

**ITNL ROAD INFRASTRUCTURE DEVELOPMENT  
COMPANY LIMITED**

**ANNUAL REPORT**

**2013-14**

## DIRECTORS' REPORT

The Shareholders

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

Your Directors have pleasure in presenting the Sixth Annual Report along with the Audited Statements of Accounts for the year ended March 31, 2014

#### **FINANCIAL RESULTS**

The financial results of the Company are as under:

	(Amount in ₹)	
	Year ended March 31, 2014	Year ended March 31, 2013
Total Income	287,194,988	258,676,131
Total Expenses	(527,920,774)	502,351,441
Profit / (loss) Before Tax	(240,725,786)	(243,675,311)
Less: Provision for Tax	-	(75,000)
Profit After Tax	(240,725,786)	(243,600,311)
Balance carried forward	(1,381,339,446)	(1,140,613,660)

#### **OPERATIONS:**

During the year under review, your Company undertook the developmental works of the Four laning of the Project and the contractors appointed have commenced work at the site of Beawar – Gomti stretch of NH- 8 in the State of Rajasthan. Your Company continued to maintain the existing two lane road to the prescribed standards in accordance with the contractual requirements and the toll revenue earned during the year under review was ₹ 20.8 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 ₹1,00,00,00,000/- to ₹1,50,00,00,000/- The Company had thereafter issued ₹ 88,00,00,000/- 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 increased from ₹52,00,00,000/- to ₹1,40,00,00,000/-

#### **DIVIDEND:**

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

**DIRECTORS:**

Mr. Rajnish Saxena, 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

**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 17, 2013, July 18, 2013, October 18, 2013 and January 20, 2014. 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 George Cherian	4	4
2	Mr Harish Mathur	4	4
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. George Cherian and Mr. Harish Mathur. The Audit Committee met four times in the year under review on April 17, 2013, July 18, 2013, October 18, 2013 and January 20, 2014. The numbers of meetings attended by the Members 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 George Cherian	4	4
2	Mr Harish Mathur	4	4
3	Mr. M B Bajulge	4	4

The Chairman of the Audit Committee was present at the AGM

**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

Mumbai, April 22, 2014

Sd/-                      Sd/-  
Managing Director      Director

## 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, 2014, and the Statement of Profit and Loss and also 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 notified under the Companies Act, 1956 ("the Act") read with the general circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of section 133 of Companies Act, 2013. 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the 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.



**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, 2014;
- (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. 28 to the financial statement. The Company has incurred a net loss of Rs. 24,07,25,786/- during the year ended March 31, 2014, has excess of current liabilities over current assets by Rs. 376,93,76,340/- as at March 31, 2014. However, based on the management's business plan and financial support from the Promoter of the Company, in the opinion of management, no adjustment is required to the carrying value of the assets and liability 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 the 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 ("AS") specified in the Companies (Accounting Standard) Rules, 2006 notified by central government in terms of



**CHARTERED ACCOUNTANTS**


section 211(3C) of the Act read with the general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of Companies Act, 2013.

- (e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.



Place : Mumbai  
Date : 22<sup>nd</sup> April, 2014

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

  
(Parag Modi)  
Partner  
M.No.114105

**Annexure to the Auditor's Report**

[The Annexure referred to in 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, 2014]

- (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 any of its fixed assets during the year.
- (ii) The Company does not have any inventory other than construction work in progress. Accordingly, 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. The internal audit has been conducted by a firm of Chartered Accountants.





**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 31st March, 2014 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 Income Tax, Sales Tax, Service Tax, Customs Duty, Wealth Tax, Excise Duty and Cess which have not been deposited on account of any dispute except for the following

Name of the Statute	Nature of Dues	Amount in ₹	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Demand Under section 156	1,59,780	Assessment Year 2011-12	Company is in process of filing appeals before Commissioner of Income Tax (Appeals) ["CIT(A)"] against the order.

- (x) The company has the accumulated losses at the end of the year and it exceeds 50% of the net worth of the company and it has incurred cash losses during the year as well as during the year preceding the current 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 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



**CHARTERED ACCOUNTANTS**

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.
- (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) In our opinion and according to the information and explanations given to us and on an overall examination, the term loans have been applied for the purpose for which they were raised.
- (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, funds raised on short-term basis have not 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 any 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 : 22<sup>nd</sup> April, 2014



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

  
(Parag Modi)

Partner

Membership No. 114105

**ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED**

Balance Sheet As at March 31, 2014

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	Note	As At March 31, 2014		As At March 31, 2013	
<b>I EQUITY AND LIABILITIES</b>					
<b>1 SHAREHOLDERS' FUNDS</b>					
(a) Share capital	2	1,40,00,00,000		52,00,00,000	
(b) Reserves and surplus	3	(99,13,39,446)	40,86,60,554	(75,06,13,660)	(23,06,13,660)
<b>3 NON-CURRENT LIABILITIES</b>					
(a) Long-term borrowings	4	2,96,91,00,000		2,38,53,00,000	
(b) Other long term liabilities	5	5,56,98,474	3,02,47,98,474	47,58,682	2,39,00,58,682
<b>4 CURRENT LIABILITIES</b>					
(a) Current maturities of long-term debt	6	37,12,00,000		26,25,00,000	
(b) Short-term borrowings	7	42,50,00,000		66,00,00,000	
(c) Trade payables	8	55,97,681		1,46,11,104	
(d) Other current liabilities	9	3,05,33,35,623	3,85,51,33,304	1,15,74,41,879	2,09,45,52,983
<b>TOTAL</b>			<b>7,28,85,92,332</b>		<b>4,25,39,98,005</b>
<b>II ASSETS</b>					
<b>1 NON CURRENT ASSETS</b>					
(a) Fixed assets	10				
(i) Tangible assets		3,08,583		4,53,059	
(ii) Intangible assets		2,92,91,21,536		2,93,73,95,187	
(iii) Capital work-in-progress		-		-	
(iv) Intangible assets under development		3,61,52,87,668	6,54,47,17,787	1,26,87,78,038	4,20,66,26,284
(b) Non-current investments	11	20,000		20,000	
(c) Long-term loans and advances	12	63,21,61,103		1,29,50,244	
(d) Other non-current assets	13	2,59,36,478	65,81,17,581	86,02,042	2,15,72,286
<b>2 CURRENT ASSETS</b>					
(a) Cash and bank balances	14	5,93,64,066		1,05,31,651	
(b) Short-term loans and advances	15	1,44,76,232		44,22,013	
(c) Other current assets	16	1,19,16,666	8,57,56,964	1,08,45,771	2,57,99,435
<b>TOTAL</b>			<b>7,28,85,92,332</b>		<b>4,25,39,98,005</b>

Notes 1 to 31 form part of 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 22, 2014



For and on behalf of the Board

  
Managing Director

  
Director

**ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED**  
**Statement of Profit and Loss for the year ended March 31, 2014**

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	Note	Year ended March 31, 2014	Year ended March 31, 2013
<b>I Revenue from operations</b>	<b>17</b>	28,70,81,840	25,50,89,308
<b>II Other income</b>	<b>18</b>	1,13,148	35,86,823
<b>III Total revenue (I + II)</b>		<b>28,71,94,988</b>	<b>25,86,76,130</b>
<b>IV Expenses</b>			
Operating expenses	<b>19</b>	7,07,80,499	6,74,10,000
Finance costs	<b>20</b>	43,91,89,043	41,30,47,744
Other expenses	<b>21</b>	95,33,104	1,37,66,579
Depreciation and amortization expense	<b>10</b>	84,18,128	81,27,118
<b>Total expenses</b>		<b>52,79,20,774</b>	<b>50,23,51,441</b>
<b>V Profit / (Loss) before taxation (III-IV)</b>		<b>(24,07,25,786)</b>	<b>(24,36,75,311)</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>-</b>	<b>(75,000)</b>
<b>VII Profit / (Loss) for the period (V-VI)</b>		<b>(24,07,25,786)</b>	<b>(24,36,00,311)</b>
Earnings per equity share (Face value per share Rupees 10/-)	<b>22</b>		
(1) Basic (not annualised)		(2.46)	(5.41)
(2) Diluted (not annualised)		(2.46)	(5.41)

Notes 1 to 31 form part of 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 22, 2014



**For and on behalf of the Board**

  
**Managing Director**

  
**Director**

**ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED**

Cash Flow Statement for the year ended March 31, 2014

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	Year ended March 31, 2014	Year ended March 31, 2013
<b>Cash Flow from Operating Activities</b>		
<b>Profit / (Loss) Before Taxes</b>	<b>(24,07,25,786)</b>	<b>(24,36,75,311)</b>
<b>Adjustments for :-</b>		
Interest on short term deposit	-	(30,79,535)
Interest on NSC	(1,875)	(1,825)
Interest and finance expense	43,91,89,043	41,30,47,744
Fixed Assets Written Off	-	1,114
Registration Expenses (Share Capital)	43,80,000	43,20,000
Depreciation	84,18,128	81,27,118
<b>Operating profit before Working Capital Changes</b>	<b>21,12,59,510</b>	<b>17,87,39,305</b>
<b>Adjustments changes in working capital:</b>		
(Increase) / Decrease in Other Current, Other Non-Current Assets & Trade Receivables	(2,84,70,112)	1,84,05,537
Increase / (Decrease) in Other Current, Other Non-Current Liabilities & Trade Payables	(1,22,35,293)	10,59,091
<b>Cash Generated from Operations</b>	<b>17,05,54,105</b>	<b>19,82,03,933</b>
Direct Taxes Paid (Net)	(58,55,615)	49,74,526
<b>Net Cash generated Flow from Operating Activities (A)</b>	<b>16,46,98,490</b>	<b>20,31,78,459</b>
<b>Cash flow from Investing Activities</b>		
Purchase of Fixed Assets (Including Intangible Assets)	(2,34,37,17,285)	(1,26,72,80,255)
(Increase) / Decrease in Current and Non-Current Assets	(61,33,42,806)	(19,67,170)
Increase / (Decrease) in Current and Non-Current Liabilities	1,94,84,14,361	1,07,71,14,936
Fixed deposits for periods exceeding 3 months encashed /(placed)	-	12,00,00,000
Interest received	-	40,23,736
<b>Net Cash used in Investing Activities (B)</b>	<b>(1,00,86,45,730)</b>	<b>(6,81,08,753)</b>
<b>Cash flow from Financing Activities</b>		
Share Issue	88,00,00,000	12,00,00,000
Registration Expenses (Share Capital)	(43,80,000)	(43,20,000)
Proceeds from Long-term Borrowings	80,00,00,000	28,00,00,000
Repayment of Long-term Borrowings	(26,25,00,000)	(23,96,00,000)
Proceeds from Long-term Borrowings - Related Party	15,50,00,000	-
Short term loans repaid	(80,00,00,000)	(28,00,00,000)
Short term loans taken	56,50,00,000	40,00,00,000
Increase / (Decrease) in Current and Non-Current Liabilities	-	1,13,25,888
Interest and Finance Charges Paid	(44,03,40,345)	(42,60,59,012)
<b>Net Cash generated from Financing Activities (C)</b>	<b>89,27,79,655</b>	<b>(13,86,53,124)</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>4,88,32,415</b>	<b>(35,83,418)</b>
Cash and Cash Equivalent at the beginning of the Year	1,05,31,651	1,41,15,069
Cash and Cash Equivalent at the end of the Year	5,93,64,066	1,05,31,651
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>	<b>4,88,32,415</b>	<b>(35,83,418)</b>
<b>Notes:</b>		
<b>Components of Cash &amp; Cash Equivalent</b>		
Cash on Hand	6,98,089	10,65,874
Cheques on Hand	-	-
Balance with Scheduled Banks - Current Accounts	5,86,65,977	18,98,980
Balance with Scheduled Banks in term deposits (maturity less than 3 months)	-	75,66,797
	5,93,64,066	1,05,31,651
Fixed deposits placed for periods exceeding 3 months	-	-
<b>Cash &amp; Bank Balances</b>	<b>5,93,64,066</b>	<b>1,05,31,651</b>

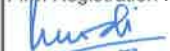
Notes 1 to 31 form part of financial statements.

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 22, 2014



For and on behalf of the Board



Managing Director



Director

**Note 1 – SIGNIFICANT ACCOUNTING POLICIES**

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

The Financial Statements have been prepared under the historical cost convention and comply with the Accounting Standards ('AS') specified in the Companies (Accounting Standard) Rules, 2006 notified by the Central Government in terms of Section 211(3C) of the Companies Act, 1956, ('the Act') read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 to the extent applicable. The Company generally follows the mercantile system of accounting and recognizes income and expenditure on accrual basis except those with significant uncertainties or otherwise accounted for on cash 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**

Toll revenue is recognised on collections, which coincides with the usage of the toll roads. Where the toll collection activity is auctioned, the toll revenue is recognised on accrual basis. Any revenue collection until the capitalization of asset is credited to Intangible Asset. Interest Income is recognised on a time proportion basis.

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

**(a) Fixed assets and depreciation**

Fixed assets other than project assets are reported at acquisition cost, with deductions for 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. Such as, delivery and handling costs, installation, legal services and consultancy services.

Expenses incurred on the Project includes direct and attributable / allocated indirect expenses incurred for the construction of the road and is capitalized when the project is complete in all respects and when the Company receives the final completion certificate from the authority as specified in the Concession Agreement and not on completion of



## ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED

component basis as the intended purpose of the project is to have the complete length of the road available for use. The economics of the project is for the entire length of the road as per the bidding submitted by the Company. The component based certification which is received is an intermediate mechanism provided in the Concession Agreement to provide a right to collect a discounted toll to compensate the Company for cost recovery during construction period and for any delays beyond the control of the Company. However, where there is other than temporary delay due to reasons beyond the control of the Company, the management may treat constructed portion of the road as a completed project.

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.

For depreciation on fixed assets other than Pune-Sholapur Road, the Company has adopted the Straight Line Method of depreciation so as to depreciate 100% of 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:

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

Depreciation on the components of company is charged to the profit and loss statement on a straight line basis over the period over which the respective component is expected to be overlaid or renewed.

Depreciation on fixed assets other than on assets specified in Notes 3(c) and (d) is provided on the Written Down Value method using the rates prescribed by Schedule XIV of the Companies Act, 1956.

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

### **(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, which is when the complete length of the project as specified in the Concession Agreement is complete and on receipt of final completion certificate from the authority as specified in the Concession Agreement and not on component basis certifications received. Discounted Revenue collected on receipt of the component based certification received as an intermediate mechanism provided in the Concession Agreement is reduced from the cost of the Intangible asset as the construction work is still in progress and the entire asset is not ready for its intended purpose.

**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, read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 to the extent applicable.

**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.





## ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED

### **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.

### **8. Borrowing Cost**

Borrowing costs directly attributable to the acquisition, construction of the roads are capitalised up to the date of the final completion certificate of the asset / facility received from the authority as specified in Concession Agreement. All borrowing costs subsequent to the date of capitalization or the date of capitalization whichever is earlier are charged to the Statement of Profit and Loss in the period in which such costs are incurred

### **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, 2014

**Note 2: Share capital**

Particulars	As at March 31, 2014		As at March 31, 2013	
	Number	₹	Number	₹
<b>Authorised</b> Equity Shares of Rupees 10/- each	15,00,00,000	1,50,00,00,000	10,00,00,000	1,00,00,00,000
<b>Issued</b> Equity Shares of Rupees 10/- each	14,00,00,000	1,40,00,00,000	5,20,00,000	52,00,00,000
<b>Subscribed and Paid up</b> Equity Shares of Rupees 10/- each fully paid (refer foot note no. i to iv)	14,00,00,000	1,40,00,00,000	5,20,00,000	52,00,00,000
<b>Total</b>	<b>14,00,00,000</b>	<b>1,40,00,00,000</b>	<b>5,20,00,000</b>	<b>52,00,00,000</b>

**Foot Notes:**

- i. All of the above 140,000,000 shares are held by the holding Company (As at March 31, 2013 : 52,000,000).  
ii. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2014		As at March 31, 2013	
	Equity Shares		Equity Shares	
	No. of Shares	₹	No. of Shares	₹
Shares outstanding at the beginning of the year	5,20,00,000	52,00,00,000	4,00,00,000	40,00,00,000
Shares issued during the year	8,80,00,000	88,00,00,000	1,20,00,000	12,00,00,000
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	14,00,00,000	1,40,00,00,000	5,20,00,000	52,00,00,000

- iii. Shareholding more than 5% shares

Name of Shareholder	As at March 31, 2014		As at March 31, 2013	
	No. of Shares held	% of total holding	No. of Shares held	% of total holding
IL&FS Transportation Networks Limited (Holding Company)	14,00,00,000	100.00%	5,20,00,000	100.00%
<b>Total</b>	<b>14,00,00,000</b>	<b>100.00%</b>	<b>5,20,00,000</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, 2014**

**Note 3: Reserves and surplus**

₹

Particulars	As at March 31, 2014		As at March 31, 2013	
<b>(a) Capital Reserve</b> (Refer footnote below)				
Opening balance	39,00,00,000		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	(1,14,06,13,660)		(89,70,13,349)	
(+) Profit/(Loss) for the current year	(24,07,25,786)	(1,38,13,39,446)	(24,36,00,311)	(1,14,06,13,660)
<b>Total</b>		<b>(99,13,39,446)</b>		<b>(75,06,13,660)</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, 2014

**Note 4: Long-term borrowings**

Particulars	As at March 31, 2014		As at March 31, 2013	
<b>Term Loans</b>				
<b>(i) Secured</b>				
From banks (refer foot note no.1)	1,56,11,00,000		1,89,23,00,000	
From others		1,56,11,00,000	-	1,89,23,00,000
<b>(ii) Unsecured</b>				
From banks	1,04,00,00,000		28,00,00,000	
From Holding Company (refer foot note no.2)	36,80,00,000	1,40,80,00,000	21,30,00,000	49,30,00,000
<b>Total</b>		<b>2,96,91,00,000</b>		<b>2,38,53,00,000</b>

**Foot Notes:**

**1. Secured By:**

Term loans from banks are secured by hypothecation of:

- All movable, tangible and intangible assets, receivables, cash and investments created as part of the projects.
- 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.
- 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.
- Assignment of all rights under project guarantees obtained pursuant to development contract or operations contract, if any relating to the project.
- 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.
- Debt Service Reserve Account and any other accounts required to be created by the Borrower under any Project agreement contract.

**Terms of Repayment:**

- The Borrower shall repay the term loans to each of the senior lenders as per the repayment schedule, as set out in Footnote-3
- Amounts repaid by the Borrower shall not be re-borrowed.
- 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.
- 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 time of postponement.

**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 Secured Loans Sanctioned is Rs. 2,547,100,000/- from Banks and Rs.213,000,000/- from Holding company as Sub Debt for Phase I and Rs.2,415,100,000/- for Phase II

Loans Disbursed till March 31, 2014 is Rs. 2,547,100,000/- from Banks and Sub debt aggregating to Rs.368,000,000/- from Holding company.

Senior Debt : In 32 unequal quarterly installments commencing on quarter ending September 30, 2011 and terminating on June 30, 2019.

Total Unsecured Loans of Rs.108,000,000/- from Banks other than Senior Debt.

Financial Year	Amount of Senior Debt Repayment	Amount of Unsecured Term Loan Repayment	Amount of Sub Debt Repayment
2014-2015	33,12,00,000	4,00,00,000	-
2015-2016	41,89,00,000	30,85,71,428	-
2016-2017	44,84,00,000	30,85,71,428	-
2017-2018	35,84,00,000	30,85,71,428	-
2018-2019	26,84,00,000	11,42,85,716	-
2019-2020	6,70,00,000	-	10,65,00,000
2020-2021	-	-	10,65,00,000
2030-2031	-	-	5,42,57,381
2031-2032	-	-	10,07,42,619
<b>Total</b>	<b>1,89,23,00,000</b>	<b>1,08,00,00,000</b>	<b>36,80,00,000</b>

Of the above Secured term Loan amounting Rs.331,200,000/- & Unsecured Term loan amounting Rs.40,000,000/- is classified under "Other current liabilities" as "Current maturities of long term Debt"



**ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED**  
Notes forming part of the Financial Statements for the year ended March 31, 2014

**Note 5: Other long term liabilities**

Particulars	As at March 31, 2014		As at March 31, 2013	
<b>Trade Payables</b>				
To related parties	5,56,98,474		47,58,682	
To others	-	5,56,98,474	-	47,58,682
<b>Total</b>		<b>5,56,98,474</b>		<b>47,58,682</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 6: Current maturities of long-term debt**

Particulars	As at March 31, 2014		As at March 31, 2013	
<b>Term Loans</b>				
<b>(i) Secured</b>				
From banks	33,12,00,000		26,25,00,000	
From others	-	33,12,00,000	-	26,25,00,000
<b>(ii) Unsecured</b>				
From banks	4,00,00,000		-	
From others	-	4,00,00,000	-	-
<b>Total</b>		<b>37,12,00,000</b>		<b>26,25,00,000</b>

**Note 7: Short-term borrowings**

Particulars	As at March 31, 2014		As at March 31, 2013	
<b>Loans and advances from related parties</b>				
(i) Secured	-		-	
(ii) Unsecured	42,50,00,000	42,50,00,000	66,00,00,000	66,00,00,000
<b>Total</b>		<b>42,50,00,000</b>		<b>66,00,00,000</b>



**ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED**  
Notes forming part of the Financial Statements for the year ended March 31, 2014

**Note 8: Trade Payables**

Particulars	As at March 31, 2014		As at March 31, 2013	
<b>Trade Payables</b>				
To related parties	5,91,151		1,13,37,884	
To others	50,06,530	55,97,681	32,73,220	1,46,11,104
<b>Total</b>		<b>55,97,681</b>		<b>1,46,11,104</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 9: Other current liabilities**

Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Income received in advance	26,288		25,027	
(b) Statutory Dues	6,34,25,324		53,87,358	
(c) Sundry Creditors for Capital Assets	2,98,98,84,011	3,05,33,35,623	1,15,20,29,494	1,15,74,41,879
<b>Total</b>		<b>3,05,33,35,623</b>		<b>1,15,74,41,879</b>



ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED  
Notes forming part of the Financial Statements for the year ended March 31, 2014

Note 10: Fixed assets

Particulars	Gross block			Accumulated depreciation			Net block		
	Balance as at April 1st 2013	Opening adjustments	Additions	Disposals/Reduction	Balance as at March 31, 2014	Depreciation charge for the year	On disposals	Balance as at March 31, 2014	Net block Balance as at March 31, 2013
a) Tangible assets									
Vehicles	5,53,252	-	-	-	5,53,252	50,403	-	1,44,282	1,94,685
Data processing equipments	5,18,321	-	-	-	5,18,321	62,933	-	9	62,942
Office equipments	2,01,192	-	-	-	2,01,192	14,030	-	86,856	1,00,886
Furniture and fixtures	3,39,530	-	-	-	3,39,530	17,110	-	77,436	94,546
<b>Total</b>	<b>16,06,295</b>	-	-	-	<b>16,06,295</b>	<b>1,44,476</b>	-	<b>3,08,583</b>	<b>4,53,059</b>
b) Intangible assets									
Software / Licences	43,800	-	-	-	43,800	4,709	-	1	4,710
Rights under service concession arrangements (refer foot note no. i)	3,50,94,16,599	-	-	-	3,50,94,16,599	82,68,943	-	2,92,91,21,535	2,93,73,90,478
<b>Total</b>	<b>3,50,94,60,399</b>	-	-	-	<b>3,50,94,60,399</b>	<b>82,73,652</b>	-	<b>2,92,91,21,535</b>	<b>2,93,73,95,188</b>
c) Capital work-in-progress									
Intangible assets under Development (refer foot note no. j)	1,26,87,76,038	-	2,34,65,09,630	-	3,61,52,87,668	-	-	3,61,52,87,668	1,26,87,76,038
<b>GRAND TOTAL</b>	<b>4,77,98,44,732</b>	-	<b>2,34,65,09,630</b>	-	<b>7,12,63,54,362</b>	<b>84,18,128</b>	-	<b>6,54,47,17,767</b>	<b>4,20,66,26,284</b>
<b>PREVIOUS YEAR</b>	<b>3,51,26,16,033</b>	<b>(14,97,753)</b>	<b>1,26,87,76,038</b>	<b>53,556</b>	<b>4,77,98,44,732</b>	<b>81,41,798</b>	<b>52,442</b>	<b>4,20,66,26,284</b>	<b>2,94,74,74,261</b>



**ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED**  
Notes forming part of the Financial Statements for the year ended March 31, 2014

**Note 11: Non-current investments**

Particulars	As at March 31, 2014		As at March 31, 2013	
<b>Investment in Others</b> (Deposited with Sales Tax Department, Govt. of Rajasthan)		20,000		20,000
<b>Total</b>		<b>20,000</b>		<b>20,000</b>

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

Particulars	As at March 31, 2014		As at March 31, 2013	
<b>(a) Capital Advances</b>				
Unsecured, considered good				
- To related parties	60,75,01,738			
- To others	55,00,000	61,30,01,738		
<b>(a) Security Deposits</b>				
Unsecured, considered good	3,41,050	3,41,050	3,16,150	3,16,150
<b>(c) Other loans and advances</b>				
Unsecured, considered good				
- WCT Receivable	56,48,061		53,19,455	
- Advance payment of taxes (net of provision)	1,31,70,254	1,88,18,315	73,14,639	1,26,34,094
<b>Total</b>		<b>63,21,61,103</b>		<b>1,29,50,244</b>

**Note 13: Other current assets**

Particulars	As at March 31, 2014		As at March 31, 2013	
<b>(a) Interest accrued on Fixed Deposits</b>			12,438	
<b>(b) Grant receivable from Ministry of Road Transport and Highways</b>	1,19,16,666	1,19,16,666	1,08,33,333	1,08,45,771
<b>Total</b>		<b>1,19,16,666</b>		<b>1,08,45,771</b>

**Note 14: Cash and cash equivalents**

Particulars	As at March 31, 2014		As at March 31, 2013	
<b>(a) Cash and cash equivalents</b>				
Cash on hand	6,98,089		10,65,874	
Current accounts (refer footnote)	5,86,65,977		18,98,980	
Fixed Deposits placed for a period less than 3 months		5,93,64,066	75,66,797	1,05,31,651
<b>Total</b>		<b>5,93,64,066</b>		<b>1,05,31,651</b>

**Footnote**

- (a) Includes  
- Balance of Rupees 26,813,041/- (P/Y 918,440/-) in an Escrow Account

**Note 15: Short-term loans and advances**

Particulars	As at March 31, 2014		As at March 31, 2013	
<b>Other loans and advances</b>				
- Unamortised ancillary borrowing cost		1,44,43,941		35,92,217
- Pre-paid expenses		32,291		8,29,796
<b>Total</b>		<b>1,44,76,232</b>		<b>44,22,013</b>

**Note 16: Other non-current assets**

Particulars	As at March 31, 2014		As at March 31, 2013	
<b>Other non-current assets</b>				
- Unamortised ancillary borrowing cost		2,59,30,995		85,98,435
- Interest accrued but not due on investment		5,483		3,607
<b>Total</b>		<b>2,59,36,478</b>		<b>86,02,042</b>





**ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED**  
**Notes forming part of the Financial Statements for the year ended March 31, 2014**

**Note 17: Revenue from operations**

₹

Particulars	Year ended March 31, 2014		Year ended March 31, 2013	
<b>Income from services</b>				
Toll revenue	20,79,98,507		17,60,05,975	
Operation and maintenance Grant from MORTH	7,90,83,333	28,70,81,840	7,90,83,333	25,50,89,308
<b>Total</b>		<b>28,70,81,840</b>		<b>25,50,89,308</b>

**Note 18: Other income**

₹

Particulars	Year ended March 31, 2014		Year ended March 31, 2013	
<b>(a) Interest Income</b>				
Interest on bank deposits	-	-	-	30,79,535
<b>(b) Other non-operating income</b>				
Excess provisions written back	65,673		-	
Miscellaneous income	47,475	1,13,148		5,07,288
<b>Total</b>		<b>1,13,148</b>		<b>35,86,823</b>



**ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED**  
**Notes forming part of the Financial Statements for the year ended March 31, 2014**

**Note 19: Operating expenses**

Particulars	Year ended March 31, 2014		Year ended March 31, 2013	
Operation and maintenance expenses	7,07,80,499	7,07,80,499	6,74,10,000	6,74,10,000
<b>Total</b>		<b>7,07,80,499</b>		<b>6,74,10,000</b>

**Note 20: Finance costs**

Particulars	Year ended March 31, 2014		Year ended March 31, 2013	
<b>(a) Interest expenses</b>				
Interest on loans for fixed period	42,52,04,914		41,03,83,830	41,03,83,830
Other interest - Delayed payment of TDS	81,000	42,52,85,914		
<b>(b) Other borrowing costs</b>				
Guarantee commission	33,49,664			
Finance charges	1,05,53,465	1,39,03,129	26,63,914	26,63,914
<b>Total</b>		<b>43,91,89,043</b>		<b>41,30,47,744</b>

**Note 21: Other expenses**

Particulars	Year ended March 31, 2014		Year ended March 31, 2013	
Legal and consultation fees	28,97,609		72,89,348	
Auditors' Remuneration	11,62,725		9,40,350	
Travelling and conveyance	2,80,868		61,737	
Rates and taxes	5,090		2,500	
Bank commission	6,21,773		9,75,592	
Registration expenses (Share Capital Expenses)	43,80,000		43,20,000	
Insurance	3,599		10,502	
Sitting Fees	1,68,539		1,37,416	
Miscellaneous expenses	12,901	95,33,104	29,134	1,37,66,579
<b>Total</b>		<b>95,33,104</b>		<b>1,37,66,579</b>



**ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED**  
Notes forming part of the Financial Statements for the year ended March 31, 2014

**Note 22: Earnings per equity share**

Particulars	Unit	Year ended March 31, 2014	Year ended March 31, 2013
Profit after tax and minority interest	₹	(24,07,25,786)	(24,36,00,311)
Premium on preference shares		-	-
Tax on premium on preference shares		-	-
Profit available for Equity Shareholders		(24,07,25,786)	(24,36,00,311)
Weighted number of Equity Shares outstanding	Numbers	9,77,75,343	4,50,54,795
Nominal Value of equity shares	₹	10.00	10.00
Basic Earnings per share	₹	(2.46)	(5.41)
Equity shares used to compute diluted earnings per share	Numbers	9,77,75,343	4,50,54,795
Diluted Earnings per share	₹	(2.46)	(5.41)



**ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED**  
Notes forming part of the Financial Statements for the year ended March 31, 2014

**Note 23: Contingent liabilities and capital commitments**

**A) Contingent liabilities :**

Particulars ( Name & description)		As at March 31, 2014	As at March 31, 2013
<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	47,03,066
2	Demand for Assessment Year 2012-13 for work contract tax for which the Company's appeal is pending with the appellate authority	9,44,995	-
3	Claims against the Company not acknowledged as debts Income tax demands contested by the Company	1,59,780	-

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

Particulars ( Name of party & description)			As at March 31, 2014	As at March 31, 2013
<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 )	26,25,000	31,25,000

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

Particulars ( Name of party & description)			As at March 31, 2014	As at March 31, 2013
<b>Sr. No.</b>	<b>Name of Party</b>	<b>Description</b>		
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)	77,11,87,589	58,10,70,545

**D) Estimated amount of contracts remaining to be executed on capital and other account :**

Particulars ( Name of party & description)			As at March 31, 2014	As at March 31, 2013
<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 capital account and not provided for net of capital advances of Rs.60,75,01,738/- (Previous Year Rs. NIL)	7,16,79,51,300	9,07,20,52,749

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

Sr. No.	Description	As at March 31, 2014	As at March 31, 2013
1	Audit Fees	3,37,080	3,37,080
2	Taxation Matter	1,12,360	84,270
3	Out of Pocket Expenses	10,002	14,986
4	Other Services	7,03,283	5,04,014



**ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED**  
Notes forming part of the Financial Statements for the year ended March 31, 2014

**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 Financial Services Limited	IFIN
	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, 2014	As at March 31, 2013
<b>Balances:</b>			
Share Capital	ITNL	1,40,00,00,000	52,00,00,000
Retention Money - Payable	ITNL	5,56,98,474	47,58,682
Sundry Creditors	ITNL	2,99,04,75,162	1,16,33,67,378
Mobilisation Advance	ITNL	60,75,01,738	-
Unsecured Loan - Sub Debt	ITNL	36,80,00,000	21,30,00,000
Unsecured Loan - Short Term Loan	ITNL	42,50,00,000	66,00,00,000
Sundry Creditors	IFIN	2,67,714	-
<b>Transactions:</b>			
		<b>Year ended March 31, 2014</b>	<b>Year ended March 31, 2013</b>
Development Cost	ITNL	2,03,75,91,711.89	19,03,47,261
Project Development Fees	ITNL	28,45,00,000	1,07,55,00,000
Operation & Maintenance Charges	ITNL	7,07,80,500	6,74,10,000
Interest on Loan	ITNL	8,72,75,894	11,50,24,459
Sub Debt Loan Taken	ITNL	15,50,00,000	
Unsecured Loan Taken	ITNL	56,50,00,000	40,00,00,000
Unsecured Loan Repaid	ITNL	80,00,00,000	28,00,00,000
Security Trustee Fees paid	ITCL	12,35,962	5,61,800
Legal & Professional fee	ISSL	22,972	22,972
Director Sitting Fees	George Cherian	40,000	40,000
Director Sitting Fees	Harish Mathur	40,000	30,000
Director Sitting Fees	M. B. Bajulge	40,000	40,000
Director Sitting Fees	Rajnish Saxena	10,000	-
Director Sitting Fees	Managing Director	20,000	20,000



**ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED**  
**Notes forming part of the Financial Statements for the year ended March 31, 2014**

**Note 25:**

Two laning for 14 km was pending due to non clearance from National Board of Wild Life. In during previous Financial year company has received the same, after receiving clearance from Supreme court. Developer (ITNL) will construct the stretch of 14 km and the cost for the same also will be borned by Developer.

**Note 26:**

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

**Note 27:**

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 28: Going Concern**

The Company has incurred net losses of Rs.240,725,786/- during the year from 1st April 2013 to 31st March 2014 and has a negative working capital as at 31st March, 2014. 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 already commenced the construction of four laning project which will have consequential increase in revenues and profits over the extended 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 29: 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 30: 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 22, 2014



**For and on behalf of the Board**

  
**Managing Director**

  
**Director**