

**ITNL ROAD INFRASTRUCTURE DEVELOPMENT  
COMPANY LIMITED**

**ANNUAL REPORT**

**2012-13**

## DIRECTORS' REPORT

The Shareholders

### **ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED**

Your Directors have pleasure in presenting the Fifth Annual Report along with the Audited Statements of Accounts for the year ended March 31, 2013

#### **FINANCIAL RESULTS**

The financial results of the Company are as under:

	(Amount in ₹)	
	Year ended March 31, 2013	Year ended March 31, 2012
Total Income	258,676,131	257,228,408
Total Expenses	502,351,441	839,609,481
Profit / (loss) Before Tax	(243,675,311)	(582,381,073)
Less: Provision for Tax	(75,000)	-
Profit After Tax	(243,600,311)	(582,381,073)
Balance carried forward	(1,140,613,660)	(897,013,349)

#### **OPERATIONS:**

During the year under review, your Company continued to maintain the Beawar – Gombi stretch of NH- 8 (“**the Project**”) in the State of Rajasthan to quality standards in accordance with the contractual requirements. The toll revenue earned during the year under review was ₹ 17.60 Crores

#### **FURTHER ISSUE OF CAPITAL:**

In order to meet the funds requirement of the Company for development of the Project, the Company had increased its Authorised Share Capital from ₹40,00,00,000/- to ₹1,00,00,00,000/-. The Company had thereafter issued 6,00,00,000 equity shares of ₹ 10/- each of par value to the existing shareholders of the Company. As a consequence, the paid up equity capital of the Company was increased from ₹40,00,00,000/- to ₹52,00,00,000/- during the year under review

#### **DIVIDEND:**

Due to inadequacy of profits, your Directors have not recommended any dividend for the year under review

**DIRECTORS:**

In terms of the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr George Cherian, will retire at the forthcoming Annual General Meeting of the Company and being eligible offers himself for reappointment. Your Directors recommend his re-appointment

**AUDITORS:**

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

**DEPOSITS:**

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

**CORPORATE GOVERNANCE:**

Four Board Meetings were held during the year under review on April 19, 2012, July 19, 2012, October 17, 2012 and January 17, 2013. The numbers of meetings attended by the Directors are as under:

<b>Sr. No.</b>	<b>Name of Directors</b>	<b>No. of Board Meetings held during tenure</b>	<b>No. of Board Meetings Attended</b>
1	Mr Cherian George	4	4
2	Mr Harish Mathur	4	3
3	Mr. Ashutosh Chandwar	4	4
4	Mr. M B Bajulge	4	4

The Audit Committee was constituted in accordance with the provisions of the Companies Act, 1956. The Audit Committee is comprised of Mr. M B Bajulge, Mr. Cherian George and Mr. Harish Mathur.. The Audit Committee met four times in the year under review on April 19, 2012, July 19, 2012, October 17, 2012 and January 17, 2013.

**PARTICULARS OF EMPLOYEES:**

There were no employees in respect of whom the information is required to be provided pursuant to Section 217(2A) of the Companies Act, 1956

**DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to Section 217(2AA) of the Companies Act, 1956 (“the Act”) the Directors based on the representations received from the Operating Management, confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Loss of the Company for that period;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they have prepared the annual accounts on a going concern basis

**FOREIGN EXCHANGE EARNINGS AND OUTGO:**

There was no earning or outgo of foreign exchange during the year under review.

Since your Company does not have any manufacturing facility, the other particulars in the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable and hence not provided

**ACKNOWLEDGMENTS:**

The Directors place on record their appreciation for the support and co-operation received from various Government Authorities including the Ministry of Road, Transport and Highways and other Regulatory Authorities, Banks, Financial Institutions and Shareholders of the Company

For and on behalf of the Board

SD/-  
Ashutosh Chandwar  
(Managing Director)

SD/-  
Harish Mathur  
(Director)

Date : April 18, 2013  
Place : Mumbai

## INDEPENDENT AUDITOR'S REPORT

To the Members of ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements of ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



**CHARTERED ACCOUNTANTS****Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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 March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Matter of Emphasis**

Without qualifying our opinion, we draw attention to Note No. 29 to the financial statement. The Company has incurred a net loss of Rs. 243,600,311/- during the year ended March 31, 2013, has negative net worth of Rs.230,613,660/- and excess of current liabilities over current assets by Rs.2,068,753,548/- as at March 31, 2013. However, based on the management's business plan and financial support from the Promoter of Company, in the opinion of management, no adjustment is required to carrying value of the assets and liabilities of the company as of balance sheet date and accordingly these financial statements have been prepared on a going concern basis.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 purpose of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956.



**CHARTERED ACCOUNTANTS**

- (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Lakhani & Co.  
Chartered Accountants  
Firm Registration Number 105524W



*Parag Modi*  
Parag Modi  
Partner  
Membership Number 114105

Place : Mumbai  
Date : April 17, 2013

**Annexure to the Auditor's Report**

(Referred to in of our report of even date to the members of ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED on the financial statements for the year ended 31<sup>st</sup> March, 2013)

- (i)(a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified during the year by the Management.
- (c) The company has not disposed substantial part of its fixed assets during the year.
- (ii) The Company has no Inventory. Accordingly sub-clauses (a), (b), and (c) of clause 4(ii) of the Order is not applicable.
- (iii)
- (a) The Company has not granted any loan secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly sub-clauses (a), (b), (c), and (d) of clause 4(iii) of the Order are not applicable.
- (b) The Company has not taken any loan secured or unsecured from the companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, reporting under this sub-clauses (e), (f) & (g) of clause 4(iii) of the Order is not applicable.
- (iv) 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 with regard to purchases of fixed assets and sale of services. The activities of the Company do not involve purchase of inventory and the sale of goods. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any instance of major weaknesses in the aforesaid internal control system.
- (v) According to the information and explanations given to us, there were no contracts or arrangements that were required to be entered into the register maintained under section 301 of the Companies Act, 1956. Accordingly sub-clauses (a) and (b) of clause 4(v) of the Order are not applicable.
- (vi) The Company has not accepted any deposits from public within the meaning of the Sections 58A and 58AA or any other relevant provisions of the Act, and the rules framed there under. Accordingly clause 4(vi) of the Order is not applicable.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.





**CHARTERED ACCOUNTANTS**

- (viii) According to the information and explanations given to us, the Central Government has prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 and on the basis of the certificate of the cost accountant certifying the maintenance of cost records, we are of the opinion that the company has made and maintained the same. However, we are not required to make a detailed examination of the same.
- (ix)
- (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employee's state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no undisputed dues payable in respect of provident fund, investor education and protection fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess and other statutory dues as applicable, were in arrears, as at 31<sup>st</sup> March, 2013 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues in respect of wealth tax, service tax, sales tax, customs duty, excise duty and cess, which have not been deposited on account of any dispute.
- (x) The Company has the accumulated losses at the end of the year and it exceeds 50% of the net worth of the Company. The Company has incurred cash losses in current & preceding financial year
- (xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has generally not defaulted in repayment of dues to Banks. The Company has not borrowed from any financial institution.
- (xii) Based on our examination and according to the information and explanation given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly clause 4(xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is not a chit fund, nidhi mutual benefit fund/ society. Accordingly, clause 4(xiii) of the Order is not applicable.
- (xiv) According to the information and explanation given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly clause 4(xiv) of the Order is not applicable.



**CHARTERED ACCOUNTANTS**


- (xv) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions during the year. Accordingly clause 4(xv) of the Order is not applicable.
- (xvi) To the best of our knowledge and belief and according to the information and explanations and explanations given to us, term loans availed by the company were, prima facie, applied by the company during the year for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, in our opinion, no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares to a parties or company covered in the register maintained under section 301 of the Act.
- (xix) The Company has not issued any debentures during the year. Accordingly clause 4(xix) of the Order is not applicable.
- (xx) The Company has not raised any money by public issue during the year. Accordingly clause 4(xx) of the Order is not applicable.
- (xxi) During the course of our examination of the books of account and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

Place : Mumbai

Date : April 17, 2013



For M/s. Lakhani & Co.  
Chartered Accountants  
Firm Regn No.105524W

  
Parag Modi  
Partner  
Membership Number 114105

**ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED**

Balance Sheet as at March 31, 2013

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	Note	As At March 31, 2013		As At March 31, 2012	
<b>I EQUITY AND LIABILITIES</b>					
<b>1 SHAREHOLDERS' FUNDS</b>					
(a) Share capital	2	52,00,00,000		40,00,00,000	
(b) Reserves and surplus	3	(75,06,13,660)	(23,06,13,660)	(50,70,13,349)	(10,70,13,349)
<b>3 NON-CURRENT LIABILITIES</b>					
(a) Long-term borrowings	4A	2,38,53,00,000		2,36,78,00,000	
(c) Other long term liabilities	6	47,58,682	2,39,00,58,682	1,09,65,411	2,37,87,65,411
<b>4 CURRENT LIABILITIES</b>					
(a) Current maturities of long-term debt	4B	26,25,00,000		23,96,00,000	
(b) Short-term borrowings	5	66,00,00,000		54,00,00,000	
(c) Trade payables	7	1,46,11,104		34,62,160	
(d) Other current liabilities	8	1,15,74,41,879	2,09,45,52,983	7,28,84,179	85,59,46,339
<b>TOTAL</b>			<b>4,25,39,98,005</b>		<b>3,12,76,98,401</b>
<b>II ASSETS</b>					
<b>1 NON CURRENT ASSETS</b>					
(a) Fixed assets	9				
(i) Tangible assets		4,53,058		6,91,583	
(ii) Intangible assets		2,93,73,95,188		2,94,67,82,678	
(iii) Capital work-in-progress		-		-	
(iv) Intangible Assets under Development		1,26,87,78,038	4,20,66,26,284	-	2,94,74,74,261
(b) Non-current investments	10	20,000		20,000	
(d) Long-term loans and advances	11	1,29,50,244		1,58,82,600	
(e) Other non-current assets	13	86,02,042	2,15,72,286	1,782	1,59,04,382
<b>2 CURRENT ASSETS</b>					
(d) Cash and bank balances	15	1,05,31,651		13,41,15,069	
(e) Short-term loans and advances	12	44,22,013		-	
(f) Other current assets	14	1,08,45,771	2,57,99,435	3,02,04,689	16,43,19,758
<b>TOTAL</b>			<b>4,25,39,98,005</b>		<b>3,12,76,98,401</b>

Notes 1 to 31 form part of the financial statements.

In terms of our report attached.

For **LAKHANI & CO.**

Chartered Accountants

Firm Registration No.105524W

  
Parag Modi

Partner

Membership Number : 114105

Place: Mumbai


Date: April 7, 2013



For and on behalf of the Board



Managing Director

  
Company Secretary



Director

**ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED**

Statement of Profit and Loss for the Year Ended March 31, 2013

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	Note	Year ended March 31, 2013	Year ended March 31, 2012
<b>I Revenue from operations</b>	<b>17</b>	25,50,89,308	24,74,31,247
<b>II Other income</b>	<b>18</b>	35,86,823	97,97,161
<b>III Total revenue (I + II)</b>		<b>25,86,76,131</b>	<b>25,72,28,408</b>
<b>IV Expenses</b>			
Operating expenses	<b>19</b>	6,74,10,000	6,42,00,000
Finance costs	<b>20</b>	41,30,47,744	40,81,22,874
Administrative and general expenses	<b>21</b>	1,37,66,579	1,19,18,602
Depreciation and amortization expense	<b>9</b>	81,27,118	35,53,68,005
<b>Total expenses</b>		<b>50,23,51,441</b>	<b>83,96,09,481</b>
<b>V Profit / (Loss) before taxation (III-IV)</b>		<b>-24,36,75,311</b>	<b>-58,23,81,073</b>
<b>VI Tax expense:</b>			
(1) Current tax		-	-
(2) Tax relating to earlier year		-75,000	-
(3) Deferred tax		-	-
<b>Total tax expenses (VI)</b>		<b>-75,000</b>	<b>-</b>
<b>VII Profit / (Loss) for the year (V-VI)</b>		<b>-24,36,00,311</b>	<b>-58,23,81,073</b>
Earnings per equity share (Face value per share Rupees 10/-)	<b>22</b>		
(1) Basic		-5.41	-14.56
(2) Diluted		-5.41	-14.56

Notes 1 to 31 form part of the financial statements.

In terms of our report attached.

**For LAKHANI & CO.**

Chartered Accountants

Firm Registration No.105524W

*Parag Modi*  
Parag Modi

**Partner**

Membership Number : 114105

Place: Mumbai

Date: April 7, 2013



**For and on behalf of the Board**

*Manoj Kumar*  
Managing Director

*Manoj Kumar*  
Director

*M. Mayekar*  
Company Secretary

**ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED**

Cash Flow Statement for the Year ended March 31, 2013

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	Year ended March 31, 2013	Year ended March 31, 2012
<b>Cash Flow from Operating Activities</b>		
<b>Profit / (Loss) Before Taxes</b>	<b>-24,36,75,311</b>	<b>-58,23,81,073</b>
<b>Adjustments for :-</b>		
Interest on short term deposit	-30,79,535	-97,95,518
Interest on NSC	-1,825	-1,643
Interest and finance expense	41,30,47,744	40,81,22,874
Fixed Assets Written Off	1,114	0
Registration Expenses (Share Capital)	43,20,000	-
Depreciation	81,27,118	35,53,68,005
<b>Operating profit before Working Capital Changes</b>	<b>17,87,39,305</b>	<b>17,13,12,645</b>
<b>Adjustments changes in working capital:</b>		
(Increase) / Decrease in Other Current, Other Non-Current Assets & Trade Receivables	1,84,05,537	-2,07,77,142
Increase / (Decrease) in Other Current, Other Non-Current Liabilities & Trade Payables	10,59,091	-10,37,814
<b>Cash Generated from Operations</b>	<b>19,82,03,933</b>	<b>14,94,97,689</b>
Direct Taxes Paid (Net)	49,74,526	-49,41,768
<b>Net Cash generated Flow from Operating Activities (A)</b>	<b>20,31,78,459</b>	<b>14,45,55,921</b>
<b>Cash flow from Investing Activities</b>		
Purchase of Fixed Assets (Including Intangible Assets)	-1,26,72,80,255	-24,24,39,327
Proceeds from Sale of Fixed Assets	-	2,86,263
(Increase) / Decrease in Current and Non-Current Assets	-19,67,170	7,95,69,519
Increase / (Decrease) in Current and Non-Current Liabilities	1,07,71,14,936	-20,47,48,633
Fixed deposits for periods exceeding 3 months encashed /(placed)	12,00,00,000	-5,00,00,000
Interest received	40,23,736	1,01,20,798
<b>Net Cash used in Investing Activities (B)</b>	<b>-6,81,08,753</b>	<b>-40,72,11,380</b>
<b>Cash flow from Financing Activities</b>		
Share Issue	12,00,00,000	-
Registration Expenses (Share Capital)	-43,20,000	-
Proceeds from Long-term Borrowings	28,00,00,000	-
Repayment of Long-term Borrowings	-23,96,00,000	-15,27,00,000
Short term Loan repaid	-28,00,00,000	-
Short term loans taken	40,00,00,000	54,00,00,000
Increase / (Decrease) in Current and Non-Current Liabilities	1,13,25,888	-
Interest and Finance Charges Paid	-42,60,59,012	-40,81,22,874
<b>Net Cash generated from Financing Activities (C)</b>	<b>-13,86,53,124</b>	<b>-2,08,22,874</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>-35,83,418</b>	<b>-28,34,78,333</b>
Cash and Cash Equivalent at the beginning of the year (Note No.15)	1,41,15,069	29,75,93,402
Cash and Cash Equivalent at the end of the year (Note No.15)	1,05,31,651	1,41,15,069
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>	<b>-35,83,418</b>	<b>-28,34,78,333</b>
<b>Notes:</b>		
<b>Components of Cash &amp; Cash Equivalent</b>		
Cash on Hand	10,65,874	5,28,681
Cheques on Hand	-	-
Balance with Scheduled Banks - Current Accounts	18,98,980	1,35,86,388
Balance with Scheduled Banks in term deposits (maturity less than 3 months)	75,66,797	-
	1,05,31,651	1,41,15,069
Fixed deposits placed for periods exceeding 3 months	-	12,00,00,000
<b>Cash &amp; Bank Balances</b>	<b>1,05,31,651</b>	<b>13,41,15,069</b>

Notes 1 to 31 form part of the financial statements.

In terms of our report attached.

For **LAKHANI & CO.**

Chartered Accountants

Firm Registration No.105524W

*Parag Modi*  
Partner

Membership Number : 114105

Place: Mumbai

Date: April 17, 2013



For and on behalf of the Board

*Prakash*  
Managing Director

*Prakash*  
Director

*Prakash*



## **ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED**

### **Note 1 – SIGNIFICANT ACCOUNTING POLICIES**

#### **1. Basis of preparation of Financial Statements**

The financial statements have been prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles (GAAP) in India, the provisions of the Companies Act, 1956, as adopted consistently by the Company and the applicable accounting standards issued by The Institute of Chartered Accountants of India and notified under the Companies Accounting Standards Rules, 2006. All income and expenditure having a material bearing on the financial statements are recognised on an accrual basis.

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including current liabilities) as of the date of the 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.

#### **2. Revenue Recognition**

Expenditure on the Project incurred upto project completion date in terms of the Concession Agreement has been capitalized. Toll Revenue is recognised on collections, which coincides with the usage of the toll roads.

#### **3. Fixed Assets and Depreciation / Amortisation:**

##### **(a) Fixed assets and depreciation**

Fixed assets are reported at acquisition value, with deductions for accumulated depreciation and impairment losses, if any

The acquisition value includes the purchase price (excluding refundable taxes) and expenses directly attributable to the asset to bring the asset to the site and in 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.

Where the construction or development of any asset requiring a substantial period of time to set up for its intended use, is funded by borrowings, the corresponding borrowing costs are capitalised up to the date when the asset is ready for its intended use. Also, the administrative and general overhead expenses specifically attributed to the construction project are part of the cost of the project and capitalised to the date when the asset is ready for its intended use



## ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED

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

<b>Asset Type</b>	<b>Useful Life</b>
Computers	4 years
Specialised Office Equipment	3 years
Assets Provided to Employees	3 Years
Licensed Software	Over the license period

Depreciation on fixed assets, other than on assets above, has been provided for on the Written down Value Method at the rates provided under Schedule XIV of the Companies Act, 1956

All categories of assets costing less than or equal to Rs 5,000 each, mobile phones and items of soft furnishing are fully depreciated in the year of capitalisation

### **(b) Amortisation**

The Intangible rights which are recognised in the form of right charge users of the infrastructure assets are amortised in proportion to revenue for the year to projected revenue i.e. based on toll revenue for the year to projected revenue that is expected to be collected over the Concession period as estimated by the management.

A review of the estimated revenue over the balance period, of useful life / the concession period of the rights is undertaken by the management based on technical evaluation by independent experts at periodic intervals to assess the additional charge for amortisation, if any.

### **(c) Capital work in progress**

The construction cost includes borrowing cost, administrative and general overhead expenses specifically attributed to the construction project are part of the cost of the project and debited to capital work in progress up to the date when the asset is ready for its intended use.



## ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED

### 4. Cash Flow Statements

Cash-flow statements are prepared in accordance with "indirect method" as explained in the Accounting Standard on Cash Flow Statements (AS-3) issued by the Institute of Chartered Accountants of India and notified under Companies Act 1956.

### 5. Provisions and Contingencies

- a) A provision is made based on reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation
- b) Contingent Liabilities, if material are disclosed by way of notes to accounts
- c) Contingent asset are not recognised or disclosed in the financial information.

### 6. Taxation

Income tax comprises of Current Tax and net changes in Deferred Tax Assets or liabilities during the year. Current Tax is determined at the amount of tax payable in respect of taxable income for the year as per the Income tax Act, 1961.

Deferred Tax Assets and Liabilities are recognised for the future tax consequences of timing differences between the book profit and the tax profit. Deferred Tax Assets and Liabilities other than carry forward losses and unabsorbed depreciation under tax laws are recognised when it is reasonably certain that there will be future taxable income. Deferred Tax Asset on carry forward losses and unabsorbed depreciation, if any, are recognised when it is virtually certain that there will be future taxable profit. Deferred Tax Assets and Liabilities are measured using substantively enacted tax rates. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the Profit and Loss Account in the period of substantive enactment of the change.

### 7. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit after tax for the period attributable to equity shareholder of the Company by the weighted Average number of shares outstanding during the period.

Diluted earnings per share is calculated by dividing the net profit after tax or Loss for the period attributable to equity shareholder of the Company by the weighted Average number of shares outstanding during the period adjusted for the effects of all dilutive potential equity shares.





## ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED

### **8. Borrowing Cost**

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. All other borrowing costs are recognized as finance charges in the income statement in the period in which they are incurred. Ancillary borrowing cost relating to arrangement of borrowings incurred during the period is amortised over the tenure years of loan based on proportion of interest cost as compared to the total interest cost during the tenure of such loan

### **9. Preliminary Expenditure**

Preliminary expenses incurred on incorporation of the Company are written off in the period during which it is incurred.

### **10. Impairment of Assets**

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

### **11. Current/Non-current Assets and Liabilities :**

Assets are classified as current when it satisfies any of following criteria:

- a) It is expected to be realized within 12 months after the reporting date,
- b) All other assets are classified as Non-current

Liabilities are classified as current when it satisfies any of following criteria:

- a) It is expected to be settled within 12 months after the reporting date,
- b) All other liabilities are classified as Non-current



**ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED**  
Notes forming part of the Financial Statements for the year ended March 31, 2013

**Note 2: Share capital**

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number		Number	
<b>Authorised</b>				
Equity Shares of Rupees 10/- each	10,00,00,000	1,00,00,00,000	4,00,00,000	40,00,00,000
<b>Issued</b>				
Equity Shares of Rupees 10/- each	5,20,00,000	52,00,00,000	4,00,00,000	40,00,00,000
<b>Subscribed and Paid up</b>				
Equity Shares of Rupees 10/- each fully paid (refer foot note no. i to iv)	5,20,00,000	52,00,00,000	4,00,00,000	40,00,00,000
<b>Total</b>	<b>5,20,00,000</b>	<b>52,00,00,000</b>	<b>4,00,00,000</b>	<b>40,00,00,000</b>

**Foot Notes:**

- All of the above 52,00,00,000 shares are held by the holding Company (As at March 31, 2012 : 40,00,00,000).
- Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year

Particulars	As at March 31, 2013		As at March 31, 2012	
	Equity Shares		Equity Shares	
	No. of Shares		No. of Shares	
Shares outstanding at the beginning of the year	4,00,00,000	40,00,00,000	4,00,00,000	40,00,00,000
Shares issued during the year	1,20,00,000	12,00,00,000	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	5,20,00,000	52,00,00,000	4,00,00,000	40,00,00,000

iii. Shareholding more than 5% shares

Name of Shareholder	As at March 31, 2013		As at March 31, 2012	
	No. of Shares held	% of total holding	No. of Shares held	% of total holding
IL&FS Transportation Networks Limited (Holding Company)	5,20,00,000	100.00%	4,00,00,000	100.00%
<b>Total</b>	<b>5,20,00,000</b>	<b>100.00%</b>	<b>4,00,00,000</b>	<b>100.00%</b>

**iv. Terms / Rights attached to Equity Shares**

The Company has only one class of equity shares having a par value of Rs. 10/- each. Each holder of equity shares is entitled to one vote per share.



**ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED**  
**Notes forming part of the Financial Statements for the year ended March 31, 2013**

**Note 3: Reserves and surplus**

Particulars	As at March 31, 2013		As at March 31, 2012	
<b>(a) Capital Reserve</b> (Refer footnote below)				
Opening balance	39,00,00,000		-	
(+) Created during the year (Grant From Ministry of Road Transport and Highways) (Equity Support)	-		39,00,00,000	
(-) Written back in current year	-	39,00,00,000	-	39,00,00,000
<b>(b) Profit / (Loss) Surplus</b>				
Opening balance	(89,70,13,349)		(31,46,32,276)	
(+) Profit/(Loss) for the current year	(24,36,00,311)	(1,14,06,13,660)	(58,23,81,073)	(89,70,13,349)
<b>Total</b>		<b>(75,06,13,660)</b>		<b>(50,70,13,349)</b>

**Foot Note:**

**Capital Reserves:**

(Grant from Ministry of Road Transport and Highways) (Equity Support): The Company in accordance with the concession agreement signed with Department of Road Transport and Highways is entitled to Grant of Rs. 75,46,50,000/- (Rupees. Seventy Five Crore Forty Six Lacs Fifty Thousand Only.), being equity support of Rs.39,00,00,000/- during construction and remaining balance of Rs.36,46,50,000/- as Operation and Maintenance support.



**ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED**  
Notes forming part of the Financial Statements for the year ended March 31, 2013

**Note 4: (A) Long-term borrowings**

Particulars	As at March 31, 2013		As at March 31, 2012	
<b>Term Loans</b>				
<b>(i) Secured</b>				
From banks (refer foot note no.1)	1,89,23,00,000		2,15,48,00,000	
From others	-	1,89,23,00,000	-	2,15,48,00,000
<b>(ii) Unsecured</b>				
From banks	28,00,00,000		-	
From Holding Company (refer foot note no.2)	21,30,00,000	49,30,00,000	21,30,00,000	21,30,00,000
<b>Total</b>		<b>2,38,53,00,000</b>		<b>2,36,78,00,000</b>

**Foot Notes:**

**1. Secured By:**

Term loans from banks are secured by hypothecation of:

(a) All movable, tangible and intangible assets, receivables, cash and investments created as part of the projects.

(b) All the monies lying in Escrow Account into which all the investments in the Project and all Project revenues and insurance proceeds are to be deposited.

(c) Assignment of all rights, title, benefits, claims and demands of the Borrowers under Project Agreements i.e. Concession agreement, Substitution agreement, Construction contract and operations contract, etc.

(d) Assignment of all rights under project guarantees obtained pursuant to development contract or operations contract, if any relating to the project.

(e) First ranking assignment of all contract, documents insurance contracts/insurance Proceeds (Security Trustee to be named as loss payee), clearances and interests of the Borrower.

(f) Debt Service Reserve Account and any other accounts required to be created by the Borrower under any Project agreement

**Terms of Repayment:**

(a) The Borrower shall repay the term loans to each of the senior lenders as per the repayment schedule, as set out in Footnote-3

(b) Amounts repaid by the Borrower shall not be re-borrowed.

(c) Any senior lenders may, in suitable circumstances, at the request of the Borrower and subject to consent of the other senior lenders revise or vary the repayment schedule or postpone the payment of any specific repayment installment(s) or part thereof, upon such terms and conditions shall form a part of this agreement as an amendment to repayment schedule hereto.

(d) In the event of any default in the payment of the repayment installments of principal, interest and default interest, postponement, if any, allowed by any of the senior lenders shall be at the rate of interest as may be stipulated by the concerned senior lenders at the

**2.** The Company has taken Subordinate Debt from the IL&FS Transportation Network Ltd. (The Holding Co.) against which there is a second pari passu charge over all the Borrowers's moveable properties (including plant and machinery) both present and future; revenues and receivables of the Borrower from the Project or otherwise; all Project Agreements, all guarantees, performance guarantees or bonds, letter of credit that may be provided by any party to any Project Agreement in favour of the Borrower and applicable Permits and all plant rights, titles, approvals, permits, clearances and interests and the Borrower's right, title, interest, benefit and claim in, to or under the Project Agreements and Clearances; all the Borrower's right, title, interest, benefit and claim of the Borrower in, to or under the Insurance Contracts and the Insurance Proceeds; all intangible assets of the Borrower including but not limited to goodwill. However the company has not created the charge on the aforesaid asset and hence the loan is considered as unsecured loan.

**3 Repayment Schedule:**

Total Loans Commitment is Rs. 2,547,100,000/- from Banks as Senior Debt and Rs.213,000,000/- from Holding company as Sub Debt. Loans Disbursed till March 31, 2011 is Rs. 2,547,100,000/- from Banks and Rs 213,000,000 from Holding company. Senior Debt : In 32 unequal quarterly installments commencing on quarter ending September 30, 2011 and terminating on June 30, 2019.

Financial Year	Amount of Senior Debt Repayment	Amount of Unsecured Term Loan	Amount of Sub Debt Repayment
2013-2014	26,25,00,000	-	-
2014-2015	33,12,00,000	4,00,00,000	-
2015-2016	41,89,00,000	8,00,00,000	-
2016-2017	44,84,00,000	8,00,00,000	-
2017-2018	35,84,00,000	8,00,00,000	-
2018-2019	26,84,00,000	-	-
2019-2020	6,70,00,000	-	10,65,00,000
2020-2021	-	-	10,65,00,000
<b>Total</b>	<b>2,15,48,00,000</b>	<b>28,00,00,000</b>	<b>21,30,00,000</b>



**ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED**  
**Notes forming part of the Financial Statements for the year ended March 31, 2013**

**Note 4: (B) Current maturities of long-term debt**

₹

Particulars	As at March 31, 2013		As at March 31, 2012	
<b>Term Loans</b>				
<b>(i) Secured</b>				
From banks	26,25,00,000		23,96,00,000	
From others	-	26,25,00,000	-	23,96,00,000
<b>(ii) Unsecured</b>				
From banks	-		-	
From others	-	-	-	-
<b>Total</b>		<b>26,25,00,000</b>		<b>23,96,00,000</b>



**ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED**  
Notes forming part of the Financial Statements for the year ended March 31, 2013

**Note 5: Short-term borrowings**

₹

Particulars	As at March 31, 2013		As at March 31, 2012	
<b>Loans and advances from related parties</b>				
(i) Secured	-		-	
(ii) Unsecured	66,00,00,000	66,00,00,000	54,00,00,000	54,00,00,000
<b>Total</b>		<b>66,00,00,000</b>		<b>54,00,00,000</b>



**ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED**  
Notes forming part of the Financial Statements for the year ended March 31, 2013

**Note 6: Other long term liabilities**

Particulars	As at March 31, 2013		As at March 31, 2012	
<b>Trade Payables</b>				
To related parties	47,58,682		1,09,65,411	
To others	-	47,58,682	-	1,09,65,411
<b>Total</b>		<b>47,58,682</b>		<b>1,09,65,411</b>

**Footnote:**

According to the records available with the Company, there were no dues to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006. Hence disclosures, if any, relating to amounts unpaid as at the end of the year with the interest paid / payable as required under the said Act have not been given.

**Note 7: Trade Payables**

Particulars	As at March 31, 2013		As at March 31, 2012	
<b>(a) Trade Payables</b>				
To related parties	1,13,37,884		-	
To others	32,73,220	1,46,11,104	34,62,160	34,62,160
<b>Total</b>		<b>1,46,11,104</b>		<b>34,62,160</b>

**Footnote:**

According to the records available with the Company, there were no dues to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006. Hence disclosures, if any, relating to amounts unpaid as at the end of the year with the interest paid / payable as required under the said Act have not been given.

**Note 8: Other current liabilities**

Particulars	As at March 31, 2013		As at March 31, 2012	
(a) Interest accrued but not due on borrowings	-		-	
(b) Interest accrued and due on borrowings	-		-	
(c) Income received in advance	25,027		22,852	
(d) Advance received	-		-	
(e) Sundry Creditors for Capital Assets	1,15,20,29,494		7,02,23,140	
(f) Statutory Dues	53,87,358	1,15,74,41,879	26,38,187	7,28,84,179
<b>Total</b>		<b>1,15,74,41,879</b>		<b>7,28,84,179</b>





**ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED**  
Notes forming part of the Financial Statements for the year ended March 31, 2013

Note 9: Fixed assets

Particulars	Gross block				Accumulated depreciation				Net block		
	Balance as at April 1st 2012	Opening adjustments (Refer footnote)	Additions	Disposals/De-duction	Balance as at March 31, 2013	Balance as at April 1st 2012	Opening adjustments (Refer Footnote)	Depreciation charge for the year	Disposals/De-duction	Balance as at March 31, 2013	Net block Balance as at March 31, 2012
<b>a) Tangible assets</b>											
Vehicles	5,53,252	-	-	-	5,53,252	-	-	68,012	-	1,94,685	2,62,697
Data processing equipments	5,33,668	-	-	15,347	5,18,321	-	-	1,32,220	14,240	4,55,379	1,96,269
Office equipments	2,32,021	-	-	30,829	2,01,192	-	-	16,298	30,825	1,00,306	1,17,188
Furniture and fixtures	3,40,910	-	-	7,380	3,33,530	-	-	20,881	7,377	2,38,985	1,15,429
<b>Total</b>	<b>16,59,851</b>	<b>-</b>	<b>-</b>	<b>53,556</b>	<b>16,06,295</b>	<b>-</b>	<b>-</b>	<b>2,37,411</b>	<b>52,442</b>	<b>11,53,237</b>	<b>6,91,583</b>
<b>b) Intangible assets</b>											
Software / Licences	43,800	-	-	-	43,800	-	-	10,950	-	39,090	15,660
Rights under service concession arrangements	3,51,09,14,382	(14,97,783)	-	-	3,50,94,16,599	56,41,47,364	(14,680)	78,93,437	-	57,20,26,121	2,94,67,87,018
<b>Total</b>	<b>3,51,09,58,182</b>	<b>(14,97,783)</b>	<b>-</b>	<b>-</b>	<b>3,50,94,60,399</b>	<b>56,41,75,504</b>	<b>(14,680)</b>	<b>79,04,387</b>	<b>-</b>	<b>57,20,65,211</b>	<b>2,94,67,82,678</b>
<b>c) Capital work-in-progress</b>											
Intangible Assets under Development	-	-	1,26,87,78,038	-	1,26,87,78,038	-	-	-	-	1,26,87,78,038	-
<b>GRAND TOTAL PREVIOUS YEAR</b>	<b>3,51,25,18,033</b>	<b>(14,97,783)</b>	<b>1,26,87,78,038</b>	<b>53,556</b>	<b>4,77,98,44,732</b>	<b>56,51,43,772</b>	<b>(14,680)</b>	<b>81,41,798</b>	<b>52,442</b>	<b>57,32,18,448</b>	<b>2,94,74,74,251</b>
	<b>3,20,63,92,651</b>	<b>-</b>	<b>30,67,04,406</b>	<b>4,79,024</b>	<b>3,51,26,18,033</b>	<b>20,99,68,528</b>	<b>-</b>	<b>35,53,68,005</b>	<b>1,92,761</b>	<b>2,94,74,74,261</b>	<b>2,99,64,24,123</b>

Footnote: The opening adjustment of Rs.1,497,783/- is due to the writing back of the creditors pertaining to the Road to the extent of the same amount.





**ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED**  
Notes forming part of the Financial Statements for the year ended March 31, 2013

**Note 10: Non-current investments**

Particulars	As at March 31, 2013		As at March 31, 2012	
<b>Investment in Others</b> (Deposited with Sales Tax Department, Govt. of Rajasthan)		20,000.00		20,000.00
<b>Total</b>		<b>20,000.00</b>		<b>20,000.00</b>

**Note 11: Long-term loans and advances**

Particulars	As at March 31, 2013		As at March 31, 2012	
<b>(a) Security Deposits</b>				
Secured, considered good	-		-	
Unsecured, considered good	3,16,150	3,16,150	6,150	6,150
<b>(b) Other loans and advances</b>				
- WCT Receivable	53,19,455		36,62,285	
- Advance payment of taxes (net of provision)	73,14,639	1,26,34,094	1,22,14,165	1,58,76,450
<b>Total</b>		<b>1,29,50,244</b>		<b>1,58,82,600</b>

**Note 12: Short-term loans and advances**

Particulars	As at March 31, 2013		As at March 31, 2012	
<b>Other loans and advances</b>				
- Unamortised ancillary borrowing cost		35,92,217		-
- Pre-paid expenses		8,29,796		-
<b>Total</b>		<b>44,22,013</b>		<b>-</b>



**ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED**  
**Notes forming part of the Financial Statements for the year ended March 31, 2013**

**Note 13: Other non-current assets**

Particulars	As at March 31, 2013		As at March 31, 2012	
<b>Other non-current assets</b>				
- Unamortised ancillary borrowing cost		85,98,435		
- Interest accrued but not due on investment		3,607	1,782	1,782
<b>Total</b>		<b>86,02,042</b>		<b>1,782</b>

**Note 14: Other current assets**

Particulars	As at March 31, 2013		As at March 31, 2012	
(a) Interest accrued on Fixed Deposits	12,438		9,56,639	
(b) Grant receivable from Ministry of Road Transport and Highways	1,08,33,333	1,08,45,771	2,92,48,050	3,02,04,689
<b>Total</b>		<b>1,08,45,771</b>		<b>3,02,04,689</b>



**ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED**  
**Notes forming part of the Financial Statements for the year ended March 31, 2013**

**Note 15: Cash and bank balances**

Particulars	As at March 31, 2013		As at March 31, 2012	
<b>(a) Cash and cash equivalents</b>				
Cash on hand	10,65,874		5,28,681	
Current accounts (refer footnote)	18,98,980		1,35,86,388	
Fixed Deposits placed for a period less than 3 months	75,66,797		-	
Fixed Deposits placed for a period less than 3 months	-	1,05,31,651	-	1,41,15,069
<b>(b) Other bank balances</b>				
Fixed Deposits placed for a period exceeding 3 months (placed as per terms of common loan agreement for the purpose of Debt Service Reserve and under Bank lien).	-		12,00,00,000	
Unpaid dividend accounts	-	-	-	12,00,00,000
<b>Total</b>		<b>1,05,31,651</b>		<b>13,41,15,069</b>

**Footnote**

**(a) Includes**

- Balance of Rupees 918,440/- (P/Y 3,354,336) in an Escrow Account managed by Escrow Agent
- Balance of Rupees 39,674/- (P/Y 5,155,862.37) towards Debt Service Reserve



**ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2013

**Note 16: Contingent Liability, Capital commitments & Other Information****A) Contingent liabilities :**

Particulars ( Name & description)		As at March 31, 2013	As at March 31, 2012
<b>Sr. No.</b>	<b>Description</b>		
1	Demand for Assessment Year 2011-12 for work contract tax for which the Company's appeal is pending with the appellate authority	47,03,066	-

**B) Financial commitments pending to be executed :**

Particulars ( Name of party & description)			As at March 31, 2013	As at March 31, 2012
<b>Sr. No.</b>	<b>Name of Party</b>	<b>Description</b>		
1	IL&FS Trust Company Limited	Estimated amount of contracts to be executed on security trusteeship fees (excluding taxes) (upto the end of repayment of last installment of term loan )	31,25,000	36,25,000

**C) Operating commitments pending to be executed :**

Particulars ( Name of party & description)			As at March 31, 2013	As at March 31, 2012
<b>Sr. No.</b>	<b>Name of Party</b>	<b>Description</b>		
1	IL&FS Transportation Networks Limited	Estimated amount of contracts to be executed on construction contract	9,07,20,52,749	-
2	IL&FS Transportation Networks Limited	Estimated amount of contracts to be executed on Operation & Maintenance (Base Price Rs.64,200,000/- p.a. for base financial year 2011, escalated @5% p.a. for the period upto the end of concession period)	58,10,70,545	64,84,80,545
3	IL&FS Transportation Networks Limited	Estimated amount of contracts to be executed on Project Development Fees	3,45,00,000	-

**D) Disclose the amount paid/Payable to Auditors :**

Sr. No.	Description	As at March 31, 2013	As at March 31, 2012
1	Audit Fees	3,37,080	3,37,080
2	Taxation Matter	84,270	84,270
3	Certification Matter	45,282	27,851
4	Out of Pocket Expenses	14,986	
5	Other Services	4,58,732	4,64,805



**ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED**  
**Notes forming part of the Financial Statements for the year ended March 31, 2013**

**Note 17: Revenue from operations**

Particulars	Year ended March 31, 2013		Year ended March 31, 2012	
<b>(a) Income from services</b>				
Toll revenue	17,60,05,975		16,81,31,247	
Operation and maintainace Grant from MORTH	7,90,83,333	25,50,89,308	7,93,00,000	24,74,31,247
<b>(b) Construction income</b>		-		-
<b>Total</b>		<b>25,50,89,308</b>		<b>24,74,31,247</b>

**Note 18: Other income**

Particulars	Year ended March 31, 2013		Year ended March 31, 2012	
<b>(a) Interest Income</b>				
Interest on bank deposits		30,79,535		97,95,518
<b>(b) Other non-operating income</b>				
Miscellaneous income (Interest on tax refunds)		5,07,288		1,643
<b>Total</b>		<b>35,86,823</b>		<b>97,97,161</b>



**ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED**  
**Notes forming part of the Financial Statements for the year ended March 31, 2013**

**Note 19: Operating expenses**

Particulars	Year ended March 31, 2013		Year ended March 31, 2012	
	Operation and maintenance expenses	6,74,10,000		6,42,00,000
Provision for overlay expenses	-	6,74,10,000	-	6,42,00,000
<b>Total</b>		<b>6,74,10,000</b>		<b>6,42,00,000</b>



**ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED**  
**Notes forming part of the Financial Statements for the year ended March 31, 2013**

**Note 20: Finance costs**

Particulars	Year ended March 31, 2013		Year ended March 31, 2012	
(a) Interest expenses				
Interest on loans for fixed period		41,03,83,830		40,71,02,599
(b) Other borrowing costs				
Finance charges		26,63,914		10,20,275
<b>Total</b>		<b>41,30,47,744</b>		<b>40,81,22,874</b>

**Note 21: Administrative and general expenses**

Particulars	Year ended March 31, 2013		Year ended March 31, 2012	
Legal and consultation fees	72,89,348		94,19,708	
Auditors' Remuneration	9,40,350		9,14,006	
Travelling and conveyance	61,737		2,70,122	
Rates and taxes	2,500		2,500	
Bank commission	9,75,592		5,98,783	
Registration expenses (Share Capital Expenses)	43,20,000		-	
Insurance	10,502		20,908	
Sitting Fees	1,30,000		1,10,000	
Miscellaneous expenses	36,550	1,37,66,579	5,82,576	1,19,18,603
<b>Total</b>		<b>1,37,66,579</b>		<b>1,19,18,603</b>



**ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED**  
**Notes forming part of the Financial Statements for the year ended March 31, 2013**

**Note 22: Earnings per equity share**

Particulars	Unit	Year ended March 31, 2013	Year ended March 31, 2012
Profit after tax and minority interest	₹	-24,36,00,311	-58,23,81,073
Premium on preference shares	₹	-	-
Tax on premium on preference shares	₹	-	-
Profit available for Equity Shareholders	₹	-24,36,00,311	-58,23,81,073
Weighted number of Equity Shares outstanding	Numbers	4,50,54,795	4,00,00,000
Nominal Value of equity shares	₹	10.00	10.00
Basic Earnings per share	₹	-5.41	-14.56
Equity shares used to compute diluted earnings per share	Numbers	4,50,54,795	4,00,00,000
Diluted Earnings per share	₹	-5.41	-14.56





**ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED**  
**Notes forming part of the Financial Statements for the year ended March 31, 2013**

**Note 24: Related Party Statement**

Nature of Relationship	Name of Entity	Acronym used
Holding Company :	IL&FS Transportation Networks Limited	ITNL
Fellow Subsidiaries	IL&FS Trust Company Limited	ITCL
	IL&FS Securities Services Limited	ISSL
Associates :	NIL	NIL
Co - Venture :	NIL	NIL
Key Management personnel:	Mr. Ashutosh Chandwar	Managing Director

2. Details of balances and transactions during the year with related parties

Account head	Name of Entity	As at March 31, 2013	As at March 31, 2012
<b>Balances:</b>			
Share Capital	ITNL	52,00,00,000	40,00,00,000
Retention Money - Payable	ITNL	47,58,682	1,09,65,411
Sundry Creditors	ITNL	1,16,33,67,378	7,02,23,140
Unsecured Loan - Sub Debt	ITNL	21,30,00,000	21,30,00,000
Unsecured Loan - Short Term Loan	ITNL	66,00,00,000	54,00,00,000
		<b>Year ended March 31, 2013</b>	<b>Year ended March 31, 2012</b>
<b>Transactions:</b>			
Development Cost	ITNL	19,03,47,261	24,19,85,152
Project Development Fees	ITNL	1,07,55,00,000	-
Operation & Maintenance Charges	ITNL	6,74,10,000	6,42,00,000
Interest on Loan	ITNL	11,50,24,459	5,33,93,076
Unsecured Loan Taken	ITNL	40,00,00,000	54,00,00,000
Unsecured Loan Repaid	ITNL	28,00,00,000	-
Structuring Fees	ITNL	62,92,160	-
Security Trustee Fees paid	ITCL	5,61,800	5,51,500
Professional Fees	ISSL	22,972	-
Director Sitting Fees	Managing Director	20,000	5,000

**Note 25:**

Hitherto the amortisation of intangible assets arising was based on Straight Line Method i.e. on the number of days expected to use the project facility over the concession period as estimated by the Management. With effect from April 1, 2012 based on notification dated April 17, 2012 issued by Ministry of Corporate Affairs, the Company has changed the method of amortisation of intangible assets arising out of Service Concession Arrangements prospectively. Effective April 1, 2012 the amortisation is in proportion to the revenue earned for the period to the total estimated toll revenue i.e. expected to be collected over the balance concession period. Had the Company followed the earlier method, the amortization would have been higher by Rs. 376 million.

**Note 26:**

Two laning for 14 km was pending due to non clearance from National Board of Wild Life. In current Financial year company has received the same. After receiving clearance from Supreme court, Developer (ITNL) will construct the stretch of 14 km as per the Development Agreement dated April 04, 2009 between the Company and ITNL.

**Note 27:**

Long Term Borrowings, Short Term Borrowings, Loans & Advances and Trade Payables are subject to balance confirmations and reconciliation, if any



**Note 28:**

The Trade Receivables and Loans and Advances have a value on realization in ordinary course of business at least equal to amount at which they are stated in the Balance sheet and no provision for doubtful debts is required. In the opinion of the management all the Debtors are good and recoverable. The management is taking reasonable steps for recovery of the debts due.

**Note 29: Going Concern**

The Company has incurred net losses of Rs.243,600,310/- during the year from 1st April 2012 to 31st March 2013 and has a negative net worth of Rs.230,613,659/- and a negative working capital as at 31st March, 2013. The Management believes that the Company will be able to operate as a going concern in the foreseeable future and meet all its obligations as they fall due for payment as the Company has received a letter from the Ministry of Road Transport and Highways (MoRTH) dated March 2, 2012 along with the minutes of the meeting dated February 17, 2012 with MoRTH in which it was decided to award four laning of the existing two lane project from Gomti to Beawar with the consequential increase in revenues and profits over the increased concession period.

Based on the above and the financial support from the promoters of the Company, the Financial Statements are prepared on a going concern basis

**Note 30: Deffered Tax**

In accordance with the Accounting Standard on "Accounting for Taxes on Income" (AS-22), deferred tax assets and liability should be recognised for all timing differences in accordance with the said standard. However considering the present financial position and requirement of the said Accounting Standard-22 regarding certainty/virtual certainty, the carried forward losses is not provided for as an asset. However, the same will be re-assessed at subsequent Balance Sheet date and will be accounted for in the year of certainty/virtual certainty in accordance with the aforesaid Accounting Standard.

**Note 31: Segment Information**

As the Company operates in a single business as well as geographical segment, the disclosures required under the Accounting Standard on "Segment Reporting" (AS-17) notified under the Companies Accounting Standards Rules, 2006 are not applicable

**Note 31: Previous year**

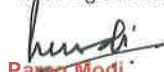
Since the Company has agreed to do Four laning of the project, there has been change in assumptions for computing the amortisation of the intangible asset("Rights under service concession arrangements") & Provision for overlay. Figures for the previous period are not comparable. Figures for the previous year have been regrouped, reclassified where necessary, to conform to the classification of the current year.

In terms of our report attached.

**For LAKHANI & CO.**

Chartered Accountants

Firm Registration No.105524W



**Parag Modi**

**Partner**

Membership Number : 114105

Place: Mumbai

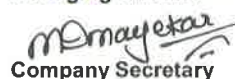
Date: April 17, 2013



**For and on behalf of the Board**



**Managing Director**



**Company Secretary**



**Director**