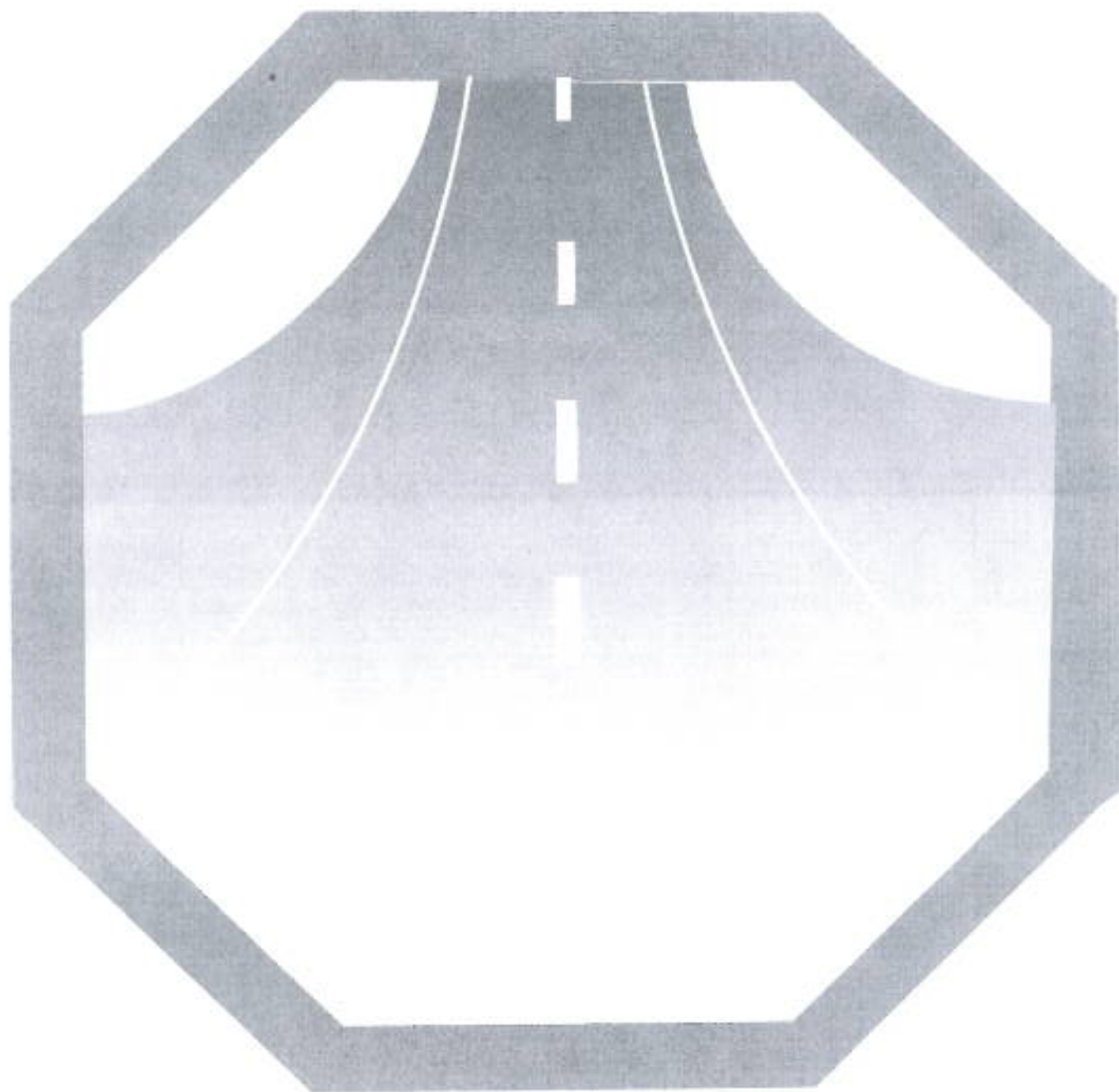


**GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED**



**ANNUAL REPORT 2011**

### **BOARD OF DIRECTORS**

Mr. S. S. Rathore  
Mr. A. K. Sharma - IAS  
Mr. P. C. Purabia  
Mr. P. P. Vakharia  
Mr. R. K. Chauhan  
Mr. K. Ramchand  
Mr. Ashok Totlani  
Mr. Manu Kochhar  
Mr. George Cherian  
Mr. Rakesh Singhvi

### **STATUTORY AUDITOR**

Deloitte Haskins & Sells  
Chartered Accountants  
12, Dr. Annie Besant Road,  
Opp. Shiv Sagar Estate,  
Worli, Mumbai - 400 018

### **OUR BANKERS**

Central Bank of India  
Lal Darwaja Branch, Ahmedabad - 380 001  
IFB Branch, Race Course, Vadodara - 390 023

HDFC Bank Limited  
S. G. Highway, Ahmedabad - 380 009

### **REGISTERED OFFICE**

Office of the Secretary  
Roads & Buildings Department,  
Sachivalaya, Block No. 14, Second Floor,  
Gandhinagar - 390 010

# GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

301, Shapath - 1, Opp. Rajpath Club, Sarkhej-Gandhinagar Highway, Bodakdev, Ahmedabad – 380 015  
Telephone: +91 79 26873413 Fax: +91 79 26870094 e-mail: gricl@vsnl.net

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## DIRECTORS' REPORT

To,  
The Shareholders,  
Gujarat Road and Infrastructure Company Limited

Your Directors have pleasure in presenting the Twelfth Annual Report together with the Audited Accounts for the year ended March 31, 2011.

### FINANCIAL RESULTS

The Company earned total revenues of Rs. 865.85 Mn during the year under review by the way of toll revenue and other income from the Ahmedabad Mehsana Road Project and Vadodara Halol Road Project. The highlights for the Year 2010-2011 vis-à-Vis the Year 2009-2010 are presented below:

(Rs. in Mn)

Particulars	F.Y 2010-2011	F.Y 2009-2010
Income	865.85	756.58
Expenses	669.56	563.94
Profit Before Taxes	196.29	192.64
Provision for Taxation	356.84	10.87
Profit / (Loss) After Taxes	(160.55)	181.77

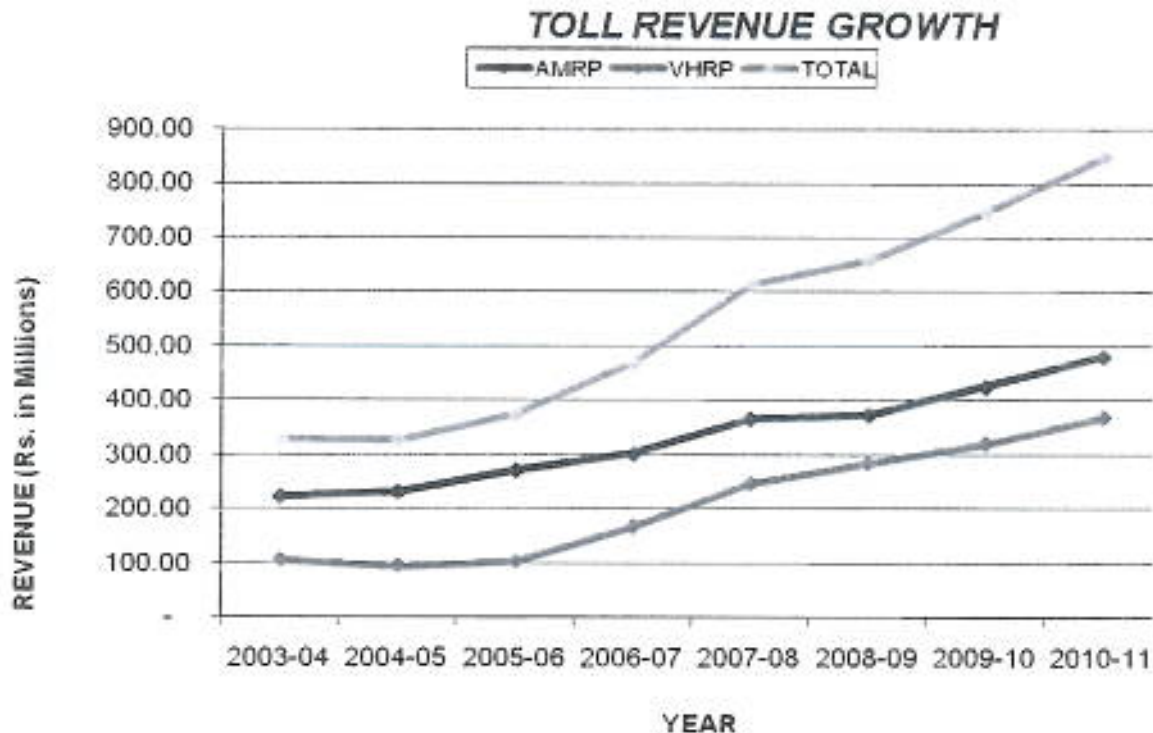
### DIVIDEND

Due to accumulated losses of previous years, the Directors are unable to recommend dividend for the year.

### OPERATIONS

During the year, the Company's operations have increased in terms of net cash flow compared to the previous year. Toll Collection and maintenance on both the road stretches under GRICL have been augmented as per the performance standards and user requirements. There has been no major user complaint received for either of road project's of the Company. The Average Toll Revenue/Day has increased from Rs. 2.05mn to Rs. 2.33mn in 2010-11, registering an increase of 13.66%.

The Revenue Growth is depicted in the following chart.



### VADODARA HALOL ROAD PROJECT

The Company was able to successfully auction the toll collection during the year with an increase of 25.55% over the previous year's auction amount. The auction process was done on-line through a Government of Gujarat undertaking agency. The necessary agreement has been signed for auction and the agency has been remitting installments regularly in the Escrow Account. The contract has been awarded for a period of one year commencing from September 7, 2010.

Routine Maintenance is being undertaken by the designated agency whereas maintenance of arboriculture is being undertaken by the Company. The Company has a well equipped ambulance with trained medical assistants and providing towing facility in case of accidents and ensuring project road, free of hindrances.

### AHMEDABAD MEHSANA ROAD PROJECT

The Company was able to successfully auction the toll collection during the year with an increase of 26.20% over the previous year's auction amount. The auction process was done on-line through a Government of Gujarat undertaking agency. The necessary agreement has been signed for auction and the agency has been remitting installments regularly in the Escrow Account. The Contract has been awarded for a period of one year commencing from February 2, 2011

The Operation and Maintenance of the project road has been undertaken by the designated contractor as per requirement and there have been no major user complaints. Ambulances at both



toll plaza's and the tow vehicle have been deployed to attend to accidents and to ensure free passage for the traffic.

### **CORPORATE GOVERNANCE:**

Pursuant to the above, the following Committees of the Board of Directors of the Company have been constituted for good corporate governance and focused attention on the affairs of the Company:

#### **Audit Committee**

The Audit Committee is comprised of Mr. K Ramchand, Mr. P. P. Vakharia, Mr. George Cherian and Mr. Rakesh Singhvi. This Committee had four meetings during the year under review.

### **DIRECTORS**

In terms of the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Ashok Totlani and Mr. S.S. Rathore - Directors of the Company, retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offered themselves for reappointment.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Section 217 (2AA) of the Companies Act, 1956 as amended in December 2000 requires the Board of Directors to provide a statement to the members of the Company in connection with the maintenance of the books, records, preparation of Annual Accounts in conformity with the accepted accounting standards and past practices followed by the Company. Pursuant to Section 217(2AA) of the Companies Act 1956, the Board of Directors confirm as under: -

- 1) Proper accounting standards have been adopted whilst preparing the annual accounts and proper explanations have been given for any material departures therefrom except to the extent as disclosed in the notes to the Accounts.
- 2) Proper and reasonable accounting policies have been applied on a consistent basis except for the Provision of Depreciation on the Toll Road Facility, which has since been changed to normal depreciation from the commencement of the Toll Facility instead of Sinking Fund method followed earlier.
- 3) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act and as per the Concession Agreement so as to safeguard the assets of the Company and prevent and detect fraud and irregularities.
- 4) The Annual Accounts for the year under review have been prepared on a going concern basis.



GRICL

### PARTICULARS OF EMPLOYEES

The Company did not have any employees drawing remuneration as set out under section 217(2A) of the Companies Act 1956 read with Companies Particulars of Employees Rules, 1975 during the year under review.

### ENERGY CONSERVATION, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

The Company does not carry on any manufacturing activities hence particulars with regard to energy conservation and technology absorption are not applicable the Company. The Company has not incurred any foreign exchange expenditure on account of foreign travel during the year under review.

### FIXED DEPOSIT

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

### STATUTORY AUDITORS

Messrs Deloitte Haskins & Sells, Chartered Accountants, Statutory Auditors of the Company retire and have conveyed their willingness to continue as Auditors, if re-appointed, at the ensuing Annual General Meeting of the Company.

### GOVERNMENT SUPPORT

As you would be aware, the Projects embarked upon by the company are in terms of the Concession Agreement for a period of 30 years. The Company continues to receive valuable support from the State Government.

### ACKNOWLEDGEMENTS

The Board of Directors place on record the continued and invaluable support received from the Government of Gujarat and the Financial Institutions and Banks of the Company.

By Order of the Board

Director

Director

Gandhinagar

Date: April 20, 2011

## AUDITORS' REPORT TO THE MEMBERS OF GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

1. We have audited the attached Balance Sheet of **GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED** ("the Company") as at 31<sup>st</sup> March, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 ("CARO" / "Order") issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
  - (i) 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;
  - (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (iii) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (iv) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
  - (v) 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:
    - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2011;



# Deloitte Haskins & Sells

- (b) in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date; and
  - (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on 31<sup>st</sup> March, 2011 taken on record by the Board of Directors, none of the Directors is disqualified as on 31<sup>st</sup> March, 2011 from being appointed as a director in terms of Section 274(F)(g) of the Companies Act, 1956.

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



  
Sanjiv V. Pilgaonkar  
Partner  
(Membership No. 39826)

MUMBAI, APRIL, 20, 2011

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# Deloitte Haskins & Sells

## ANNEXURE TO THE AUDITORS' REPORT

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

- (i) Having regard to the nature of the Company's business/activities/results, provisions of paragraph 4(xiii) of CARO are not applicable to the Company.
- (ii) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
  - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) According to the information and explanations given to us, the nature of the activities of the Company did not require it to hold inventories during the year. Accordingly, the provisions of paragraph 4(ii) of CARO are not applicable to the Company.
- (iv) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly, provisions of paragraph 4(iii) (a) to (g) of CARO are not applicable to the Company.
- (v) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for sale of services. The nature of the Company's business is such that, it does not involve purchase or sale of goods. During the course of our audit, we have not observed any major weaknesses in such internal control system.
- (vi) According to the information and explanations given to us, there were no contracts or arrangements that were required to be entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956. Accordingly, the provisions of paragraph 4(v) (a) and (b) of CARO are not applicable to the Company.
- (vii) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year and no order has been passed in this respect by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- (viii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with the size and the nature of its business.



# Deloitte Haskins & Sells

(ix) According to the information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, for the nature of services rendered by the Company. Accordingly, the provisions of paragraph 4(viii) of CARO are not applicable to the Company.

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

(a) The Company has generally been regular in depositing undisputed dues, including Income Tax, Service Tax, and other material statutory dues applicable to it with the appropriate authorities. According to the information & explanation given to us, there were no dues payable on account of Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Sales Tax, Wealth Tax, Custom duty, Excise Duty and Cess during the year.

(b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Sales Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31<sup>st</sup> March, 2011 for a period of more than six months from the date they became payable.

(c) There were no disputed dues as regards Sales Tax, Service Tax, Custom Duty, Wealth Tax, Excise Duty and Cess which have not been deposited as on 31<sup>st</sup> March, 2011. The details of dues in relation to Income Tax which have not been deposited as at 31<sup>st</sup> March, 2011 on account of disputes are given below:

Name of the Statute	Nature of the dues	Amount (in Rs.)	Period to which the amount relates to	Forum where the dispute is pending
Income Tax Act, 1961	Income tax (including interest)	76,107,410	Assessment Year 2008-09	Commissioner of Income Tax (Appeals)

(xi) According to the information and explanations given to us, the accumulated losses of the Company as at the end of the financial year have not exceeded 50% of its net worth after taking into account the credit to General Reserve consequent to recognition of the Toll Receivable Account (See Note no. 11 in Schedule K) as a part of the net worth. The Company has not incurred cash losses in the financial year and in immediately preceding financial year.

(xii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions.

According to the information and explanations given to us, there were no amounts due for repayment during the period in respect of the debentures and deep discount bonds issued by the Company.



# Deloitte Haskins & Sells

- (xiii) In our opinion, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of paragraph 4(xiii) of CARO are not applicable to the Company.
- (xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures or other investments. Accordingly, the provisions of paragraph 4(xiv) of CARO are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Therefore, the provisions of paragraph 4(xv) of CARO are not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- (xvii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have, *prima facie*, not been used during the year for long-term investment.
- (xviii) According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of paragraph 4 (xviii) of CARO are not applicable to the Company.
- (xix) According to the information and explanations given to us, securities / charges have been created in respect of debentures and deep discount bonds issued by the Company.
- (xx) According to the information and explanations given to us, the Company has not raised any money by public issue. Therefore, the provisions of paragraph 4(xx) of CARO are not applicable to the Company.
- (xxi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants  
(Registration No.117366W)



Sanjay V. Pilgaonkar  
Partner  
(Membership No.39826)

MUMBAI, APRIL 20, 2011

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**GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED**  
Balance Sheet as at March 31, 2011

(Amount in Rs.)


	Schedule	As at 31-Mar-11	As at 31-Mar-10
<b>SOURCES OF FUNDS</b>			
<b>SHARE HOLDERS' FUNDS</b>			
Capital	A	1,265,422,710	1,265,422,710
Reserves and Surplus	B	971,050,312	2,236,473,022
			1,131,599,297
Advance towards Capital / Debt (Refer Schedule K - Note No. 4)		1,050,000,000	1,050,000,000
<b>LOAN FUNDS</b>			
Secured Loans	C	2,431,440,411	2,595,708,497
Unsecured Loans		2,431,440,411	2,595,708,497
DEFERRED TAX LIABILITY (net) (Refer Schedule K, Note No. 12)		367,702,768	
<b>TOTAL</b>		<b>6,085,616,201</b>	<b>6,042,730,504</b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block		4,757,099,952	4,748,691,272
Less: Depreciation / Amortisation		841,010,345	745,935,438
Net Block	D	3,916,089,607	4,002,755,834
Add: Capital Work in-Progress		-	2,187,231
		3,916,089,607	4,004,943,065
TOLL RECEIVABLE ACCOUNT (Refer Schedule K, Note No. 11)		2,033,496,000	2,033,496,000
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
(a) Inventories	E	-	-
(b) Sundry Debtors		5,667,377	1,364,936
(c) Cash and Bank Balances		201,937,796	1,05,548,324
(d) Other Current Assets		7,707,389	203,215
(e) Loans and Advances		61,594,801	3,508,951
		776,903,363	1,18,125,426
<b>LESS: CURRENT LIABILITIES AND PROVISIONS</b>			
(a) Current Liabilities	F	140,633,688	100,665,577
(b) Provisions		219,081	9,168,410
		140,852,769	109,833,987
<b>NET CURRENT ASSETS</b>		136,030,594	1,291,439
Profit & Loss Account Debit Balance		189,203,293	178,654,309
Less: Adjusted against Balance in Reserves and Surplus		189,203,293	178,654,309
<b>TOTAL</b>		<b>6,085,616,201</b>	<b>6,042,730,504</b>

Significant accounting policies  
Notes to the financial statements

J  
K

Schedules 'A' to 'K' annexed hereto form a part of the financial statements.

In terms of our report attached  
For Deloitte Haskins & Sells  
Chartered Accountants

  
Sanjiv V. Pitgaonkar  
Partner



Place: Mumbai  
Date: April 20, 2011

For and on behalf of the Board

 Chief Executive Officer  
 Director  
 Director

 Chief Financial Officer  
 Manager & Company Secretary



**GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED**  
**Profit & Loss Account for the year ended March 31, 2011**

(Amount in Rs.)

	Schedule	For the year ended 31-Mar-11	For the year ended 31-Mar-10
<b>INCOME</b>			
Toll Revenue		850,472,721	747,415,627
Other Income	G	15,375,919	9,163,468
<b>Total Income</b>		<b>865,848,640</b>	<b>756,579,095</b>
<b>EXPENSES</b>			
Toll Operation Expenses		61,579,977	54,172,280
Asset Management Cost (Refer Schedule K, Note No. 22)		122,591,898	28,822,111
Administrative and General Expenses	H	60,983,694	41,444,522
Interest and Finance Charges	I	329,170,161	345,650,058
Depreciation / Amortisation		95,235,527	93,852,174
<b>Total Expenses</b>		<b>669,561,257</b>	<b>563,941,145</b>
<b>Profit before tax</b>		<b>196,287,383</b>	<b>192,637,950</b>
Provision for tax (Refer Schedule K, Note No. 12)-			
Less: Provision for current tax - Minimum Alternate Tax (MAT)		(39,121,100)	(10,866,400)
Less: Deferred tax (charge)		(367,702,768)	-
Add: MAT Credit (including adjustment relating to an earlier period)		49,987,500	-
<b>Profit / (Loss) after tax</b>		<b>(160,548,985)</b>	<b>181,771,550</b>
Transfer to Debenture Redemption Reserve		-	(5,000,000)
		(160,548,985)	176,771,550
<b>Balance of loss brought forward</b>		<b>(328,654,308)</b>	<b>(505,425,858)</b>
<b>Loss carried forward to Balance Sheet</b>		<b>(489,203,293)</b>	<b>(328,654,308)</b>

Earnings Per Share - (Face Value of Rs. 10) (Refer Schedule K - Note No. 19)

- Basic and diluted (1.96) 1.78

Significant accounting policies J

Notes to the financial statements K


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

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

For and on behalf of the Board

  
 Sanjiv V. Pilgaonkar  
 Partner



  
 Chief Executive Officer

   
 Director Director

Place : Mumbai  
 Date : April 20, 2011

  
 Chief Financial Officer

  
 Manager & Company Secretary

Place : Gandhinagar

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**GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED**  
**Cash Flow Statement for the year ended March 31, 2011**

(Amount in Rs.)

	For the year ended 31-Mar-2011	For the year ended 31-Mar-2010
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit for the year before tax	196,287,383	192,637,950
<b>Adjustments for the year</b>		
Depreciation / Amortisation	75,235,527	93,852,174
Provision for compensated absences	127,176	148,845
Provision for gratuity	(162,181)	10,301
Finance and Interest Charges	329,170,161	345,650,058
Loss on sale of assets (Net)	31,732	72,278
Provision for doubtful debts/(write back)	(60,000)	640,000
Provisions written back	-	(98,967)
Interest Income	(4,392,726)	(169,719)
	<b>616,237,072</b>	<b>632,545,230</b>
<b>Changes in Working Capital</b>		
(Increase) in Debtors	(742,441)	(4,796,564)
(Increase) / Decrease in Loans & Advances and Other Current Assets	(6,703,388)	159,615
Increase / (Decrease) in Current Liabilities	13,189,731	(9,891,725)
	<b>5,743,902</b>	<b>(14,528,674)</b>
<b>Cash generated from operations</b>	<b>621,980,974</b>	<b>618,016,556</b>
Income Tax Paid (Net of refund)	(51,016,945)	(1,827,090)
<b>Net cash flow from Operating Activities (a)</b>	<b>570,964,029</b>	<b>616,189,466</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from Sale of fixed assets	7,200	22,000
Fixed Assets purchased during the period	(5,863,420)	(13,108,777)
Fixed Deposits (placed) with maturity period of more than 3 months	(401,106,256)	781,947
Fixed Deposits encashed with maturity period of more than 3 months	216,763,671	-
Interest Income	3,812,246	27,586
TDS on Interest Income	(113,135)	(5,025)
<b>Net cash used in Investing Activities (b)</b>	<b>(186,699,694)</b>	<b>(12,782,269)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Finance and Interest Charges	(204,801,924)	(237,457,707)
Repayment of Long term Borrowing	(282,415,524)	(282,415,524)
<b>Net Cash used in Financing Activities (c)</b>	<b>(487,217,448)</b>	<b>(519,873,231)</b>
<b>Net (Decrease) / Increase in Cash &amp; Cash Equivalents ((a)-(b)+(c))</b>	<b>(102,953,113)</b>	<b>83,533,966</b>



*(Handwritten signatures)*



**GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED**  
Cash Flow Statement for the year ended March 31, 2011

(Amount in Rs.)

	For the year ended 31-Mar-2011	For the year ended 31-Mar-2010
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>		
Cash & Cash equivalents as at the end of the year	17,595,211	120,548,324
Cash & Cash Equivalents as at the beginning of the year	120,548,324	17,014,358
<b>Net (Decrease) / Increase in Cash &amp; Cash Equivalents</b>	<b>(102,953,113)</b>	<b>83,533,966</b>
<b>COMPONENTS OF CASH &amp; CASH EQUIVALENTS - END OF THE YEAR</b>		
Cash in hand	33,088	68,629
Balances with Scheduled Bank :		
- In Current Account	8,044,555	5,452,031
- In Deposit Account (original maturity of upto three months)	9,517,568	115,027,664
	<b>17,595,211</b>	<b>120,548,324</b>
- Add: term deposits with original maturity exceeding three months	184,342,585	-
Cash and bank balances as per Schedule E	<b>201,937,796</b>	<b>120,548,324</b>

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

In terms of our report attached

For Deloitte Haskins & Sells  
Chartered Accountants

For and on behalf of the Board



Sanjiv V. Pilgaonkar  
Partner



  
Chief Executive Officer

  
Director

Place : Mumbai  
Date : April 20, 2011

  
Chief Financial Officer

  
Manager & Company Secretary

Place : Gandhinagar

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**GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED**  
Schedules forming a part of the financial statements

**SCHEDULE A : CAPITAL**

(Amount in Rs.)

	As at 31-Mar-11	As at 31-Mar-10
<b>Authorised :</b>		
- 100,000,000 Equity Shares of Rs. 10 each	1,000,000,000	1,000,000,000
- 45,000,000 Non Cumulative Redeemable Convertible Preference Shares of Rs. 10 each	-150,000,000	-150,000,000
	<b>1,450,000,000</b>	<b>1,450,000,000</b>
<b>Issued, Subscribed and Paid - up :</b>		
- 91,542,271 (31 <sup>st</sup> March 2010 - 91,542,271) Equity Shares of Rs. 10 each fully paid up - (Refer footnote 1)	915,422,710	915,422,710
- 35,000,000 (31st March 2010 - 35,000,000) Non Cumulative Redeemable Convertible Preference Share of Rs. 10 each fully paid-up (Refer Schedule K, Note Nos. 3(c), 5, and 19 - footnote (a))	350,000,000	350,000,000
<b>Total</b>	<b>1,265,422,710</b>	<b>1,265,422,710</b>

Footnote: 1) Out of the total equity shares of the Company, 76,542,266 (31st March 2010 - 76,542,266) shares are held by IL&FS Transportation Networks Limited, the holding company; Infrastructure Leasing & Financial Services Limited is the ultimate holding company

**SCHEDULE B : RESERVES & SURPLUS**

(Amount in Rs.)

	As at 31-Mar-11	As at 31-Mar-10
<b>(A) General Reserve</b>		
Opening Balance (Refer Schedule K, Note No. 11)	1,445,253,605	1,445,253,605
Less: Debit balance in Profit and Loss Account	(489,203,293)	(328,654,308)
	<b>956,050,312</b>	<b>1,116,599,297</b>
<b>(B) Debenture Redemption Reserve</b>		
Opening balance	15,000,000	10,000,000
Add: Transfer during the year	5,000,000	5,000,000
	<b>15,000,000</b>	<b>15,000,000</b>
<b>Total</b>	<b>971,050,312</b>	<b>1,131,599,297</b>



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**GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED**  
Schedules forming a part of the financial statements

**SCHEDULE C : SECURED LOANS (Refer Schedule K, Note Nos. 6, 7, 8, 9)**

(Amount in Rs.)

	As at 31-Mar-11	As at 31-Mar-10
- Non Convertible Debentures	200,000,000	200,000,000
- Deep Discount Bonds (Refer footnote 1)	1,038,928,098	920,780,660
- From Financial Institutions (Refer footnote 2)	149,474,627	200,723,051
- From Banks (Refer footnote 3)	383,461,739	514,934,219
- From Others (Refer footnote 4)	659,575,947	759,270,567
<b>Total</b>	<b>2,431,440,411</b>	<b>2,595,708,497</b>

Footnotes:

- 1 The Deep Discount Bonds include amounts payable to Banks aggregating Rs. 447,552,887 (31st March 2010 Rs. 396,662,592)
- 2 Repayable within one year - Rs. 51,248,424 (31st March 2010 Rs. 51,248,424)
- 3 Repayable within one year - Rs. 131,472,480 (31st March 2010 Rs. 131,472,480)
- 4 Repayable within one year - Rs. 99,694,620 (31st March 2010 Rs. 99,694,620)



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**GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED**  
Schedules forming a part of the financial statements

**Schedule D : FIXED ASSETS**

Particulars	Gross Block				Depreciation			Net Block		
	Opening as at 01-Apr-10	Additions	Deletions	Closing as at 31-Mar-11	Accumulated Depreciation upto 31-Mar-10	For the period	Deletions	Accumulated Depreciation upto 31-Mar-11	As at 31-Mar-11	As at 31-Mar-10
<b>Tangible Assets</b>										
Armedabad-Mehsana Road	3,098,670.625	6,049,937	-	3,104,726.563	436,677,155	51,042,094	-	487,719,249	2,617,067,314	2,661,999,471
Vadodara Halat Road (Refer footnote 1)	1,638,903.177	2,137,347	-	1,638,903.177	293,976,858	40,856,683	-	334,833,541	1,284,066,636	1,324,923,319
Vehicles	2,489,763	-	-	4,627,157	1,769,869	403,032	-	2,172,901	2,454,256	719,691
Data Processing Equipments	12,573,611	79,250	-	12,652,861	7,764,689	1,769,592	-	9,534,281	3,117,980	4,808,322
Office Premises (Refer footnote 2)	8,581,617	-	-	8,581,617	1,503,983	138,003	-	1,641,986	6,939,631	7,077,634
Office Equipments	2,676,623	240,598	109,260	2,749,658	1,769,624	163,321	130,628	1,800,317	949,341	908,996
Furniture & Fixtures	1,173,845	42,800	29,952	1,186,693	1,035,564	67,831	29,992	1,073,403	133,250	138,281
Electrical Installations	508,579	-	-	508,579	383,886	17,343	-	401,229	107,330	124,673
<b>Total Tangible Assets</b>	<b>4,745,582,215</b>	<b>8,549,962</b>	<b>199,552</b>	<b>4,753,932,645</b>	<b>744,881,628</b>	<b>94,455,899</b>	<b>160,620</b>	<b>839,176,907</b>	<b>3,914,755,738</b>	<b>4,000,700,587</b>
<b>Intangible Assets</b>										
Software	3,109,057	58,250	-	3,167,307	1,053,810	779,628	-	1,833,438	1,333,869	2,055,247
<b>Total Intangible Assets</b>	<b>3,109,057</b>	<b>58,250</b>	<b>-</b>	<b>3,167,307</b>	<b>1,053,810</b>	<b>779,628</b>	<b>-</b>	<b>1,833,438</b>	<b>1,333,869</b>	<b>2,055,247</b>
<b>Grand Total</b>	<b>4,748,691,272</b>	<b>8,608,212</b>	<b>199,552</b>	<b>4,757,099,952</b>	<b>745,935,438</b>	<b>95,235,527</b>	<b>160,620</b>	<b>841,010,345</b>	<b>3,916,089,607</b>	<b>4,002,755,834</b>
31st March 2010	4,737,599,668	11,462,321	370,717	4,748,691,272	652,359,703	93,852,174	276,439	745,935,438	4,002,755,834	

Footnote 1:

Vadodara Halat Road includes an estimated cost of Rs. 10,763,616 (31st March 2010 Rs. 10,763,616) on Building and an estimated cost of Rs. 1,863,000 (31st March 2010 Rs. 1,863,000) on Data Processing Equipments  
Cost of Office Premises includes cost of 2 shares of Rs. 100 each aggregating Rs 200 held in Shree Shapath Owners' Association



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**GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED**  
Schedules forming a part of the financial statements

**SCHEDULE E : CURRENT ASSETS, LOANS AND ADVANCES**

		(Amount in Rs.)	
		As at 31-Mar-11	As at 31-Mar-10
(A)	Inventories	-	-
(B)	Sundry Debtors :		
-	Outstanding for a period exceeding six months		
	Unsecured, Considered good	-	182,402
	Unsecured, Considered doubtful	580,000	640,000
-	Others		
	Secured, Considered good	5,667,377	4,292,114
	Unsecured, Considered good	-	90,420
-	Less: Provision for doubtful debts	(580,000)	(640,000)
		<b>5,667,377</b>	<b>4,864,936</b>
(C)	Cash and Bank Balances :		
-	Cash in hand	33,088	68,629
-	Balances with Scheduled Banks :		
	- In Current Account	8,044,555	5,452,031
	- In Deposit Account	193,860,153	115,027,664
		<b>201,937,796</b>	<b>120,548,324</b>
(D)	Other Current Assets :		
-	Interest accrued on Bank Deposit	783,695	203,215
-	Income accrued but not due	6,919,694	-
		<b>7,703,389</b>	<b>203,215</b>
(E)	Loans and Advances : (Unsecured, Considered Good)		
-	Advances recoverable in cash or in kind or for value to be received (Refer Schedule K, Note No. 16)	4,564,567	4,657,976
-	Advance Payment of Taxes (net of provisions)	5,487,609	2,212,914
-	Advance Fringe Benefit Tax (net of provisions)	205,699	205,699
-	MAT Credit Entitled	49,987,500	-
-	Security Deposits	1,149,426	1,332,362
		<b>61,594,801</b>	<b>8,508,951</b>
<b>Total</b>		<b>276,903,363</b>	<b>134,125,426</b>

**SCHEDULE F : CURRENT LIABILITIES AND PROVISIONS**

		(Amount in Rs.)	
		As at 31-Mar-11	As at 31-Mar-10
(A)	Current Liabilities : (Refer Schedule K, Note No. 10 and 21)		
-	Sundry creditors		
	- due to Micro and Small Enterprises		
	due to other creditors	115,105,968	99,176,542
-	Income received in advance	21,758,091	18,186,996
-	Other liabilities	3,769,629	3,302,039
		<b>140,633,688</b>	<b>120,665,577</b>
(B)	Provisions:		
-	Provision for compensated absences	239,081	111,905
-	Provision for Tax (net of advances)	-	9,034,285
-	Provision for gratuity (Refer Schedule K, Note No. 20)	-	22,220
		<b>239,081</b>	<b>9,168,410</b>
<b>Total</b>		<b>140,872,769</b>	<b>129,833,987</b>



**GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED**  
Schedules forming a part of the financial statements

**SCHEDULE G : OTHER INCOME**

(Amount in Rs.)

	For the year ended 31-Mar-11	For the year ended 31-Mar-10
- Interest on Bank Deposits (Tax Deducted At Source Rs. 819,115, Previous period Rs. 251,201)	8,617,939	2,402,747
- Excess Provisions written back	-	98,967
- Provision for doubtful debts written back	60,000	-
- Income for laying cables, pipelines etc.	5,662,130	4,740,380
- Interest on late receipt of Toll Instalments	570,901	86,168
- Insurance claim received	-104,949	1,569,744
- Miscellaneous Income	60,000	265,462
<b>Total</b>	<b>15,375,919</b>	<b>9,163,468</b>

**SCHEDULE H : ADMINISTRATIVE AND GENERAL EXPENSES**

(Amount in Rs.)

	For the year ended 31-Mar-11	For the year ended 31-Mar-10
- Insurance Charges	4,303,067	4,535,297
- Legal and Professional Fees	35,749,557	5,826,295
- Employee Costs (Refer Schedule K, Note No. 14 and 20)	4,920,281	5,157,507
- Deputation costs	5,446,444	10,681,780
- Travelling and Conveyance	2,745,296	2,940,359
- Advertisement Expenses	1,947,771	1,689,942
- Repairs and Maintenance - Other than Building & Machinery	710,188	1,839,611
- Auditors' Remuneration (Refer Schedule K, Note No. 13)	2,145,257	2,464,907
- Communication Expenses	663,602	595,373
- Electricity Charges	659,701	2,624,623
- Printing and Stationery	312,951	852,447
- Rent	457,690	419,256
- Rates and Taxes	74,567	34,702
- Directors' Sitting Fees	380,000	350,000
- Loss on sale / disposal of assets (Net)	31,732	72,278
- Provision for doubtful debts	-	640,000
- Miscellaneous Expenses	435,590	720,145
<b>Total</b>	<b>60,983,694</b>	<b>41,444,522</b>

**SCHEDULE I : INTEREST AND FINANCE CHARGES**

(Amount in Rs.)

	For the year ended 31-Mar-11	For the year ended 31-Mar-10
- Interest on Debentures	25,654,796	25,143,836
- Interest on loans for fixed period	290,625,611	307,663,557
- Finance charges	12,889,754	12,842,665
<b>Total</b>	<b>329,170,161</b>	<b>345,650,058</b>



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# GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

## Schedules forming a part of the financial statements SCHEDULE 'J': SIGNIFICANT ACCOUNTING POLICIES

### 1. Basis for preparation

The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles in India, the provisions of the Companies Act, 1956 and applicable accounting standards referred to in Section 211(3C) of the Companies Act, 1956. All income and expenditure having a material bearing on the financial statements are recognised on an accrual basis.

### 2. Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including current liabilities) as of the date of the financial statements, the reported income and expenses during the reporting period and disclosure of contingent liabilities. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

### 3. Fixed Assets

#### Tangible Fixed Assets

- a) Fixed assets include the project assets (Vadodara Halol Road and Ahmedabad Mehsana Road), which are stated at their original cost of construction less accumulated depreciation and impairment loss, if any. All costs, including incidental expenses, financing costs attributable to fixed assets have been capitalised.
- b) Expenses incurred on the project assets include direct and indirect expenses incurred, in the procurement of land, construction of buildings, roads, bridges, culverts, plant & machinery, toll plazas, equipments and other related expenses, prior to the commissioning of the projects.
- c) In the case of project assets, the estimated value of components removed or not reused are reduced from the gross block and the cost of overlay or renewal expenses incurred to increase serviceability and throughput or which are in the nature of preservation costs and which extend the original useful life of the road are capitalised on a component basis.
- d) Fixed assets other than project assets are stated at their original cost of acquisition less accumulated depreciation and impairment losses, if any. The acquisition cost includes the purchase price (excluding refundable taxes) and expenses directly attributable to the asset to bring the asset to the site and in the working condition for its intended use. Examples of directly attributable expenses included in the acquisition value are delivery and handling costs, installation, legal services and consultancy services.

#### Intangible Fixed Assets

- a) Intangible assets (which comprises of software acquired) are reported at acquisition value with deductions for accumulated amortisation and any impairment losses.
- b) Acquired intangible assets are reported separately from goodwill if they fulfil the criteria for qualifying as an asset, implying they can be separated or they are based on contractual or other legal rights and that their market values can be established in a reliable manner.
- c) An impairment test of intangible assets is conducted annually or more often if there is an indication of a decrease in value. The impairment loss, if any, is reported in the income statement.

### 4. Depreciation / Amortisation

#### i. Tangible Fixed Assets

- a. For depreciation on fixed assets other than project assets the Company has adopted the Straight Line Method of depreciation so as to write off the entire cost of the following type of assets at rates higher than those prescribed under Schedule XIV to the Companies Act, 1956, based on the Management's estimate of useful life of such assets:



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## GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

### Schedules forming a part of the financial statements SCHEDULE 'J': SIGNIFICANT ACCOUNTING POLICIES

Asset Type	Useful Life
Computers	4 years
Specialised Office Equipment	3 years
Assets Provided to Employees	3 Years

- b. Depreciation on the components of project asset are charged to the profit and loss account on a straight line basis over the period over which the respective component is expected to be overlaid or renewed.
  - c. A review of the estimated useful life / the concession period as per the Concession Agreements of the project assets are undertaken by the Management at periodic intervals to assess the additional charge for depreciation, if any.
  - d. In respect of Premises, depreciation is computed on the Straight Line Method at the rates provided under Schedule XIV of the Companies Act, 1956.
  - e. Depreciation on fixed assets other than on assets specified in Notes 4(i)(a) to (d) is provided on the Written Down Value method using the rates prescribed by Schedule XIV to the Companies Act, 1956.
- ii. Intangible assets are reported at acquisition value with deductions for accumulated amortisation and impairment losses, if any.

Amortisation policy for various intangible assets is given below:

(i) Software	4 years or the useful life of the software, whichever is shorter
(ii) Licensed Software	Over the license period

An assessment of impairment of Intangible Assets is done at each reporting period, and impairment loss, if any, is reported in Profit & Loss account.

- iii. Depreciation is computed pro-rata from the date of acquisition and upto the date of disposal.
- iv. All categories of assets costing less than Rs 5,000 each, mobile phones and items of soft furnishing are fully depreciated in the year of purchase.

#### 5. Impairment of Assets

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

#### 6. Revenue Recognition

The Company's revenue is recognised on an accrual basis of accounting. Revenue relating to toll collections of such projects from users of facilities are accounted when the amount is due and recovery is certain. Licence fees for way-side facilities and access are accounted on accrual basis evenly over the period the facility is provided. Where the collection of toll is carried out by the Company through its collecting agents, revenue from toll is recognised upon collections, which coincides with the usage of the toll roads. Where the toll collection activity is auctioned to third parties, the toll revenue is recognised evenly over the period for which the rights of toll collection are assigned.

Income from rent is recognised evenly over the period of the contract.





# GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

## Schedules forming a part of the financial statements SCHEDULE 'J': SIGNIFICANT ACCOUNTING POLICIES

### 7. Financial income and borrowing costs

Financial income and borrowing costs include interest income on bank deposits and interest expense on loans.

Interest income is accrued evenly over the period of the related instrument.

Borrowing cost are recognised in the period to which they relate, regardless of how the funds have been utilised, except where it relates to financing of construction of development of assets requiring a substantial period of time to prepare for their intended future use. In such cases interest is capitalised up to the date when the asset is ready for its intended use. The amount of interest capitalised (gross of tax) for the period is determined by applying the interest rate applicable to appropriate borrowings outstanding during the period to the average amount of accumulated expenditure for the assets during the period.

### 8. Employee Benefits

#### a) Short term

Short term employee benefits are recognised as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Company

#### b) Long term

The Company has both defined-contribution and defined-benefit plans, of which some have assets in special funds or similar securities. The plans are financed by the Company and in the case of some defined contribution plans by the Company along with its employees.

##### i. Defined-contribution plans

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the employees' provident fund, family pension fund and superannuation fund. The Company's payments to the defined-contribution plans are reported as expenses during the period in which the employees perform the services that the payment covers.

##### ii. Defined-benefit plans

Expenses for defined-benefit gratuity are calculated as at the balance sheet date by independent actuaries in a manner that distributes expenses over the employee's working life. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a remaining term that is almost equivalent to the average balance working period of employees.

#### c) Other benefits

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the year end are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits after deducting amounts already paid. Where there are restrictions on availment of encashment of such accrued benefit or where the availment or encashment is otherwise not expected to wholly occur in the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.



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# GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

## Schedules forming a part of the financial statements SCHEDULE 'J': SIGNIFICANT ACCOUNTING POLICIES

### 9. Taxes on Income

The Company's income taxes include taxes on the Company's taxable profits, adjustment attributable to earlier periods and changes in deferred taxes. Valuation of all tax liabilities / receivables is conducted at nominal amounts and in accordance with enacted tax regulations and tax rates or in the case of deferred taxes, those that have been substantially enacted.

Deferred tax is calculated to correspond to the tax effect arising when final tax is determined. Deferred tax corresponds to the net effect of tax on all timing differences, which occur as a result of items being allowed for income tax purposes during a period different from when they were recognised in the financial statements.

Deferred tax assets are recognised with regard to all deductible timing differences to the extent that it is probable that taxable profit will be available against which deductible timing differences can be utilised. When the Company carries forward unused tax losses and unabsorbed depreciation, deferred tax assets are recognised only to the extent there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realised.

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

### 10. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the notes to financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

### 11. Cash Flow Statements

The Cash Flow Statement is prepared in accordance with "Indirect Method" as explained in the Accounting Standard (AS) 3 on Cash Flow Statements.

### 12. Cash and Cash Equivalents

Cash and bank balances, and current investments that have insignificant risk of change in value and have original duration of up to three months, are included in the Company's cash and cash equivalents in the Cash Flow Statement.

### 13. Earnings per Share

Basic earnings per share is calculated by dividing the net profit after tax for the year attributable to equity shareholders of the Company by the weighted average number of equity shares in issue during the year.

Diluted earnings per share is calculated by dividing the net profit after tax for the year attributable to equity shareholders of the company by the weighted number of equity shares determined by assuming conversion on exercise of conversion rights for all potential dilutive securities.







# GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

Schedules forming a part of the financial statements  
SCHEDULE 'K': NOTES TO THE FINANCIAL STATEMENTS

1. Consequent to the amalgamation of the erstwhile Vadodara Halol Toll Road Company Limited and the erstwhile Ahmedabad Mehsana Toll Road Company Limited with the Company, the concession agreements relating to the Vadodara Halol Road Project (VHRP) and Ahmedabad Mehsana Road Project (AMRP) devolved on the Company.

These agreements conferred the rights of implementing the VHRP and AMRP projects and recovering the respective project costs through levy of toll fees together with a designated rate of return over the balance period of the 30 years concession period or till the time the designated return is recovered, whichever is earlier. The concession agreements also provide that in the event the project cost and the designated return are not recovered at the end of 30 years, the concession period will be extended by two years at a time until the project cost and the return thereon is recovered. The required return is computed with reference to project costs, major maintenance expenses and the earnings determined at quarterly intervals.

The commercial operations at the VHRP and AMRP commenced on 24th October, 2000 and 20th February, 2003, respectively.

2. Independent Auditors, appointed in terms of the concession arrangements, have determined costs of the roads, major maintenance and the returns due to the Company in respect of VHRP up to 30<sup>th</sup> June, 2010 and AMRP up to 31<sup>st</sup> March, 2010. As per those certificates, the aggregate of the costs of the road, major maintenance and shortfall in the designated return aggregated Rs. 945.24 crores in the case of the VHRP and Rs. 1,063.35 crores in the case of the AMRP.

### 3. Contingent Liabilities

Description	Rupees	
	As at 31 <sup>st</sup> March, 2011	As at 31 <sup>st</sup> March, 2010
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (against which advances paid aggregate Rs. Nil, 31 <sup>st</sup> March 2010 Rs. 2,187,231)	Nil	6,080,153
(b) In terms of the approved restructuring package, the lenders have a right of recompense, in respect of the sacrifices undertaken by them on account of reduction in interest rates and waiver of compound interest and liquidated damages, in the event the projects' cash flows (after adjusting the operating costs) are in excess of the revised debt servicing requirements.	Not ascertainable	Not ascertainable
(c) Cumulative dividend in arrears on Cumulative Preference Shares up to 31 <sup>st</sup> March, 2004 (also see note 5 below)	5,152,055	5,152,055
Tax on distribution	855,692	855,692
(d) Claims against the Company not acknowledged as debt	Nil	15,799
(e) Income tax demand contested by the Company	76,107,410	Nil

The Company does not expect any liability to devolve on it in respect of the above contingent liabilities.

### 4. Advance towards capital / debt:

As required by the restructuring package approved by the Corporate Debt Restructuring ("CDR") Cell on 17th June, 2004, the promoters advanced the following amounts as advance towards share capital:



# GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

## Schedules forming a part of the financial statements SCHEDULE 'K': NOTES TO THE FINANCIAL STATEMENTS

		(Rupees)
	Name of Investor	Amount
a.	Government of Gujarat (GoG)	300,000,000
b.	Infrastructure Leasing & Financial Services Ltd. (IL&FS)	150,000,000
c.	IL&FS Transportation Networks Limited (ITNL)	150,000,000
d.	ITNL	450,000,000

Against Rs. 600,000,000 received in respect of items (a) to (c) above the Company was required to issue 1% Non-Cumulative Convertible Preference Shares ("NCCPS") which, at the end of the 13th year were to be redeemed and convertible into Deep Discount Bonds. Also, against Rs. 450,000,000 received in respect of item (d) above, the Company was required to issue 8% Redeemable Convertible Preference Shares redeemable at the end of 10 years from the date of allotment or on full repayment of dues to lenders, whichever is earlier.

The Company has applied to the CDR for converting the above amounts into subordinated debt. Pending completion of the approval process, the Company has classified the amount as an "Advance towards Capital/Debt".

As no equity shares were intended to be issued against the sum of Rs. 1,050,000,000, no dilutive effect on the earnings per share has been considered in respect of this sum.

### 5. Preference Shares:

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

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

The accumulated premium accrued on NRCPS and not provided for as at 31<sup>st</sup> March, 2011, aggregates Rs. 136,795,174 (31<sup>st</sup> March, 2010 Rs. 120,653,963) and the tax on distribution thereof aggregates Rs. 22,719,968 (31<sup>st</sup> March, 2010 Rs. 20,039,115).

### 6. Secured Loans: Nature of Security

- a. Loans from financial institutions, banks and others aggregating Rs. 779,672,287 (31<sup>st</sup> March 2010 Rs. 1,026,416,935) are secured by first charge and loans from others aggregating Rs. 308,800,000 (31<sup>st</sup> March 2010 Rs. 308,800,000) are secured by second charge, on all present and future immovable properties including project assets and hypothecation of all present and future tangible and intangible movable assets and monies, instruments, receivables and investments of the Company.

The Company is in the process of creating charge in respect of loan of Rs. 104,040,026 (31<sup>st</sup> March 2010 Rs. 139,710,902) taken from a financial institution.

- b. Deep Discount Bonds along with interest accrued but not due, aggregating Rs. 1,038,928,098 (31<sup>st</sup> March 2010 Rs. 920,780,660) are secured by a pari-passu first charge in favour of the Trustee along with the other senior lenders of the Company on the respective project assets and all tangible and intangible assets, including but not limited to rights over the project site, project documents, financial assets such as receivables, cash, investments, insurance proceeds, etc.



# GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

## Schedules forming a part of the financial statements SCHEDULE 'K': NOTES TO THE FINANCIAL STATEMENTS

- c. Non-Convertible Debentures aggregating Rs. 200,000,000 (31<sup>st</sup> March 2010 Rs. 200,000,000) are secured by a pari-passu first charge in favour of the Trustee along with the other senior lenders of the Company on the project assets and all tangible and intangible assets, including but not limited to rights over the project site, project documents, financial assets such as receivables, cash, investments, insurance proceeds, etc.

### 7. Deep Discount Bonds: Redemption

2,000 Deep Discount Bonds (DDBs) issued at Rs. 50,000 each are redeemable at Rs. 284,521 each at the end of the 15th year from the deemed date of allotment (i.e. 1st July, 2003).

60,000 DDBs issued at Rs. 5,000 each are redeemable at Rs. 34,362 each at the end of 16th year. The DDBs carried a "take-out" option at the end of 8th year at Rs. 11,937 each in respect of 47,000 DDBs allotted on 17th April, 2000 and 3,000 DDBs allotted on 18th April, 2000 and Rs. 11,886 each in respect of 10,000 DDBs allotted on 30th November, 2000.

Infrastructure Leasing & Financial Services Limited ("IL&FS") and Infrastructure Development Finance Company Limited ("IDFC") had provided take-out finance assistance to the Company with IL&FS purchasing 8,217 DDBs and IDFC providing take out finance in the form of loan to the Company to pay holders of 16,435 DDBs.

The Company is awaiting clearance from IDFC for cancellation of DDBs. In the meantime the DDBs to the extent, the holders have been paid out, have been reduced from the liabilities and the loan from IDFC Rs.104,040,026 (31<sup>st</sup> March 2010 Rs. 139,710,902) has been classified as a part of "Secured Loans" from Financial Institutions in Schedule C.

8. The balance outstanding against Deep Discount Bonds (DDBs) includes accrued interest aggregating Rs. 721,103,098 (31<sup>st</sup> March, 2010 Rs. 602,955,660) which is payable at the time of redemption of the DDBs. Since the accretion to the liability amount did not involve cash and cash equivalents, the amount of Rs. 721,103,098 (31<sup>st</sup> March, 2010 Rs. 602,955,660) has been excluded from the "Financing Activities" cash flows in the Cash Flow Statement.

### 9. Non-Convertible Debentures: Redemption

4,000 Non-Convertible Debentures issued on 1st July, 2003, at Rs. 50,000 each are redeemable / repayable in five equal annual instalments of Rs. 40,000,000 each commencing at the end of 11th year from the date of allotment (i.e. 1st July, 2003).

10. Included in sundry creditors is a sum of Rs. 50,425,358 (31<sup>st</sup> March, 2010 Rs. 44,204,559) being dues on account of commitment charges payable to IL&FS [Rs. 28,731,685 (31<sup>st</sup> March, 2010 Rs. 28,731,685)] and ITNL [Rs. 21,693,673 (31<sup>st</sup> March, 2010 Rs. 15,472,874)]. These amounts are payable to IL&FS and ITNL for providing an irrevocable revolving Letter of Credit of Rs. 1,000,000,000 for Debt Service Reserve Fund (which can be used by the Company to service its debts in the event of shortfall of funds) which is payable only after repayment of term loans and Deep Discount Bonds. Also included in sundry creditors is sum of Rs. 1,000,000 (31<sup>st</sup> March 2010 Rs. 1,000,000) payable in respect of acquisition of fixed assets / capital work in progress.

### 11. Toll Receivable Account

The balance in the Toll Receivable Account of Rs. 2,033,496,000 represents the aggregate shortfall in the assured return as per the terms of the concession agreements (referred to in Note No. 1 above) up to 30<sup>th</sup> September, 2003. The amount of Rs. 2,033,496,000 was recognised with a corresponding credit to the General Reserve as per the Order dated 18<sup>th</sup> May, 2005 of the Honourable High Court of Gujarat, Ahmedabad, sanctioning the Scheme of Amalgamation of the erstwhile Vadodara Halol Toll Road Company Limited and Ahmedabad Mehsana Toll Road Company Limited with the Company. Such shortfall has not been recognised as an asset subsequent to the amalgamation as the income has not been earned under the concession agreement. Had the shortfall not been accounted for as aforesaid, the Toll Receivable Account and the General Reserve would not have reflected any balance and the balance in the Profit and Loss Account as at the balance sheet date would have been higher at a debit balance of Rs. 1,077,445,688 (31<sup>st</sup> March, 2010 debit balance in the Profit and Loss Account would have been Rs. 916,896,703).



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# GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

## Schedules forming a part of the financial statements SCHEDULE 'K': NOTES TO THE FINANCIAL STATEMENTS

### 12. Deferred Tax and Credit for Minimum Alternate Tax

As at 31st March 2010, the Company had recomputed its depreciation allowance under Income Tax Act, 1961 based on the revised WDV of assets which included unabsorbed depreciation allowance of earlier years before the merger of VHRP and AMRP considering the decisions of the Honourable Bombay High Court in case of Hindustan Petroleum Corporation Limited 187 ITR 1 and of the Income Tax Appellate Tribunal (Delhi) in the case of Noida Toll Bridge Company Limited. Additionally, deferred tax assets arising due to carried forward business losses were not recognised in the absence of virtual certainty of future taxable profits against which such assets could be realised, though the deferred tax asset on unabsorbed depreciation was recognised. Deferred tax assets of Rs. 548,782,795/- computed on unabsorbed depreciation was recognised to the extent of deferred tax liability arising from timing differences on account of depreciation (net of other deferred tax assets), the reversal of which was certain. However, in the absence of virtual certainty of future taxable income against which the Minimum Alternate Tax (MAT) paid could be realised, the Company did not recognise the tax savings arising there from.

As at 31st March, 2011, the Company has reassessed the realisation of its deferred tax assets from carried forward business losses and unabsorbed depreciation as well as realisation of Minimum Alternate Tax payments on the basis of:

- orders received from the Income Tax Appellate Tribunal,
- the forecast of future performance evaluated taking into account the terms of the concession arrangement which, amongst other things, provides for an assured return of 20% on equity invested in the projects by extension of its concessions for a period of two years at a time beyond the initial period of 30 years, and
- the consistency of its profitable performance in the last 3 years.

The components of deferred tax are as under -

	As at 31 <sup>st</sup> March, 2011	Rupees As at 31 <sup>st</sup> March, 2010
<b>Deferred Tax Liability</b>		
In respect of Depreciation	670,506,431	526,680,112
<b>Deferred Tax Asset</b>		
In respect of retirement benefits	77,570	44,553
In respect of provision for doubtful debts	188,181	212,592
In respect of unabsorbed depreciation/carried forward business losses	302,537,912	526,422,967
<b>Net Deferred Tax Liability</b>	<b>367,702,768</b>	<b>Nil</b>

A credit has been taken for MAT payments made prior to the commencement of the current financial year aggregating to Rs. 10,866,400 which are expected to be realised. The current tax charge for the year ended 31st March, 2011 is net off MAT credit of an equal amount expected to be realised against future taxable profits.

### 13. Auditors' Remuneration:

Sr. No.	Particulars	For the year ended 31 <sup>st</sup> March, 2011	Rupees For the year ended 31 <sup>st</sup> March, 2010
(a)	For Audit Fees	1,300,000	1,222,500
(b)	For Tax Audit	240,000	100,000
(c)	Other Assurance Services	390,000	900,000
(d)	Service Tax	200,328	230,178
(e)	Out of Pocket Expenses	14,929	12,229

A sum of Rs. 1,250,189 (31<sup>st</sup> March, 2010 Rs. 1,170,000), excluding service tax, has been paid to a firm in which some of the partners of the Auditors' firm are partners is included under the head "Legal and Professional Fees" in Schedule H - Administrative and General Expenses.



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# GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

## Schedules forming a part of the financial statements SCHEDULE 'K': NOTES TO THE FINANCIAL STATEMENTS

14. Employee costs include Salaries, Bonus and Allowances Rs. 3,427,001 (31<sup>st</sup> March, 2010 Rs. 4,344,771); Contribution to Provident and Other Funds Rs. 209,139 (31<sup>st</sup> March, 2010 Rs. 119,257); and Staff Training and Welfare Expenses Rs. 1,284,141 (31<sup>st</sup> March, 2010 Rs. 693,479).
15. **Managerial Remuneration**

Computation of net profit in accordance with Section 349 of the Companies Act, 1956 in respect of remuneration payable to Manager:

Particulars	For the year ended 31 <sup>st</sup> March, 2011	For the year ended 31 <sup>st</sup> March, 2010
Profit before tax	196,287,383	192,637,950
Add: Loss/(Profit) on sale of fixed Assets	31,732	72,278
Add: Managerial remuneration	1,032,058	813,229
Net profit as per section 198	197,351,173	193,523,457
Managerial remuneration @ 11% of net profit	21,708,629	21,287,580
Restricted to	1,032,058	813,229

### Paid to Manager

Sr. No.	Particulars	Rupees	
		For the year ended 31 <sup>st</sup> March, 2011	For the year ended 31 <sup>st</sup> March, 2010
1	Salary, bonus and allowances	941,337	737,629
2	Contribution to Provident and Superannuation Fund	90,721	75,600
	<b>Total</b>	<b>1,032,058</b>	<b>813,229</b>

The managerial remuneration for the year does not include contribution for gratuity and compensation of absences as separate figures relating to the Manager is not available.

16. **Amounts recoverable from Companies under the same management**  
Current year

Particulars	Rupees	
	Amounts outstanding as on 31 <sup>st</sup> March, 2011	Maximum amount outstanding during the year
Andhra Pradesh Expressway Ltd.	53,889	1,006,452
Chhattisgarh Highways Development Co. Ltd.	72,853	72,853
East Hyderabad Expressway Ltd.	19,143	13,914
IL&FS Cluster Development Initiative Ltd.	15,000	15,000
IL&FS Ecosmart India Ltd.	-	3,000
IL&FS Infrastructure Development Corporation Ltd.	50,500	56,500
IL&FS Urban Infrastructure Services Ltd.	-	3,000
ITNL Road Infrastructure Development Company Ltd.	-	89,215
Road Infrastructure Development Company of Rajasthan Ltd.	-	1,062
West Gujarat Expressway Ltd.	-	172,670

### Previous year

Particulars	Rupees	
	Amounts outstanding as on 31 <sup>st</sup> March 2010	Maximum amount outstanding during the year
Andhra Pradesh Expressway Ltd.	890,360	898,092





# GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

Schedules forming a part of the financial statements  
SCHEDULE 'K': NOTES TO THE FINANCIAL STATEMENTS

Particulars	Rupees	
	Amounts outstanding as on 31 <sup>st</sup> March 2010	Maximum amount outstanding during the year
Chhattisgarh Highways Development Co. Ltd.	72,120	118,235
East Hyderabad Expressway Ltd.	33,914	108,302
Elsamex India (P) Ltd.	-	15,000
IL&FS Cluster Development Initiative Ltd.	1,500	6,000
IL&FS Ecosmart India Ltd.	-	18,000
IL&FS Infrastructure Development Corporation Ltd.	19,500	37,500
IL&FS Urban Infrastructure Services Ltd.	3,000	3,000
ITNL Road Infrastructure Development Company Ltd.	1,500	1,500
North Karnataka Expressway Limited	-	2,000
Project Development Company of Rajasthan Ltd.	-	2,000
Road Infrastructure Development Company of Rajasthan Ltd.	3,062	9,062
Tamil Nadu Water Investment Co. Ltd.	3,000	3,000
West Gujarat Expressway Ltd.	48,014	48,014

## 17. Related Party Disclosures

Disclosures as required by Accounting Standard (AS) 18 on 'Related Party Disclosure' are as follows:

Current year: -

### a. Related Parties and their relationship

a.	Company - Ultimate Holding Company	Infrastructure Leasing & Financial Services Limited (IL&FS)
b.	Holding Company	IL&FS Transportation Networks Limited (ITNL)
c.	Key management personnel	Mr. Mukund Sapre (Chief Executive Officer) Mr. Ankit Sheth (Manager & Company Secretary)
d.	Fellow Subsidiaries (with whom there have been transactions during the year)	1. IL&FS Infrastructure Development Corporation Limited (IIDCL)
2. IL&FS Trust Company Limited (ITCL)		
3. West Gujarat Expressway Limited (WGEL)		
4. Andhra Pradesh Expressway Limited (APEL)		
5. Chattisgarh Highways Development Company Limited (CHDCL)		
6. IL&FS Cluster Development Initiative Limited (ICDIL)		
7. East Hyderabad Expressway Limited (EHEL)		

b. The nature and volume of transactions during the year ended 31<sup>st</sup> March, 2011 with the above related parties are as follows:

(Rupees)

Nature of Transaction	Amount	Company
Commitment Charges	6,912,000	ITNL
Interest Paid on Borrowings	121,031,736	IL&FS
Interest Paid on Borrowings	39,611,005	ITNL
Loans Repaid	99,694,620	IL&FS
Security Agent Fees	1,103,000	IL&FS
Takeout Assistance fees	2,260,917	IL&FS
Toll Operation Expenses	61,579,977	ITNL
Consultancy Fees	27,575,000	ITNL
Deep Discount Bonds Trusteeship Fees	110,300	ITCL



# GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

Schedules forming a part of the financial statements  
SCHEDULE 'K': NOTES TO THE FINANCIAL STATEMENTS

Nature of Transaction	Amount	Company
Remuneration	1,032,058	Mr. Ankit Sheth (Manager & Company Secretary)

Note: - Reimbursement of cost is not included above

- c. The nature and volume of closing balances as at 31<sup>st</sup> March, 2011 with the above related parties are as follows:

Balance Outstanding	Amount	Company
Loans outstanding	933,131,377	IL&FS
Loans outstanding	308,800,000	ITNL
Commitment Charges Payable	28,731,685	IL&FS
Commitment Charges Payable	21,693,673	ITNL
Advance towards Share Capital	150,000,000	IL&FS
Advance towards Share Capital	600,000,000	ITNL
Payable on current account	187,856	IL&FS
Receivable on current account	992,466	ITNL
Receivable on current account	53,889	APEL
Receivable on current account	72,853	CHDCL
Receivable on current account	19,143	EHEL
Receivable on current account	15,000	ICDIL
Receivable on current account	50,500	IIDCL

Previous Year:

- d. Related Parties and their relationship

a.	Company having significant influence- Ultimate Holding Company	Infrastructure Leasing & Financial Services Limited (IL&FS)																								
b.	Holding Company	IL&FS Transportation Networks Limited (ITNL)																								
c.	Key management personnel	Mr. Mukund Sapre (Chief Executive Officer) Mr. Ankit Sheth (Manager & Company Secretary)																								
d.	Fellow Subsidiaries (with whom there have been transactions during the year)	<table border="1"> <tbody> <tr><td>1</td><td>IL&amp;FS Infrastructure Development Corporation Limited (IIDCL)</td></tr> <tr><td>2</td><td>IL&amp;FS Trust Company Limited (ITCL)</td></tr> <tr><td>3</td><td>West Gujarat Expressway Limited (WGEL)</td></tr> <tr><td>4</td><td>Andhra Pradesh Expressway Limited (APEL)</td></tr> <tr><td>5</td><td>Chattisgarh Highways Development Company Limited (CHDCL)</td></tr> <tr><td>6</td><td>IL&amp;FS Cluster Development Initiative Limited (ICDIL)</td></tr> <tr><td>7</td><td>East Hyderabad Expressway Limited (EHEL)</td></tr> <tr><td>8</td><td>IL&amp;FS Infrastructure Equity Fund (IIEF)</td></tr> <tr><td>9</td><td>IL&amp;FS Urban Infrastructure Services Limited (IUISL)</td></tr> <tr><td>10</td><td>ITNL Road Infrastructure Development Company Ltd (IRIDCL)</td></tr> <tr><td>11</td><td>Tamil Nadu Water Investment Company Ltd. (TNWICL)</td></tr> <tr><td>12</td><td>Road Infrastructure Development Company of Rajasthan Ltd (RIDCOR)</td></tr> </tbody> </table>	1	IL&FS Infrastructure Development Corporation Limited (IIDCL)	2	IL&FS Trust Company Limited (ITCL)	3	West Gujarat Expressway Limited (WGEL)	4	Andhra Pradesh Expressway Limited (APEL)	5	Chattisgarh Highways Development Company Limited (CHDCL)	6	IL&FS Cluster Development Initiative Limited (ICDIL)	7	East Hyderabad Expressway Limited (EHEL)	8	IL&FS Infrastructure Equity Fund (IIEF)	9	IL&FS Urban Infrastructure Services Limited (IUISL)	10	ITNL Road Infrastructure Development Company Ltd (IRIDCL)	11	Tamil Nadu Water Investment Company Ltd. (TNWICL)	12	Road Infrastructure Development Company of Rajasthan Ltd (RIDCOR)
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- e. The nature and volume of transactions during the year with the above related parties are as follows:

Nature of Transaction	Amount	Company
Commitment Charges	6,912,000	ITNL
Interest Paid on Borrowings	126,478,813	IL&FS



# GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

Schedules forming a part of the financial statements

## SCHEDULE 'K': NOTES TO THE FINANCIAL STATEMENTS

Nature of Transaction	Amount	Company
Interest Paid on Borrowings	38,822,087	ITNL
Loans Repaid	99,694,620	IL&FS
Security Agent Fees	1,103,000	IL&FS
Takeout Assistance fees	1,828,280	IL&FS
Toll Operation Expenses	54,172,280	ITNL
Deep Discount Bonds Trusteeship Fees	110,300	ITCL
Remuneration	2,885,033	Mr. Mukund Sapre (Chief Executive Officer)
	813,229	Mr. Ankit Sheth (Manager & Company Secretary)

Note: - Reimbursement of cost is not included above

- f. The nature and volume of closing balances as at 31<sup>st</sup> March, 2010 with the above related parties are as follows:

(Rupees)

Balance Outstanding	Amount	Company
Loans outstanding	989,331,602	IL&FS
Loans outstanding	308,800,000	ITNL
Commitment Charges Payable	28,731,685	IL&FS
Commitment Charges Payable	15,472,874	ITNL
Advance towards Share Capital	150,000,000	IIF
Advance towards Share Capital	600,000,000	ITNL
Payable on current account	5,896,215	ITNL
Receivable on current account	4,821	IL&FS
Receivable on current account	890,360	APEL
Receivable on current account	72,120	CHDCL
Receivable on current account	13,914	EHEL
Receivable on current account	1,500	ICDIL
Receivable on current account	19,500	IIDCL
Receivable on current account	3,000	IUISL
Receivable on current account	1,500	IRIDCL
Receivable on current account	3,062	RIDCOR
Receivable on current account	3,000	TNWICL
Receivable on current account	48,014	WGEL

18. The Company operates in a single business segment viz. developing, widening, strengthening, operating and maintaining roads on a "Build-Own-Operate-Transfer" (BOOT) basis. Also it operates in a single geographic segment. In the absence of separate reportable business or geographic segments the disclosures required under the Accounting Standard (AS) 17 on "Segment Reporting" have not been made.

### 19. Earnings per Share (EPS):

Particulars	Current Year	Previous Year
(A) Net (Loss) / Profit for the year (Rupees)	(160,548,985)	181,771,550
(B) Less: Premium on non Cumulative Redeemable Convertible Preference Shares including tax thereon (Rupees)	(18,822,065)	(18,822,065)
(C) Net (Loss) / Profit Attributable to Shareholders (Rupees) (see footnote (a) below)	(179,371,050)	162,949,485
(D) Weighted Average number of Equity Shares	91,542,271	91,542,271







# GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

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## SCHEDULE 'K': NOTES TO THE FINANCIAL STATEMENTS

	Particulars	Current Year	Previous Year
(E)	Face value per equity share (Rupees)	10.00	10.00
(F)	Basic EPS (C) / (D) (Rupees)	(1.96)	1.78
(G)	Diluted EPS (also see footnote (b) below)	(1.96)	1.78

Footnotes: -

- Consequent to the restrictions on declaration of dividend as explained in note no. 5 above, dividend on preference shares has not been adjusted in computing the earnings per share.
- As no equity shares were intended to be issued against the advance towards share capital, this sum has not been considered for computing the diluted earnings per share (also see note no. 4 above).

### 20. Employee Benefit Obligations

#### Defined-Contribution Plans

The Company offers its employees defined contribution plan in the form of provident fund, family pension fund and superannuation fund. Provident fund, family pension fund and superannuation fund cover substantially all regular employees. Contributions are paid during the year into separate funds under certain fiduciary-type/statutory arrangements. While both the employees and the Company pay predetermined contributions into the provident fund and pension fund, the contributions to superannuation fund are made only by the Company. The contributions are normally based on a certain proportion of the employee's salary.

A sum of Rs. 165,725 (31<sup>st</sup> March 2010 Rs. 129,558) has been charged to the Profit and Loss Account in this respect.

#### Defined Benefits Plans

The Company offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount). Benefits under the defined benefit plans are typically based on years of service and the employee's compensation (immediately before retirement). The gratuity scheme covers substantially all regular employees. In the case of the gratuity scheme, the Company contributes funds to a Life Insurance Corporation of India. Commitments are actuarially determined at year-end. The actuarial valuation is done based on "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions are charged to the Profit and Loss Account.

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

Gratuity (Funded Plan)	Rupees	
	As at 31 <sup>st</sup> March, 2011	As at 31 <sup>st</sup> March, 2010
Present Value of Commitments	242,500	185,897
Fair Value of Plans	382,361	163,677
Liability/(Asset)taken to the balance sheet	(139,961)	22,220

Defined benefit commitments:

Gratuity (Funded Plan)	Rupees	
	As at 31 <sup>st</sup> March, 2011	As at 31 <sup>st</sup> March, 2010
Opening balance	185,897	182,688
Current Service Cost	35,430	20,440
Interest expenses	15,337	13,702
Benefits paid	(19,205)	
Actuarial (gain) / loss	25,041	(30,933)
Closing balance	242,500	185,897



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# GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

Schedules forming a part of the financial statements  
SCHEDULE 'K': NOTES TO THE FINANCIAL STATEMENTS

## Plan assets: Gratuity

Gratuity (Funded Plan)	Rupees	
	As at 31 <sup>st</sup> March, 2011	As at 31 <sup>st</sup> March, 2010
Opening balance	163,677	34,498
Expected return on scheme assets	13,094	2,760
Contributions by the Company	205,595	115,669
Actuarial gain / (loss)	19,300	10,750
Benefits paid	(19,205)	-
Closing balance	382,461	163,677

The entire amount is funded with the Life Insurance Corporation of India ("LIC"), which manages the plan assets. The Company has not been able to obtain details of the investment pattern from the LIC.

## Return on plan assets: Gratuity

	Rupees	
	For the year ended 31 <sup>st</sup> March, 2011	For the year ended 31 <sup>st</sup> March, 2010
Expected return on plan assets	13,094	2,760
Actuarial gain / (loss)	19,300	10,750
Actual return on plan assets	32,394	13,510

## Expenses on defined benefit plan recognised in the profit and loss account:

Gratuity (Funded Plan)	Rupees	
	For the year ended 31 <sup>st</sup> March, 2011	For the year ended 31 <sup>st</sup> March, 2010
Current service costs	35,430	20,440
Interest expense	15,337	13,702
Expected return on investment	(13,094)	(2,760)
Net actuarial (gain) / loss	5,741	(41,683)
Amount (credited) / charged to the profit and loss account	43,414	(10,301)

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

	As at 31 <sup>st</sup> March, 2011	As at 31 <sup>st</sup> March, 2010
Rate for discounting liabilities	8.25% p.a.	8.25% p.a.
Expected salary increase rate	6.00% p.a.	4.50% p.a.
Expected return on scheme assets	8.00% p.a.	8.00% p.a.
Attrition	2.00% p.a.	2.00% p.a.
Mortality table used	LIC (1994-96) Ultimate	

The estimates of future salary increases, considered in the actuarial valuation, take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.



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**GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED**  
Schedules forming a part of the financial statements  
**SCHEDULE 'K': NOTES TO THE FINANCIAL STATEMENTS**

The present values of the obligation, fair value of the plan assets, surplus or deficit in the plan, experience adjustments arising on plan liabilities and plan assets as at 31<sup>st</sup> March, 2011, 31<sup>st</sup> March, 2010, 31<sup>st</sup> March, 2009, 31<sup>st</sup> March, 2008 and 31<sup>st</sup> March, 2007 are given below:



Rupees					
Gratuity (Funded Plan)	As at 31 <sup>st</sup> March, 2011	As at 31 <sup>st</sup> March, 2010	As at 31 <sup>st</sup> March, 2009	As at 31 <sup>st</sup> March, 2008	As at 31 <sup>st</sup> March, 2007
Defined benefit commitments	242,500	185,897	182,688	216,460	298,330
Plans assets	382,461	163,677	34,498	239,063	458,082
(Surplus) / Deficit	(139,961)	22,220	148,190	(22,603)	(159,752)
	For the year ended 31 <sup>st</sup> March, 2011	For the year ended 31 <sup>st</sup> March, 2010	For the year ended 31 <sup>st</sup> March, 2009	For the year ended 31 <sup>st</sup> March, 2008	For the year ended 31 <sup>st</sup> March, 2007
Experience adjustments on plan commitments - gain / (loss)	(25,041)	(23,025)	(414,395)	(160,442)	128,580
Experience adjustments on plan assets - gain / (loss)	19,300	10,750	481	5,365	6,374

The contributions expected to be made by the Company during the financial year 2011-12 is Rs. Nil.

- Based on information received by the Company from its vendors, the amount of principal outstanding in respect of Micro and Small Enterprises as at Balance Sheet date covered under the Micro, Small and Medium Enterprises Development Act, 2006 is Rs. Nil (31<sup>st</sup> March, 2010 Rs. Nil). There were no delays in the payment of dues to Micro and Small Enterprises.
- Asset Management Costs include cost of routine maintenance in respect of AMRP and VHRP aggregating Rs. 118,745,468 (31<sup>st</sup> March, 2010 Rs. 20,838,267).
- Previous year's figures have been regrouped / rearranged whenever necessary to conform to the classification of the current year.

For and on behalf of the Board

  
Chief Executive Officer

   
Director Director

  
Chief Financial Officer

  
Manager & Company Secretary

Place : Gandhinagar



Place: Mumbai  
Date: April 20, 2011