrangement of borrowings for DDBs (See Note 2(j) of Schedule 17)			
Balance brought forward	111,882,045		
Add : Amount incurred during the year	–		124,313,383
Less : Amount charged to Profit & Loss Account	12,431,338		12,431,338
		99,450,707	111,882,045
		99,450,707	**111,882,045**

NOIDA TOLL BRIDGE COMPANY LIMITED AND ITS SUBSIDIARY COMPANY
SCHEDULES FORMING PART OF THE ACCOUNTS

	For the Year ended March 31, 2007 Rupees	For the Year ended March 31, 2007 Rupees	For the Year ended March 31, 2006 Rupees
SCHEDULE 13			
INCOME FROM OPERATIONS			
Toll Revenue		395,884,188	330,749,134
License Fee			
Space for Advertisement			
- Noida Side	46,212,850		33,742,156
- Delhi Side (Net of License Fees paid to MCD)	24,250,971		25,541,843
Office Space	3,243,333		–
Others	1,519,335		706,903
		75,226,489	59,990,902
		471,110,677	**390,740,036**
SCHEDULE 14			
OTHER INCOME			
Profit on Sale of Units of Mutual Fund		13,536,854	3,947,265
Exchange Rate Fluctuation		1,388,050	7,966,082
Miscellaneous Income		5,141,970	4,090,438
		20,066,874	**16,003,785**

NOIDA TOLL BRIDGE COMPANY LIMITED AND ITS SUBSIDIARY COMPANY
SCHEDULES FORMING PART OF THE ACCOUNTS

	For the Year ended March 31, 2007 Rupees	For the Year ended March 31, 2006 Rupees
SCHEDULE 15		
OPERATING AND ADMINISTRATION EXPENSES		
Salaries, Wages and Bonus (Includes provision)	32,601,043	36,415,959
Contribution to Provident and Other Funds	2,981,499	1,107,949
Staff Welfare Expenses	3,483,274	2,195,168
Fees Paid to O & M Contractor	25,020,000	33,015,978
Consumption of Cards and On Board Unit	1,911,134	1,424,825
Legal & Professional Charges	11,909,038	15,452,118
Agency Fees	3,711,036	2,255,046
Insurance Expenses	7,110,573	6,391,869
Travelling and Conveyance	4,506,100	5,104,657
Advertisement and Business Promotion Expenses	2,285,819	1,899,008
Rent	1,222,000	951,194
Repair & Maintenance - Building	4,253,216	886,698
Repair & Maintenance - Others	2,272,904	1,718,271
Telephone, Fax and Postage	2,522,446	1,700,466
Electricity Expenses	6,466,184	2,029,031
Rates and Taxes	4,257,288	3,114,156
Director's Sitting Fees	355,000	478,000
Loss on Sale of Fixed Assets	40,192	(11,460)
Printing and Stationery	2,223,537	1,296,868
Other Expenses	1,392,154	1,228,730
	120,524,437	**118,654,531**
Less : Amounts transfer to Capital Work-in-Progress	(11,809,032)	–
	108,715,405	**118,654,531**
SCHEDULE 16		
FINANCE CHARGES		
Interest on Deep Discount Bonds	8,710,876	(5,040,067)
Interest on Term Loan	124,273,689	195,253,818
Pre-payment Charges	11,170,795	–
Amortisation of Zero Coupon Bond Series B	36,161,053	32,664,127
Other Finance Charges	342,594	9,667,158
	180,659,007	**232,545,036**

SCHEDULE 17 : SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

(1) Significant Accounting Policies

(a) Principles of Consolidation

(i) The Consolidated Financial Statements present the Consolidated Accounts of Noida Toll Bridge Co Ltd (Company) and it's wholly owned Subsidiary DND Flyway Ltd (the "Group").

(ii) The financial statements of the Group have been consolidated on a line-by-line basis to the extent possible after eliminating intra-group balances, intra-group transactions and unrealized profits in accordance with Accounting Standard 21 on "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

(iii) The land sub-leased to DND Flyway Limited by Noida Toll Bridge Company Limited have been classified as fixed assets in the Consolidated Financial Statements.

(b) Basis of Preparation

The financial statements of the group have been prepared in accordance with the going-concern principle and on a historical cost basis. The presentation and grouping of individual items in the balance sheet, the income statement and the cash flow statement are based on the principle of materiality.

(c) 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.

(d) Foreign Currency Transactions

Transactions in foreign currencies are recorded at the currency rate ruling at the date of transactions. Monetary assets and liabilities denominated in foreign currency are retranslated at the exchange rate ruling at the Balance Sheet date. In case of forward contracts for foreign exchange, the difference between the forward rate and the exchange rate at the date of the transaction are recognised over the life of the contract.

In case of liabilities incurred for acquisition of fixed assets, the loss or gain on conversion, at the rates prevailing at the year end is adjusted to the carrying amount of related fixed assets. All other differences are taken to the income statement.

(e) Fixed Assets

Fixed assets have been 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.

Fixed assets include the Delhi Noida Link Bridge and Ashram Flyover which are stated at original cost of acquisition including incidental expenses relating to the acquisition and installation of the assets.

Expenses incurred on the Delhi Noida Link Bridge include direct and indirect expenses incurred for procurement/ construction of land and buildings, roads, bridges, culverts, plant and machinery including toll plazas and other equipment and related expenses. (See also Note 2(b) below).

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 fixed assets 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.

(f) Revaluation of Fixed Assets

Revalued assets are recorded at revalued amounts and the incremental values are shown as Revaluation Reserve. Revaluation Reserve is transferred to the General Reserve to the extent relatable to the assets disposed off. Depreciation to the extent related to the incremental value of the assets on revaluation thereof is withdrawn from Revaluation Reserve and credited to the Profit & Loss Account.

(g) 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
Bridge	62 years
Chain Link Fencing (included in Bridge)	15 years
Advertisement Structures (included in Bridge)	5 years

(h) Impairment

Where an indication of impairment exists, or when annual impairment testing for an asset is required, the Management 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.

(i) 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 finance charges in the income statement in the period in which they are incurred.

(j) Investments

Current investments have been valued at lower of cost or fair value determined on the basis of category of investments. Long term investments have been valued at cost.

(k) Inventories

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

(l) Provisions

Provisions are recognised when the Company 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 Company expects some or all of a provision to be reimbursed, 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.

(m) Employee costs

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

The cost of accumulated compensated leaves is determined on the basis of accumulated compensated leave due to an employee as on the date of financial statement multiplied by salary as on that date.

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

The Gratuity plan for the Company is a defined benefit plan. 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.

(n) Leases

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

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.

(o) Revenue Recognition

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 space and others is recognised on an accruals basis in accordance with contractual rights.

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).

(p) Taxes

Current tax represents the amount that would be payable based on computation of tax as per prevailing taxation laws. Current tax include taxes on income and fringe benefit tax.

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 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.

(q) Securities Premium Account

Difference between the issue price of GDRs represented by inherent equity shares and the face value of inherent equity shares has been recorded as Securities Premium. Share issue expenses is adjusted against the Securities Premium Account as permitted by Sec 78(2) of the Companies Act,1956.

(r) Debenture Redemption Reserve

Debenture Redemption Reserve (DRR) is created for redemption of the Deep Discount Bonds (DDBs) for an amount equal to the issue price of the DDBs by appropriating from the Profits of the year a sum calculated under sum of digits method over the remaining life of the DDBs. The adequacy of DRR is reviewed by Management at periodic intervals.

(s) Share based payment transactions

The Company operates two equity-settled, share option plan for eligible employees which includes Directors of the Group whether full time or not and such other persons eligible under applicable laws. The options are valued difference between the trading price of the security in the stock exchange at the date of the grant and exercise price and are expensed over the vesting period, based on the Company's estimate of shares that will eventually vest. The total amount to be expensed over the vesting period is determined by reference to the value of the options granted, excluding the impact of any non-market vesting conditions. At each Balance Sheet date, the entity revises its estimates of the number of options that are expected to become exercisable.

(t) 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.

(u) Miscellaneous Expenditure

Miscellaneous expenditure pertaining to the expenses not relating to the construction of the bridge during the preoperative period is amortised over a period of five years from the date of commencement of commercial operations. Expenditure incurred in connection with restructuring of DDBs is amortised under straight line method over ten financial years commencing from FY 2005-06.

(v) Earnings 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 is 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.

(2) NOTES TO ACCOUNTS:

(a) The Financial Statements of the following Subsidiary Company have been consolidated as per Accounting Standard 21 on "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India:

Name of Subsidiary	Proportion of Ownership Interest
DND Flyway Limited	100%

DND Flyway Limited (Subsidiary) is incorporated in India

(b) Fixed Assets:

(i) **Capitalisation of the Delhi Noida Link Bridge:**

In the earlier years NTBCL had capitalized the expenses incurred on the project, pending receipt of the final bill from the EPC contractor on the basis of Management estimates as the matter was referred to arbitration. Both the parties of the contract have mutually agreed to settle all the disputes at Rs. 115 million and executed the 'Settlement Agreement and Mutual Release' agreement on September 28, 2006. Accordingly, Rs. 62.10 million (being settlement value in excess of book liability regarding the same) has been capitalised with the cost of bridge. (See also Note 2(f)(iv)).

(ii) **Depreciation:**

The Company had obtained approval from the Department of Company Affairs vide its letter dated December 14, 2003 for not charging depreciation on the Delhi Noida Link Bridge for a three year period commencing from Financial Year 2003-04. Accordingly, depreciation on the Bridge had not been provided for during the financial years 2003-04 to 2005-06. The Company commenced providing depreciation on the Delhi Noida Link Bridge since April 1, 2006.

The Gross Block of Delhi Noida Link Bridge includes Rs. 1,345,044,007 (previous year Rs. 1,345,044,007) on account of revaluation of the asset carried out in the past. Consequent to the revaluation, there is an additional charge for depreciation of Rs. 5,542,345 for the year and an equivalent amount has been withdrawn from Revaluation Reserve and credited to the Profit & Loss Account.

(iii) **Revaluation of Fixed Assets:**

- Delhi Noida Link Bridge includes value of Land appurtenant to the Bridge on both sides of Delhi and Noida. The Company had during the year 2003-04 carried out revaluation of Land for 34 acres on Noida side (original cost Rs. 5,719,849 and written down value Rs. 5,519,581 as on April 1, 2003) for which the value has been increased by Rs. 1,345,044,007.
- New Okhla Industrial Development Authority (NOIDA) has accorded in principle approval to grant Development Rights to the Company and formal agreement in this regard is pending execution. The terms and conditions of the formal agreement may impact land valuation.

(c) GDR Issue:

With a view to deleverage the Company and to meet the cost of Mayur Vihar Link, the Company launched a Global Depository Receipts (GDR) in the UK market in the month of March 2006 to raise new equity capital. Accordingly, the Company issued 56,818,180 Equity Shares represented by 11,363,636 GDRs (each GDR representing 5 Ordinary Shares of Rs. 10 each) @ $3.96/GDR through M/S Collins Stewart Limited and Edelweiss Capital Limited to the Institutional Investors and raised $44,999,998.56 (equivalent to INR 1,997,099,936). The Company also granted Collins Stewart Limited an over allotment option of up to 10% of the total number of new ordinary shares issued to the Depository. The Company has received $4,499,997.48 (equivalent to INR 201,329,887) in April 2006 towards over allotment.

As the construction of the Mayur Vihar link to the Delhi Noida Toll Bridge could not be commenced by April 21, 2006, pending receipt of all approvals, the Company used the funds for the prepayment of loans as mentioned in the GDR issue Admission documents.

The proceeds of the issue have been utilised upto the date of financial statement as follows :

Share Issue Expenses (Inclusive of expenses incurred up to 31.3.2006 Rs. 117,174,848)	Rs. 126,949,484
Repayment of Secured Loans due on 31.03.2006	Rs. 501,480,339
Prepayment of Secured Loan (inclusive of prepayment charges) / Project Cost of Mayur Vihar Link	Rs. 1,570,000,000

(d) <u>Debt Restructuring:</u>

Pursuant to the approved Debt Restructuring package, the Company has issued

- Zero Coupon Bonds (Series B) of face value of Rs. 100 each aggregating to Rs. 55.54 crores to Banks, Financial Institutions and others repayable no later than March 31, 2014 towards the Net Present Value of the sacrifice made by them by way of reduction of interest rates from the contracted terms. The Company is creating provision on a year to year basis on the principle of Sinking Fund by applying the weighted average interest rate on outstanding borrowings prior to restructuring as the discount rate and thereby arrive at the amount of the yearly charge. The Company has obtained confirmation from professional experts with respect to appropriateness of the Sinking Fund Method as well as the adequacy of the charge on a year to year basis to account for the liability towards the ZCBs in the books. Accordingly, the Profit and Loss Account has been debited with Rs. 36,161,053 (Previous Year Rs. 32,664,127) being the required amount towards provision and the corresponding liability has been created under the head Secured Loans. The Company has redeemed ZCBs (Series B) aggregating to Rs. 27,771,100/- during the year 2003-04 and the same has been adjusted against the face value of the Zero Coupon Bonds (Series B) issued by the Company.
- The Company has repaid Terms Loans and redeemed Zero Coupon Bonds (Series A) as per terms of restructuring.

(e) <u>Secured Loans:</u>

(i) Deep Discount Bonds are secured by a pari passu first charge in favour of the trustees along with the other senior lenders of the Company on all the project assets which include the Delhi Noida Link Bridge and all tangible and intangible assets including but not limited to rights over the project site, project documents, financial assets such as receivables, cash, investments, insurance proceeds etc. (See Note 2(g)).

(ii) The Company had issued Series A Zero Coupon Bonds of Rs. 100 each for an aggregate amount of Rs. 513,850,000 to be repaid in two equal installments on March 31, 2005 and 2006 as per terms of Restructuring approved by the Corporate Debt Restructuring Empowered Group of the Banks and Financial Institutions on October 29, 2002. These Zero Coupon Bonds are secured by pari passu first charge on the Company's assets both present and future. Both the installments have been repaid on due dates. The Company has filed the documents with the Registrar of Companies for release of the charge.

(iii) The Company has issued Series B Zero Coupon Bonds of Rs. 100 each for an aggregate amount of Rs. 555,422,000 to Banks and Financial Institutions against the sacrifice made by them by way of reduction of interest rates from the contracted terms pursuant to the approval of the Companies debt restructuring package by the Corporate Debt Restructuring Empowered Group of the Banks and Financial Institutions. These Zero Coupon Bonds are secured by pari passu first charge on the Company's assets both present and future.

(iv) The loan of Rs. 350,000,000 taken from M/s Infrastructure Leasing & Financial Services Ltd (IL&FS) during the year 2004-05 is secured by pari passu first charge on the Company's assets both present and future along with the other Senior Lenders of the Company.

(v) The Company has during the year 2005-06 taken a Loan of Rs. 124,313,383 from M/s IL&FS Ltd which is secured by pari passu first charge on the Company's assets both present and future.

(vi) The Company has taken loans in 2004-05 from M/s IL&FS Ltd and M/s Infrastructure Development Finance Company Ltd (IDFC) of Rs. 944,321,313 carrying interest @8.5% p.a. for carrying out the Scheme of Arrangement with the Deep Discount Bond holders approved by the Honourable Allahabad High Court. The Loan is secured by pari passu first charge on the Company's assets both present and future along with the other Senior Lenders of the Company.

(vii) Term loans from banks, financial institutions and others are secured by a charge on:

- Immovable properties of the Company situated in the states of Delhi and Uttar Pradesh.
- The whole of the movable properties of the Company, both present and future.
- All the Company's book debts, receivables, revenues of whatsoever nature and wheresoever arising, both present and future.

- All the rights, titles, interest, benefits, claims and demands whatsoever of the Company under any agreements entered into by the Company in relation to the project including consents, agreements or any other documents entered into or to be entered into by the Company pertaining to the project, as amended, varied or supplemented from time to time.
- All the rights, titles, interest of the Company in and relation to the Trust & Retention account proceeds, being the bank account established by the Company for crediting all the revenues from the project including but not limited to toll collections from the project.
- All the rights, titles, interest benefits, claims and demands whatsoever of the Company in the Government permits, authorizations, approvals, no objections, licenses pertaining to the project and to any claims or proceeds arising in relation to or under the insurance policies taken out by the Company pertaining to the assets of the projects of the Company.

(f) Contingent Liabilities:

	Contingent Liabilities in respect of:	**As at March 31, 2007 Rs./Million**	**As at March 31, 2006 Rs./Million**
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances paid against such contracts Rs. 276.12 million (Previous Year Rs. 4.87 million))	144.21	7.67
(ii)	Claims not acknowledged as debt by the Company	NIL	NIL

(iii) Based on an environment and social assessment, compensation for rehabilitation and resettlement of project-affected persons has been estimated and considered as part of the project cost and provided for based on estimates made by the Company.

(iv) Claims made by the Contractor M/s Mitsui Marubeni Corporation aggregating to Nil million (Previous Year Rs. 251.26 million) have been settled by way of a ‘Settlement Agreement and Mutual Release’ on September 28, 2006 with the Contractor resulting in a joint application terminating the arbitration proceedings. (See Note 2(b)(i)).

(v) Claims made by the Contractor M/s AFCONS Ltd. pertaining to the Construction of the Ashram Flyover aggregating to Rs. 19.82 million (Previous Year Rs. 19.82 million) have not been accepted by the Company. The matter was referred for adjudication by both parties. The adjudication proceeding has been concluded and adjudicator has ruled that the claims are time barred. However, the matter has been referred to arbitration by M/s AFCONS Ltd.

(vi) The Company 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 at Rs. 29.32 million and provided the same as a part of the project cost. The actual settlement may result in probable obligation to the extent of Rs. 30 million based on Management estimates.

(g) Debt Restructuring in respect of Deep Discount Bonds:

The Company raised Rs. 500 million through a public issue of 1,00,000 Deep Discount Bonds (DDBs) in November 1999 with a issue price of Rs. 5,000 each and having an effective annual interest rate of 14.67%. Each DDB was stated to have a face value of Rs. 45,000 per bond in November 2015 (the maturity value of all the DDBs being Rs. 4,500 million in aggregate).

The DDBs are secured by a pari passu first charge in favour of the trustees along with the other senior lenders of the Company on all the project assets which include the Delhi Noida Toll Bridge and all tangible and intangible assets including but not limited to rights over the project site, project documents, financial assets such as receivables, cash, investments, insurance proceeds and so forth.

Pursuant to a “take-out” financing arrangement made by the Company with IDFC and IL&FS, the holders of the DDBs were given the option to sell the DDBs to IDFC (60%)/IL&FS (40%) at predetermined prices of Rs. 9,500 per bond at the end of 5th year i.e. November 2004 (at a yield of 13.70% per annum) and Rs. 16,500 per bond at the end of the 9th year i.e. November 2008 (at a yield of 14.19% per annum).

The Company approached the CDR Empowered Group in January 2004 for restructuring of the DDBs. The CDR Empowered Group at its Meeting held in February 2004 approved the Company’s proposal and the same was communicated in their letter dated May 17, 2004. The said proposal was consented to by a majority of 54% of the DDB holders (by value).

Scheme of Arrangement

The Company filed a Scheme of Arrangement (Scheme) under Sections 391-393 of the Act with the Honorable High Court of Judicature at Allahabad in July 2004 for approval of the debt restructuring package as approved by the CDR Empowered Group under the CDR Scheme to give a statutory and binding force to the restructuring of the DDBs.

Under the Scheme of Arrangement with respect to restructuring of the DDBs, the Company was to provide to every DDB Holder an option to either reschedule the contracted annual yield (i.e. the interest rate) and also vary the terms and conditions in respect thereof with effect from the Appointed Date ("Appointed Date" to mean April 1, 2002) in the manner specified in Option-I or an exit option in the manner specified under Option-II, hereunder.

The details of the options were as follows:

(a) Option-I: DDB Holders electing this would be entitled to the following: (i) contracted rate of interest i.e. at 13.6974% per annum until March 31, 2002 and thereafter the effective yield to be reduced to 8.5% per annum; (ii) the date of maturity for the DDB will be November 3, 2015 and the maturity value per DDB calculated at the revised interest would be Rs. 20,715 per bond (subject to deduction of tax, if applicable); (iii) the Company to have a right to call/ purchase DDBs from the DDB Holders at any time after the Effective Date (November 24, 2005 i.e. the date on which the certified copy of the Order of the High Court sanctioning the Scheme was filed with the ROC, Uttar Pradesh) with interest calculated at the rate of 13.697% per annum until March 31, 2002 and at 8.5% per annum thereafter up to the date of such payment; (iv) the DDBs will have no credit enhancement and the Take-Out Obligations of the Take-Out Lenders will not be exercisable.

(b) Option-II: DDB Holders who are not willing to accept the revised terms and conditions as set out in Option-I above will be entitled to encash the DDBs by submitting them to the Take-Out Lenders for the take out offer at a predetermined price of Rs. 9,500 per DDB (subject to deduction of tax, if applicable) on the take out date i.e. November 3, 2004 plus an interest at the rate of 8.5% for delay, if any, thereafter up to the date of payment.

Under the Scheme of Arrangement, the Company had to send letters to the DDB holders to exercise the options, immediately after the record date and in any case within 15 days therefrom. If a DDB holder did not exercise the option within 21 days, the DDB holder would be deemed to have exercised Option-II. Payments are to be made to the DDB holders, within a period of 60 days of the record date, fixed by the Company for this purpose, subject to applicable terms and conditions, laws and regulations.

The Scheme was approved by the High Court on October 24, 2005 and the Company has completed implementation of the Scheme. The Scheme as approved by the Honorable High Court has an overriding effect over the terms of the offer document through which the DDBs were offered including but not limited to the procedure mentioned therein for effecting the take out offer.

The Company had fixed December 30, 2005 as the record date to determine the DDB holders who were entitled to receive option letters for implementation of aforesaid scheme and February 28, 2006 as the date of payment. The Company sent letters to the DDB holders and the last date for exercise of options by the DDB holders was February 7, 2006.

Status of DDBs

As on February 7, 2006, a total of 142 DDB holders had exercised Option-I, (amounting to 10,815 DDBs) and 1,837 DDB holders had exercised or had, by default, fallen under Option-II, (amounting to 52,087 DDBs). In terms of the Scheme of Arrangement, all the rights attached to the DDBs, in relation to which the DDB holders who have exercised their options or have, by default, fallen under Option-II, have been extinguished with effect from the payment date, i.e. February 28, 2006.

As per the takeout schedule specified in the terms and conditions of the offer document in terms of which the Company had offered the DDBs, the DDB holders holding 37,098 DDBs exercised Put Option on the take out date i.e. on November 3, 2004. These have not been considered for the Take-out option, but have been extinguished as on February 28, 2006.

The Company has recompensed IL&FS Rs. 124.31 million towards the cost incurred for the completion of the DDB restructuring.

(h) Scheme of Amalgamation with DND Flyway Ltd.:

The Company has filed a Scheme of Amalgamation with its 100% subsidiary DND Flyway Limited in the Honourable High Courts of Allahabad and Delhi. As per the terms of the Scheme, the Company will adjust accumulated losses, prepayment charges towards repayment of loan, unamortized value of the Zero Coupon Bonds-Series B and other contingencies out of Reserves & Surplus. In the event of the Scheme being approved by the Court, the Company will write back the provisions made in the Income Statement with regard to the foregoing. Pending approval of the Scheme of Amalgamation, the Company has recorded all the expenses and income in accordance with existing accounting policies without considering the impact of proposed Scheme of Amalgamation.

(i) Outstanding Balance with Small-Scale Industrial Unit:

There are no amounts outstanding as payable to any small-scale industrial units as on March 31, 2007.

(j) Miscellaneous Expenditures:

Deferred revenue expenses include expenses incurred in connection with Restructuring of Deep Discount Bonds.

(k) Effect of change in Foreign Exchange Rates:

Net foreign exchange gain of Nil (Previous Year gain Rs. 539,916) has been adjusted against capitalization of fixed assets during the year.

(l) Employees Post Retirement Benefits:

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

Gratuity is computed as 30 days salary, for every completed year of service or part thereof 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 Group 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.

The Superannuation (pension) plan for the Group 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.

The Provident Fund (being administered by a trust) 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	**March 31, 2007 Rupees**
Current service cost	633,636
Interest cost on benefit obligation	328,464
Expected return on plan assets	(175,067)
Net actuarial(gain)/loss recognised in year	1,165,174
Annual expenses	**1,952,207**

Benefit Liability	**March 31, 2007 Rupees**
Defined benefit obligation	5,126,991
Fair value of plan assets	5,126,991
Benefit Liability	**–**

Changes in the present value of the defined benefit obligation are as follows:	**March 31, 2007 Rupees**
Opening defined benefit obligation	3,174,784
Interest cost	328,464
Exchange difference on translation	–
Current service cost	633,636
Expected return on plan assets	(175,067)
Net actuarial(gain)/loss recognised in year	1,165,174
Closing defined benefit obligation	**5,126,991**

Changes in the fair value of plan assets are as follows:	**March 31, 2007 Rupees**
Opening fair value of plan assets	4,322,634
Expected return	–
Contributions	804,357
Benefits paid	–
Actuarial gains/(losses) on fund	–
Closing fair value of plan assets	**5,126,991**

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:

	March 31, 2007 %
Discount rate	7.50
Future salary increases	7.00
Rate of interest	8.10

As the Company has adopted the revised AS 15 (Revised 2005) Employees Benefits issued by the ICAI, w.e.f. April 1, 2006, therefore the previous year figures have not been disclosed. The change in accounting policy does not have any impact of the financials for the current period.

(m) List of Related Parties and Transactions / Outstanding Balances:

(i) Company exercising significant influence over the Company

Infrastructure Leasing & Financial Services Ltd.

Transactions / Outstanding balances	Year ended March 31, 2007 Rupees	Year ended March 31, 2006 Rupees
Expenditure on other service	1,599,591	1,205,766
Miscellaneous Expenses written off	12,431,338	12,431,338
Agency Fees	NIL	4,491,267
Interest on Term Loan	75,257,316	92,527,278
Recoverable as at the year end	NIL	139,514
Payable as at the year end	251,718	193,336
Unsecured Loan	150,000,000	NIL
Equity as at the year end	19,000,000	410,000,070
Deep Discount Bonds	NIL	NIL
Term Loan as at the year end	726,007,729	1,152,041,907
Zero Coupon Bonds (Series A)	NIL	NIL
Zero Coupon Bonds (Series B)	171,000,000	171,000,000
Funded Interest	43,536,987	43,536,987

(ii) Company Holding Substantial Interest in voting power of the Company

IL&FS Transportation Network Limited

	Year ended March 31, 2007 Rupees	Year ended March 31, 2006 Rupees
Recoverable at the period end	223,254	NIL
Equity as at the period end	45,200,007	NIL

(iii) Enterprise which is controlled by the Company

DND Flyway Ltd.

Transactions / Outstanding balances	Year ended March 31, 2007 Rupees	Year ended March 31, 2006 Rupees
Investment in Equity Shares	500,000	500,000
Receivable as at the year end	1,034,841,881	1,034,841,881

(iv) Key Management Personnel

Mr. Pradeep Puri (President & CEO)

Ms. Monisha Macedo (Manager)

Transactions / Outstanding balances	Year ended March 31, 2007 Rupees	Year ended March 31, 2006 Rupees
Vehicle Loan as at the year end	NIL	39,028
House Renovation Loan at the year end	83,683	123,982
Consumer Durable Loan	939,633	NIL
Remuneration paid	29,617,156	13,245,562

(n) Lease obligations:

The Company had taken one vehicle under finance lease, reconciliation of minimum lease payments and their present value is as under:

	Minimum Lease Payment (Rupees)	Present Value of Minimum Lease Payments (Rupees)	Lease Charges (Rupees)
Amount paid upto 31/3/2007	758,845	643,844	115,001
Amount payable not later than one year	1,375,056	974,822	400,234
Amount payable later than one year but not later than five years	3,644,593	3,154,308	490,285
Total	**5,778,494**	**4,772,974**	**1,005,520**
Previous Year	**1,767,301**	**1,579,089**	**188,212**

The total cost of the vehicle and its carrying amount as at 31.3.2007 is Rs. 5,591,328 (Previous Year Rs. 1,646,334) and Rs. 5,220,410 (Previous Year Rs. 658,534) respectively.

(o) Capitalisation of Borrowing Cost:

The Company has borrowed Rs. 15 crore for the construction of Mayur Vihar Link. The interest cost of the same of Rs. 9,123,288 has been debited to Capital Work-in-Progress for the Mayur Vihar Link.

(p) Earning/ (Loss) Per Share:

	Year ended March 31, 2007	Year ended March 31, 2006
I BASIC PROFIT PER SHARE		
A. Number of Equity Shares of Rs. 10 each fully paid up at the beginning of the year	180,413,187	122,400,007
B. Number of Equity Shares of Rs. 10 each fully paid up at the year end	186,195,002	180,413,187
C. Weighted Average number of Equity Shares outstanding during the period	186,044,491	124,735,645
D. Net Profit for the Period	Rs. 110,557,922	Rs. 26,024,464
E. Basic Profit per Share	**Rs. 0.59**	**Rs. 0.21**
II DILUTED PROFIT PER SHARE		
F. Weighted Average number of Equity Shares Outstanding during the period	186,044,491	124,735,645
G. Number of potential Equity Shares of Rs. 10 each after option under ESOP is exercised	NIL	100,000
H. Weighted Average number of Equity Shares after option under ESOP is exercised	NIL	72,329
I. Number of potential Equity shares of Rs. 10 each after Green Shoe option under GDR is exercised	NIL	5,681,815
J. Weighted Average number of Equity Shares after Green Shoe option under GDR is exercised	NIL	171,233
K. Total number of potential Equity Shares (F+H+J)	186,044,491	124,979,207
L. Net Profit for the period	Rs. 110,557,922	Rs. 26,024,464
M. Diluted Profit	Rs. 110,557,922	Rs. 26,080,188
N. Diluted Profit per Share	**Rs. 0.59**	**Rs. 0.21**
O. Nominal value of Equity Share	Rs. 10.00	Rs.10.00

(q) Previous Year's Comparatives:

Figures for the previous year have been regrouped / reclassified to conform to current year's presentation. Figures in brackets represent negative balance except otherwise stated.

(r) **Additional disclosures:**

Additional statutory information disclosed in separate financial statements of the Company and the Subsidiary having no bearing on the true and fair view of the Consolidated Financial Statements and also the information pertaining to the items which are not material have not been disclosed in the Consolidated Financial Statement in view of the Accounting Standard Interpretation (ASI 15) issued by Institute of Chartered Accountants of India.

For and on behalf of
NOIDA TOLL BRIDGE COMPANY LIMITED

			Pradeep Puri
	Director	Director	President & CEO
	T. K. Banerjee		
Noida	Noida		**Monisha Macedo**
April 30, 2007	April 30, 2007		Company Secretary

NOIDA TOLL BRIDGE COMPANY LIMITED AND ITS SUBSIDIARY COMPANY
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(In terms of amendment to Schedule VI Part IV)

I Registration Details

Registration No.	:	20-19759	State Code	:	20
Balance Sheet Date	:	March 31, 2007			

II Capital Raised during the Year (Amount in Rs. Thousands)

Public Issue	:	NIL	Right Issue	:	NIL
Bonus Issue	:	NIL	Private Placement (GDR/ESOP)	:	57,818

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

Total Liabilities	:	6,510,542	Total Assets	:	6,510,542
Sources of Funds					
Paid-up Capital	:	1,861,950	Reserves and Surplus	:	2,788,732
Secured Loans	:	1,709,860	Unsecured Loans	:	150,000
Application of Funds					
Net Fixed Assets (including Capital Work-in-Progress)	:	5,352,938	Investments	:	82,972
Net Current Assets	:	(58,954)	Misc. Expenditure	:	99,451
Accumulated Losses	:	1,034,135			

IV Performance of the Company (Amount in Rs. Thousands)

Turnover & Other Income	:	491,177	Total Expenditure	:	379,816
Profit before Tax	:	111,361	Profit after Tax	:	110,558
Earning per Share in Rs.	:	0.59	Dividend rate %	:	N/A

V Generic Names of three Principal Products/Services of the Company (as per monetary terms)

Item Code No. (ITC Code)	:	NIL
Product Description	:	The Company has been set up for the purpose of construction & operation of Delhi Noida Link Bridge Project on Build, Operate, Own & Transfer (BOOT) system.

For and on behalf of
NOIDA TOLL BRIDGE COMPANY LIMITED

Pradeep Puri

Director | Director | President & CEO

T. K. Banerjee
CFO

Monisha Macedo
Manager and
Company Secretary

Noida
April 30, 2007

NOIDA TOLL BRIDGE COMPANY LIMITED AND ITS SUBSIDIARY COMPANY
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2007

		Year ended March 31, 2007 Rupees	Year ended March 31, 2006 Rupees
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Profit/(Loss) for the year	110,557,922	26,024,464
	Adjustments For:		
	Depreciation	78,010,633	3,342,017
	Miscellaneous Expenditure Written off	12,431,338	24,751,242
	Preliminary Expenses Written off	-	647,790
	Finance Charges	180,659,007	232,545,036
	Profit on Sale of Assets	40,192	(11,460)
	Other Income	(13,536,854)	(3,947,265)
	Exchange Rate Fluctuation	(1,388,050)	(7,966,082)
		366,774,188	275,385,742
	Adjustments for Movement in Working Capital:		
	Decrease / (Increase) in Sundry Debtors	5,848,297	(1,649,966)
	Decrease / (Increase) in Inventories	51,557	482,137
	Decrease / (Increase) in Loans and Advances	(42,077,695)	(4,465,994)
	Increase / (Decrease) in Current Liabilities	(68,230,199)	44,787,824
	Cash From/(Used In) Operating Activities	**262,366,148**	**314,539,743**
B.	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	(Purchase) / Addition to Fixed Assets	(368,739,839)	(16,745,571)
	Proceeds from Sale of Fixed Assets	1,735,537	504,163
	Gain/(Loss) on Sale of Units of Mutual Funds	13,536,854	3,947,265
	Cash From/(Used In) Investing Activities	**(353,467,448)**	**(12,294,143)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Share Capital	203,717,937	2,017,016,018
	Share Issue Expenses	(9,974,413)	(117,174,848)
	Term loans from Banks, Financial Institutions and Others	150,000,000	
	Repayment of Term Loan to Banks, Financial Institutions and Others	(1,574,053,622)	(501,480,339)
	Interest and Finance Charges Paid	(127,393,654)	(204,917,258)
	Cash From/(Used In) Financing Activities	**(1,357,703,752)**	**1,193,443,573**
	Net Increase/Decrease in Cash and Cash Equivalents	(1,448,805,052)	1,495,689,173
	Cash and Cash Equivalents as at April 1, 2006	1,534,179,103	38,489,930
	Cash and Cash Equivalents as at September 30, 2006	**85,374,051**	**1,534,179,103**
	Components of Cash and Cash Equivalents as at:	**March 31, 2007**	**March 31, 2006**
	Cash in hand	209,124	142,108
	Balances with the Scheduled Banks:		
	- In Current Accounts	2,192859	2,536,995
	- In Deposit Accounts	-	300,000,000
	Short Term Investments (Maturity less than 3 months)	82,972,068	1,231,500,000
		85,374,051	**1,534,179,103**

For and on behalf of
NOIDA TOLL BRIDGE COMPANY LIMITED

Director Director

Pradeep Puri
President & CEO

T. K. Banerjee
CFO
Noida
April 30, 2007

Monisha Macedo
Manager and
Company Secretary

AUDITOR'S CERTIFICATE

We have verified the above cash flow statement of Noida Toll Bridge Company Limited and its Subsidary Company derived fom the audited financial statements of the Company for the year ended March 31, 2007 and found the statement to be in accordance therewith and also with the requirements of clause 32 of the listing agreement with the Stock Exchanges.

For LUTHRA & LUTHRA
Chartered Accountants

Noida
April 30, 2007

Vishal Gupta
Partner