

GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED



ANNUAL REPORT 2013

BOARD OF DIRECTORS

Mr. S. S. Rathore

Mr. A. K. Sharma - IAS

Mr. P. C. Purabia

Mr. P. J. Patel

Mr. R. K. Chauhan

Mr. K. Ramchand

Mr. Ashok Totlani

Mr. Manu Kochhar

Mr. George Cherian

Mr. Rakesh Singhvi

STATUTORY AUDITOR

Deloitte Haskins & Sells

Chartered Accountants

Tower 3, 27th -32nd Floor,

Indiabulls Financial Centre,

Elphinstone Mill Compound,

Senapati Bapat Marg,

Elphinstone (W), Mumbai - 400 013

OUR BANKERS

Central Bank of India

Lal Darwaja Branch, Ahmedabad - 380 001

IFB Branch, Race Course, Vadodara - 390 023

REGISTERED OFFICE

Office of the Secretary

Roads & Buildings Department,

Sachivalaya, Block No. 14, Second Floor,

Gandhinagar - 390 010

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

2. The Company's 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 Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

3. 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 the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 the internal controls 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 the accounting

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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

5. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 profit of the Company for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

6. As required by the Companies (Auditor's Report) Order, 2003 ("CARO") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of CARO.
7. 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 purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

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- (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act; and
- (e) On the basis of the written representations received from the directors as on March 31, 2013 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 Section 274(1)(g) of the Act.

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



Kalpesh J. Mehta
Partner
(Membership No. 48791)

GANDHINAGAR, April 29, 2013
KJM/NDU

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ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT
(Re: GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED)
(Referred to in paragraph (6) of our report of even date)

- (i) Having regard to the nature of the Company's business / activities / results during the year, clauses (ii), (x), (xii), (xiii), (xiv), (xv), (xviii) and (xx) of paragraph 4 of the Order are not applicable to the Company.
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly sub-clauses (a) to (d) of clause (iii) of paragraph 4 of CARO are not applicable to the Company.

In respect of loans, secured or unsecured, taken by the Company from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:

- (a) The Company has taken secured loans aggregating Rs. Nil during the year. At the year-end, the outstanding balances of loans taken from parties covered in the Register maintained under Section 301 of the Companies Act, 1956, aggregated Rs. Nil and the maximum amount involved during the year was Rs.308,800,000/- from one party.
- (b) The rate of interest and other terms and conditions of such loans are, in our opinion, *prima facie*, not prejudicial to the interests of the Company.

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- (c) The payments of principal amounts and interest in respect of such loans have been regular during the year.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services and during the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.
- (v) To the best of our knowledge and belief and according to the information and explanations given to us, there were no contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that needed to be entered in the register maintained under the said Section. Accordingly, sub-clause (b) of clause (v) of paragraph 4 of CARO is not applicable to the Company.
- (vi) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year.
- (vii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that *prima facie* the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed dues relating to Service Tax and has been regular in depositing other undisputed dues, including Provident Fund, Income-tax, Sales Tax, Cess and other material statutory dues applicable to it with the appropriate authorities during the year.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Wealth Tax, Service Tax, Cess and other material statutory dues in arrears as at 31st March, 2013 for a period of more than six months from the date they became payable.

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- (c) There were no dues of Income-tax, Sales Tax, Service Tax and Cess which have not been deposited as on March 31, 2013 on account of any dispute.
- (x) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, financial institutions and debenture holders.
- (xi) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.
- (xii) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have, prima facie, not been used during the year for long- term investment.
- (xiii) According to the information and explanations given to us, the Company has created security / charges in respect of the debentures and deep discount bonds issued.
- (xiv) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

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



Kalpesh J. Mehta
Partner
(Membership No. 48791)

GANDHINAGAR, April 29, 2013
KJM/NDU

GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

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

DIRECTORS' REPORT

To,
The Shareholders,
Gujarat Road and Infrastructure Company Limited

Your Directors have pleasure in presenting the Fourteenth Annual Report together with the Audited Accounts for the year ended March 31, 2013.

FINANCIAL RESULTS

The Company earned total revenues of Rs. 1,121.72 Mn during the year under review by the way of toll revenue and other income from the Ahmedabad Mehsana Road Project and Vadodara Halol Road Project. The highlights for the Year 2012-2013 vis-à-Vis the Year 2011-2012 are presented below:

Particulars	(Rs. in Mn)	
	F.Y 2012-2013	F.Y 2011-2012
Income	1,121.72	1,087.11
Expenses	560.13	551.46
Profit Before Taxes	561.59	535.65
Provision for Taxation	-206.46	327.61
Profit / (Loss) After Taxes	355.13	863.26

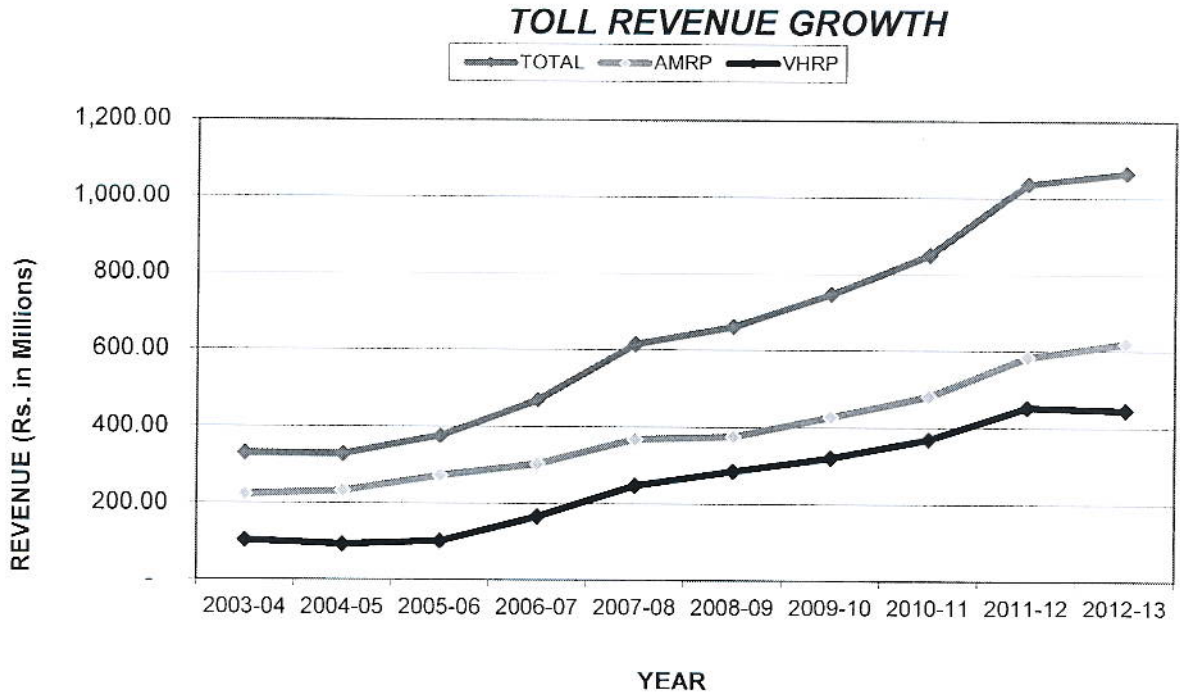
DIVIDEND

Due to restriction of CDR, the Directors are unable to recommend dividend for the year.

OPERATIONS

During the year, the Company's operations have shown significant growth in terms of net cash flow compared to the previous year. Toll Collection and maintenance of both the road stretches under GRICL has been augmented as per the performance standards and user requirements. There has been no major user complaint received for either of the road projects of the Company. The Average Toll Revenue/Day has increased from Rs. 2.83mn to Rs. 2.92mn in 2012-13, registering an increase of 3.18%.

The Revenue Growth is depicted in the following chart.



VADODARA HALOL ROAD PROJECT

During the year, the tenure of the present toll collection agency ended on September 6, 2012. Since the Company had received all the bids below the reserve price in the online toll revenue offer for toll auction, the Company had commenced the work of toll collection on departmental basis w.e.f September 7, 2012.

After considering the traffic trend during March 12-April 13, the Company invited an online bid in the month of April 2013.

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

AHMEDABAD MEHSANA ROAD PROJECT

As the tenure of the present toll collection agency was ending on 1st April 2013, the Company invited online offers for collection of toll and received an offer of Rs. 63.72 Cr. On account of the time taken to finalise the new agency, the existing contract was extended for a period of 6 days till April 6, 2013 and the work has been awarded for a period of one year commencing from April 7, 2013 to the new agency.

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The Company was able to successfully auction the toll collection for 2013-14 with an increase of Rs 1.72 Cr per annum resulting in an increase of 2.77% over the previous auction amount. Necessary agreement has been signed for auction and the agency has been remitting installments regularly in the Escrow Account.

The Operation and Maintenance of the project road has been undertaken by the designated contractor as per requirements and there have been no major user complaints. Ambulances at both toll plaza's and the tow vehicle have been deployed to attend to accidents and to ensure free passage for the traffic.

CORPORATE GOVERNANCE:

An Audit committee of the Board of Directors of the Company has been constituted for good corporate governance and for focused attention on the affairs of the Company:

Audit Committee

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

DIRECTORS

In terms of the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. K. Ramchand and Mr. A. K. Sharma - Directors of the Company, retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offer themselves for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- 1) Proper Accounting Standards have been adopted whilst preparing the annual accounts and proper explanations are given for any material departures there from.
- 2) Proper and reasonable accounting policies have been applied on a consistent basis.
- 3) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act and as per the Concession Agreement so as to safeguard the assets of the Company and prevent and detect fraud and irregularities.
- 4) The Annual Accounts for the year under review has been prepared on a going concern basis.

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PARTICULARS OF EMPLOYEES

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

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

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

FIXED DEPOSIT

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

STATUTORY AUDITORS

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

GOVERNMENT SUPPORT


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

ACKNOWLEDGEMENTS

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

By Order of the Board


Director
Gandhinagar


Director

Date: 29.04.2013



GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

Balance Sheet As At March 31, 2013

Particulars	Note No.	As At		As At	
		March 31, 2013	March 31, 2013	March 31, 2012	March 31, 2012
₹					
I EQUITY AND LIABILITIES					
1 Shareholders' funds					
(a) Share capital	2	1,265,422,710		1,265,422,710	
(b) Reserves and surplus	3	2,189,433,930	3,454,856,640	1,834,305,732	3,099,728,442
2 Advance towards Capital/Debt					
	4		1,050,000,000		1,050,000,000
3 Non - current liabilities					
(a) Long - term borrowings	5	517,825,000		1,145,506,265	
(b) Deferred tax liabilities (Net)	6 (a)	245,575,411		39,112,543	
(c) Other long term liabilities	7	1,126,815,527	1,890,215,938	969,169,564	2,153,788,372
4 Current liabilities					
(a) Current maturities of long-term debt	10	-		282,415,524	
(b) Trade payables	9	15,239,162		9,828,998	
(c) Other current liabilities	8	8,801,680		9,264,961	
(d) Short - term provisions	11	3,485,617	27,526,459	3,378,606	304,888,089
TOTAL			6,422,599,037		6,608,404,903
II ASSETS					
1 Non - current assets					
(a) Fixed assets					
(i) Tangible assets (net)	12	16,107,129		17,710,271	
(ii) Intangible assets (net)		3,747,391,134		3,821,816,490	
(iii) Capital work-in-progress		157,905		-	
(b) Long - term loans and advances	13	287,971,129		162,795,036	
(c) Other non- current assets	17	1,993,567,863	6,045,195,160	2,033,496,000	6,035,817,797
2 Current assets					
(a) Trade receivables	15	253,808		-	
(b) Cash and cash equivalents	16	369,232,324		558,813,613	
(c) Short - term loans and advances	14	5,897,386		5,793,902	
(d) Other current assets	18	2,020,359	377,403,877	7,979,591	572,587,106
TOTAL			6,422,599,037		6,608,404,903

Notes 1 to 29 forms part of the Financial Statements.

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

For and on behalf of the Board

Kalpesh J. Mehta
Partner

Chief Executive Officer

Chief Financial Officer

Director

Director

Manager & Company Secretary

DATE : April 29, 2013
PLACE : GANDHINAGAR



GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED


Statement of Profit And Loss For The Year Ended March 31, 2013

		₹	
Particulars	Note No.	For The Year Ended March 31, 2013	For The Year Ended March 31, 2012
I Revenue from operations	20	1,066,664,800	1,036,649,737
II Other income	21	55,052,644	50,455,876
III Total Revenue (I + II)		1,121,717,444	1,087,105,613
IV Expenses:			
(a) Operating expenses	22	136,828,816	115,326,755
(b) Employee benefits expenses	23	12,102,203	11,480,331
(c) Finance costs	24	262,851,362	316,333,726
(d) Other administrative expenses	25	26,758,627	25,146,308
(e) Depreciation and amortization expenses	12	81,657,233	83,170,297
(f) Amortisation of toll receivable account		39,928,137	-
Total Expenses		560,126,378	551,457,417
V Profit before tax (III - VI)		561,591,066	535,648,196
VI Tax expenses:	6		
(a) Current tax		(120,400,000)	(108,200,000)
(b) Deferred tax		(206,462,868)	328,590,225
(c) MAT credit entitlement		120,400,000	107,217,000
VII Profit after tax (V - VI)		355,128,198	863,255,421
VIII Earnings per equity share (Face Value Rs. 10):	26		
(a) Basic		3.67	9.22
(b) Diluted		3.67	9.22



Notes 1 to 29 forms part of the Financial Statements.

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

For and on behalf of the Board


Kalpesh J. Mehta
Partner


Chief Executive Officer

 
Director Director


Chief Financial Officer


Manager & Company Secretary

DATE : April 29, 2013
PLACE : GANDHINAGAR



GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

Cash Flow Statement For The Year Ended March 31, 2013

	For The Year Ended March 31, 2013	For The Year Ended March 31, 2012
₹		
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	561,591,066	535,648,196
Adjustments for the year:		
Depreciation / Amortisation	121,585,370	83,170,297
Provision for compensated absences	107,011	139,525
Provision for gratuity	87,787	(62,507)
Finance and Interest Charges	262,851,362	316,333,726
Loss on sale of assets	8,360	31,632
Provision for doubtful debts written back	-	(50,000)
Operating cash flows before working capital changes	946,230,956	935,210,869
Changes in Working Capital		
(Increase) / Decrease in Trade receivables	(253,808)	5,717,377
Decrease in Long-term Loans & Advances, Short-term Loans & Advances and Other Current Assets	63,492	4,940,932
Increase / (Decrease) in Other long term liabilities, Trade payables, Other current liabilities and Short - term provisions	10,305,836	(4,590,667)
	10,115,520	6,067,642
Operating cash flows after working capital changes	956,346,476	941,278,511
Income Tax Paid (Net of refund received)	(119,471,624)	(113,131,765)
Net cash flow from Operating Activities (a)	836,874,852	828,146,746
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from Sale of fixed assets	38,028	108,451
Fixed Assets purchased during the year	(5,833,028)	(7,747,534)
Fixed Deposits placed (Lien)	(81,000,000)	-
Net cash (used in) / generated from Investing Activities (b)	(86,795,000)	(7,639,083)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Long term Borrowings	(910,096,789)	(282,415,524)
Finance and Interest Charges paid	(110,564,352)	(181,216,322)
Net Cash used in Financing Activities (c)	(1,020,661,141)	(463,631,846)
Net (Decrease) / Increase in Cash & Cash Equivalents ((a)+(b)+(c))	(270,581,289)	356,875,817
Cash & Cash Equivalents as at the beginning of the year	558,813,613	201,937,796
Cash & Cash equivalents as at the end of the year	288,232,324	558,813,613
COMPONENTS OF CASH & CASH EQUIVALENTS		
Cash in hand	26,638	39,673
Cash at toll plaza (VHRP)	2,340,010	-
Balances with Scheduled Bank :		
- Bank balance In Current Account	33,265,676	20,973,940
- Balance in bank deposit	252,600,000	537,800,000
	288,232,324	558,813,613
- Add: Balance in bank deposit (Lien)	81,000,000	-
Cash and Cash Equivalents as per Note 16	369,232,324	558,813,613

Notes 1 to 29 forms part of the Financial Statements.

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



Kalpesh J. Mehta
Partner



Chief Executive Officer



Chief Financial Officer

For and on behalf of the Board



Director



Director



Manager & Company Secretary

DATE : April 29, 2013
PLACE : GANDHINAGAR



GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

Notes To The Financial Statements

Note No. 1 - Significant Accounting Policies

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

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

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

(B) I **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 in India, the provisions of the Companies Act, 1956 and applicable accounting standards referred to in Section 211(3C) of the Companies Act, 1956. All income and expenditure having a material bearing on the financial statements are recognised on an accrual basis.

II **Use of estimates**

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

III **Fixed Assets**

a **Tangible fixed assets:**

Fixed assets are stated at their original cost of acquisition less accumulated depreciation and impairment losses, if any. The acquisition cost includes the purchase price (excluding refundable taxes) and expenses directly attributable to the asset to bring the asset to the site and in the working condition for its intended use. Examples of directly attributable expenses included in the acquisition value are delivery and handling costs, installation, legal services and consultancy services.

b **Intangible fixed assets:**

i) Fixed assets include the project assets (Vadodara Halol Road and Ahmedabad Mehsana Road), which are stated at their original cost of construction less accumulated depreciation and impairment loss, if any. All costs, including incidental expenses, financing costs attributable to fixed assets have been capitalised.

ii) Expenses incurred on the project assets include direct and indirect expenses incurred, in the procurement of land, construction of buildings, roads, bridges, culverts, plant & machinery, toll plazas, equipments and other related expenses, prior to the commissioning of the projects.

iii) In the case of project assets, the estimated value of components removed or not reused are reduced from the gross block and the cost of overlay or renewal expenses incurred to increase serviceability and throughput or which are in the nature of preservation costs and which extend the original useful life of the road are capitalised on a component basis.

iv) Intangible assets (which comprises of software acquired) are reported at acquisition value with deductions for accumulated amortisation and any impairment losses.





GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

Notes To The Financial Statements

IV Depreciation / Amortisation

a Tangible fixed assets:

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

Asset Type	Useful Life
Data Processing Equipments	4 years
Specialised Office Equipment	3 years
Assets Provided to Employees	3 Years

ii) In respect of Premises, depreciation is computed on the Straight Line Method at the rates provided under Schedule XIV of the Companies Act, 1956.

b Intangible fixed assets:

i) Depreciation on the components of Roads are charged to the statement of profit and loss on the basis of revenue for the year to the total estimated revenue over the balance period of concession.

ii) A review of the estimated useful life / the concession period as per the Concession Agreements of the project assets are undertaken by the Management at periodic intervals to assess the additional charge for depreciation, if any.

iii) Intangible assets are reported at acquisition value with deductions for accumulated amortisation and impairment losses, if any.

Amortisation policy for various intangible assets is given below:

Asset Type	Useful Life
Software	4 years or the useful life of the software, whichever is shorter
Licensed Software	Over the license period

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

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

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

V Impairment of Assets

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

VI Revenue Recognition

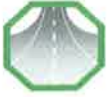
The Company's revenue is recognised on an accrual basis of accounting.

Where the toll collection activity is auctioned to third parties, the toll revenue is recognised evenly over the period for which the rights of toll collection are assigned.

Fees for way-side facilities and access are accounted on accrual basis evenly over the period the facility is provided.

Interest income is recognised on an accrual basis.





GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

Notes To The Financial Statements

VII Borrowing costs

Borrowing cost incurred in respect of borrowing specifically made towards construction of Roads were capitalised til the date commencement of commercial operations. Borrowing cost incurred subsequent to the capitalisation date are charged to statement of Profit and Loss.

VIII Taxes on Income

- i) The Company's income taxes include taxes on the Company's taxable profits, adjustment attributable to earlier periods and changes in deferred taxes.
- ii) Current tax is provided based on amount of tax payable in respect of taxable income for the year as per Income Tax Act, 1961.
- iii) Deferred tax assets are recognised with regard to all deductible timing differences to the extent that it is probable that taxable profit will be available against which deductible timing differences can be utilised using the tax rates and laws that have been enacted or substantially enacted as on the Balance Sheet date. When the Company carries forward unused tax losses and unabsorbed depreciation, deferred tax assets are recognised only to the extent there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced by the extent that it is no longer probable that sufficient taxable profit will be available to allow all or a part of the aggregate deferred tax asset to be utilised.
- iv) Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal tax in the future period. Accordingly, it is recognized as an asset in the Balance Sheet when it is probable that the future economic benefit associates with it will flow to the Company.

IX Provisions, Contingent Liabilities and Contingent Assets

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

X Employee Benefits

a Short term

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

b Long term

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





GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

Notes To The Financial Statements

i. Defined-contribution plans

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

ii. Defined-benefit plans

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

c Other benefits

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

XI Earnings per Share

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

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

XII Cash and cash equivalents

Cash comprises of cash on hand, cheques on hand and demand deposits with Banks, Cash equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to in significant risks of changes in value.

XIII Cash Flow Statements

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

XIV Change in Accounting Policy

a Amortisation of intangible assets (Toll Roads)

The amortisation of Intangible Assets was based Straight Line Method as per rate of depreciation applicable to Building. With effect from April 1, 2012 based on notification dated April 17, 2012 issued by Ministry of Corporate Affairs, the Company has classified the road assets as intangible assets and has changed the method of amortisation of said intangible assets 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 (i.e. upto FY 2040). Had the Company followed the earlier method, the amortization would have been lower by Rs. 537,992.

b Toll Receivable Account

The Toll Receivable Account of Rs. 2,033,496,000 represents the aggregate shortfall in the assured return as per the terms of the concession agreements up to September 30, 2003. The amount of Rs. 2,033,496,000 was recognised with a corresponding credit to the General Reserve as per the Order dated May 18, 2005 of the Honourable High Court of Gujarat, Ahmedabad, sanctioning the Scheme of Amalgamation of the erstwhile Vadodara Halol Toll Road Company Limited and Ahmedabad Mehsana Toll Road Company Limited with the Company.

From current year, the Company has started amortising toll receivable account over the balance estimated period of concession. Amortisation is been done on the basis of revenue for the year to the total estimated revenue over the balance estimated period of concession.





GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

Notes To The Financial Statements

Note No. 2 - Share Capital

Particulars	As At March 31, 2013		As At March 31, 2012	
	Number	₹	Number	₹
Authorised				
Equity Shares of Rs. 10/- each	100,000,000	1,000,000,000	100,000,000	1,000,000,000
Non Cumulative Redeemable Convertible Preference Shares of Rs. 10/- each	45,000,000	450,000,000	45,000,000	450,000,000
	145,000,000	1,450,000,000	145,000,000	1,450,000,000
Issued, Subscribed and Paid-up				
Equity Shares of Rs. 10/- each fully paid-up (Refer footnote (a), (b) & (c) below)	91,542,271	915,422,710	91,542,271	915,422,710
Non Cumulative Redeemable Convertible Preference Shares of Rs. 10/- each fully paid-up (Refer footnote (a), (b) & (d) below)	35,000,000	350,000,000	35,000,000	350,000,000
Total	126,542,271	1,265,422,710	126,542,271	1,265,422,710

Footnote:

(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year:

Particulars	Equity Shares As At March 31, 2013		Equity Shares As At March 31, 2012	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	91,542,271	915,422,710	91,542,271	915,422,710
Shares outstanding at the end of the year	91,542,271	915,422,710	91,542,271	915,422,710

Particulars	Preference Shares As At March 31, 2013		Preference Shares As At March 31, 2012	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	35,000,000	350,000,000	35,000,000	350,000,000
Shares outstanding at the end of the year	35,000,000	350,000,000	35,000,000	350,000,000

(b) Shareholders holding more than 5 percent shares:

Particulars	Equity Shares As At March 31, 2013		Equity Shares As At March 31, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
IL&FS Transportation Networks Limited	76,542,266	83.61%	76,542,266	83.61%
Government of Gujarat	15,000,000	16.39%	15,000,000	16.39%

Particulars	Preference Shares As At March 31, 2013		Preference Shares As At March 31, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
IL&FS Transportation Networks Limited	-	0.00%	-	0.00%
Government of Gujarat	35,000,000	100.00%	35,000,000	100.00%

(c) Out of the total equity shares of the Company, 76,542,266 (March 31, 2012 - 76,542,266) shares are held by IL&FS Transportation Networks Limited, the Holding Company; Infrastructure Leasing & Financial Services Limited is the Ultimate Holding Company.

(d) The Company had originally issued Cumulative Redeemable Convertible Preference Shares (CRCPS) carrying 1% dividend, which were to be redeemed at the end of the 13th year from the date of allotment at a premium of 60% on the par value. These shares also carried an option to convert the redemption amount (including the redemption premium of 60%) into Deep Discount Bonds (DDBs) at the end of the 13th year at a value calculated based on the issue price of Rs. 17.38 each at the time of conversion and having a maturity value of Rs. 153.98 each redeemable over a period of 3 years commencing from the 5th year from the date of conversion into DDBs. However, consequent to the restructuring of the Company's corporate debt, the subscribers to the CRCPS agreed to a revision in the terms thereof to the effect that the dividends become non-cumulative and the CRCPS will become Non-Cumulative Redeemable Convertible Preference Shares (NRCPS) with effect from April 1, 2004. As a result, the base price and the redemption price of each DDB stood modified; and the prices would be determined at the end of the 13th Year. As a part of the restructuring package approved by the CDR Cell, the Company is not permitted to declare any dividend on equity or preference shares without making good the sacrifices of the lenders.

The accumulated premium accrued on NRCPS and not provided for as at March 31, 2013, aggregates Rs. 169,121,819 (March 31, 2012 Rs. 152,980,608) and the tax on distribution thereof aggregates Rs. 27,435,787 (March 31, 2012 Rs. 24,817,279).





GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

Notes To The Financial Statements

Note No. 3 - Reserves And Surplus

Particulars	As At March 31, 2013 ₹	As At March 31, 2012 ₹
(a) Debenture Redemption Reserve (Refer footnote (a))		
Opening Balance	115,000,000	15,000,000
(+) Transferred from Surplus in Statement of Profit and Loss	100,000,000	100,000,000
Closing Balance	215,000,000	115,000,000
(b) General Reserve		
Opening Balance	1,445,253,605	1,445,253,605
Closing Balance	1,445,253,605	1,445,253,605
(c) Surplus in Statement of Profit and Loss		
Opening Balance	274,052,127	(489,203,293)
(+) Net Profit for the year	355,128,198	863,255,421
(-) Transfer to Debenture Redemption Reserves	(100,000,000)	(100,000,000)
Closing Balance	529,180,325	274,052,127
Total	2,189,433,930	1,834,305,732

Footnote

(a) Debenture Redemption Reserve

Since the Company had issued Non Convertible Debentures (NCDs) & Deep Discount Bonds (DDBs), in terms of Section 117C of the Companies Act, 1956 read with the General circular No. 9/2002 (General Clarification No. 6/3/2001-CL.V dated April 18,2002) ("the General Circular") issued by the Ministry of Corporate Affairs, the Company being an Infrastructure Company is required to create Debenture Redemption Reserve to the extent of 25% of the value of privately placed NCDs & DDBs until such NCDs & DDBs are redeemed, to which adequate amounts shall be credited from out of its profits every year. For the year ended March 31, 2013, the transfer to Debenture Redemption Reserve has been made in accordance with above provisions of the Companies Act, 1956 read with the General Circular amounting to Rs.100,000,000. (March 31, 2012 Rs. 100,000,000)

Note No. 4 - Advance towards Capital/Debt

Particulars	As At March 31, 2013 ₹	As At March 31, 2012 ₹
(a) Advance towards Capital/Debt (Refer footnote (a) below)	1,050,000,000	1,050,000,000
Total	1,050,000,000	1,050,000,000

Footnote:

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

Name of Investor	As At March 31, 2013 ₹	As At March 31, 2012 ₹
a. Government of Gujarat (GoG)	300,000,000	300,000,000
b. Infrastructure Leasing & Financial Services Ltd. (IL&FS)	150,000,000	150,000,000
c. IL&FS Transportation Networks Limited (ITNL)	150,000,000	150,000,000
d. ITNL	450,000,000	450,000,000
Total	1,050,000,000	1,050,000,000

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

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





GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

Notes To The Financial Statements

Footnote:

(a) Terms of Repayment

As at March 31, 2013: **NIL**

As at March 31, 2012:

Name of Bank / FI / Others	Principal outstanding as at March 31, 2012 (₹)	Total No. of Installments outstanding	Installment Amount (₹)	Repayable from April 1, 2012 to
Banks:				
Bank of Baroda	18,153,602	11	1,650,328	March 1, 2014
Central Bank of India	18,944,676	11	1,722,238	March 1, 2014
The Jammu & Kashmir Bank Ltd.	12,663,026	11	1,151,183	March 1, 2014
State Bank of Hyderabad	5,030,540	11	457,319	March 1, 2014
State Bank of India	20,987,714	11	1,907,972	March 1, 2014
Industrial Development Bank of India Ltd.	44,737,221	11	4,067,000	March 1, 2014
Total	120,516,779			
Related Parties:				
IL&FS Transportation Networks Ltd.	308,800,000			Exit from CDR Schemes
Infrastructure Leasing & Financial Services Ltd.	73,053,398	11	6,641,218	March 1, 2014
Infrastructure Leasing & Financial Services Ltd.	78,333,309	47	1,666,667	March 1, 2017
Total	460,186,707			
Other Parties:				
Gujarat Industrial Investment Corporation Ltd.	4,131,707	11	375,606	March 1, 2014
Infrastructure Development Finance Co. Ltd.	32,698,274	11	2,972,573	March 1, 2014
Life Insurance Corporation of India	10,147,798	11	922,523	March 1, 2014
Total	46,977,779			

Note: Rate of interest is 13% p.a. as per CDR scheme



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GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

Notes To The Financial Statements

Note No. 5 - Long Term Borrowings

Particulars	As At March 31, 2013 ₹	As At March 31, 2012 ₹
Secured		
(a) Non Convertible Debentures		
(i) From Related Parties	200,000,000	200,000,000
(Secured By: a pari-passu first charge in favour of the Trustee along with the other senior lenders of the Company on the project assets and all tangible and intangible assets, including but not limited to rights over the project site, project documents, financial assets such as receivables, cash, investments, insurance proceeds, etc.)		
(Redemption Details: 4,000 Non-Convertible Debentures issued on July 1, 2003, at Rs. 50,000 each are redeemable / repayable in five equal annual instalments of Rs. 40,000,000 each commencing at the end of 11th year from the date of allotment (i.e. July 1, 2014) carrying interest of 13% p.a. payable monthly under CDR scheme).		
(b) Deep Discount Bonds		
(i) From Bank	121,255,000	121,255,000
(ii) From Related Parties	141,085,000	141,085,000
(iii) From Other Parties	55,485,000	55,485,000
(Secured By: a pari-passu first charge in favour of the Trustee along with the other senior lenders of the Company on the respective project assets and all tangible and intangible assets, including but not limited to rights over the project site, project documents, financial assets such as receivables, cash, investments, insurance proceeds, etc.)		
(Redemption Details: 2,000 Deep Discount Bonds (DDBs) issued on July 1, 2003 at Rs. 50,000 each are redeemable at Rs. 284,521 each under CDR scheme at the end of the 15th year from the date of allotment (i.e. July 1, 2018). 43,565 DDBs issued at Rs. 5,000 each under 3 tranches, which are redeemable at Rs. 34,362 each under CDR scheme at the end of 16th year from the date of allotment (i.e. April 16, 2016, April 17, 2016 and November 29, 2016).		
(c) Term Loans		
(i) From Bank	-	120,516,779
(ii) From Related Parties	-	460,186,707
(iii) From Other Parties	-	46,977,779
(Secured By: Loans from financial institutions, banks and others aggregating Rs. Nil (March 31, 2012 Rs. 286,182,991) are secured by first charge and loans from others aggregating Rs. Nil (March 31, 2012 Rs. 308,800,000) are secured by second charge, on all present and future immovable properties including project assets and hypothecation of all present and future tangible and intangible movable assets and monies, instruments, receivables and investments of the Company. The Company is in the process of creating charge in respect of loan of Rs. Nil (March 31, 2012 Rs. 32,698,274) taken from a financial institution. Terms of Repayment: (Refer footnote (a) below)		
Total	517,825,000	1,145,506,265





GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

Notes To The Financial Statements

Note No. 6 - Tax Expenses

Particulars	For The Year Ended March 31, 2013 ₹	For The Year Ended March 31, 2012 ₹
(a) Current Tax		
MAT (Refer footnote (a) below)	120,400,000	108,200,000
(b) Deferred Tax (Net)		
Deferred tax charge / (credit) (Refer footnote (a) below)	206,462,868	(328,590,225)
(c) MAT Credit Entitlement		
MAT credit entitlement	(120,400,000)	(107,217,000)
Total	206,462,868	(327,607,225)

Footnote:

(a) Deferred Tax and Credit for Minimum Alternate Tax:

Having regard to the assured return on the toll road projects, the Company has recognised deferred tax assets on timing differences, unabsorbed depreciation and brought forward business losses:

Deferred Tax Arising From	As At March 31, 2012 ₹	Current year charge / (credit) ₹	As At March 31, 2013 ₹
Deferred Tax Liability:			
In respect of Depreciation	704,786,060	63,543,249	768,329,309
In respect of Others	-	-	-
Deferred Tax Asset:			
In respect of retirement benefits	122,839	42,222	165,061
In respect of provision for doubtful debts	171,958	8,189	180,147
In respect of provision for overlay	-	-	-
In respect of unabsorbed depreciation/carried forward business losses	665,378,720	(142,970,030)	522,408,690
Deferred Tax Liability (Net)	39,112,543	206,462,868	245,575,411





GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

Notes To The Financial Statements

Note No. 7 - Other Long Term Liabilities

Particulars	As At March 31, 2013 ₹	As At March 31, 2012 ₹
(a) Other Liabilities		
Redemption premium accrued but not due on Deep Discount Bonds	1,008,507,513	856,220,503
Commitment charges payable (Refer footnote (a) below)	61,128,546	56,663,205
Income received in advance	17,323,275	16,070,200
Retention money	-	359,463
Payable to Government of Gujarat	39,856,193	39,856,193
Total	1,126,815,527	969,169,564

Footnote:

(a) **Commitment Charges Payable:** Commitment charges payable to IL&FS [Rs. 28,731,685 (March 31, 2012 Rs. 28,731,685)] and ITNL [Rs. 32,396,861 (March 31, 2012 Rs. 27,931,520)]. These amounts are payable to IL&FS and ITNL for providing an irrevocable revolving Letter of Credit of Rs. 1,000,000,000 for Debt Service Reserve Fund (which can be used by the Company to service its debts in the event of shortfall of funds) which is payable only after repayment of term loans and Deep Discount Bonds.

Note No. 8 - Other Current Liabilities

Particulars	As At March 31, 2013 ₹	As At March 31, 2012 ₹
(a) Income received in advance	4,419,186	3,800,578
(b) Statutory Dues Payable	2,466,449	3,607,302
(c) Retention money	1,916,045	1,857,081
Total	8,801,680	9,264,961

Note No. 9 - Trade Payables

Particulars	As At March 31, 2013 ₹	As At March 31, 2012 ₹
(a) Trade Payables (Refer footnote (a) below)	15,239,162	9,828,998
Total	15,239,162	9,828,998

Footnote:

(a) Based on information received by the Company from its vendors, the amount of principal outstanding in respect of Micro and Small Enterprises as at Balance Sheet date covered under the Micro, Small and Medium Enterprises Development Act, 2006 is Rs. Nil. There were no delays in the payment of dues to Micro and Small Enterprises.





GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

Notes To The Financial Statements

Note No. 10 - Current maturities of long-term debt

Particulars	As At March 31, 2013 ₹	As At March 31, 2012 ₹
(a) Current maturities of long-term debt		
(i) From Bank	-	131,472,480
(ii) From Related Parties	-	99,694,620
(iii) From Other Parties	-	51,248,424
(Secured By: Loans from financial institutions, banks and others aggregating Rs. Nil (March 31, 2012 Rs. 246,744,648) are secured by first charge on all present and future immovable properties including project assets and hypothecation of all present and future tangible and intangible movable assets and monies, instruments, receivables and investments of the Company. The Company is in the process of creating charge in respect of loan of Rs. Nil (March 31, 2012 Rs. 35,670,876) taken from a financial institution. Terms of Repayment: (Refer footnote (a) below)		
Total	-	282,415,524

Footnote:

(a) Terms of Repayment
As at March 31, 2013: NIL

As at March 31, 2012:

Name of Bank / FI / Others	Principal outstanding as at March 31, 2012 (₹)	Total No. of Installments outstanding	Installment Amount (₹)	Repayable upto
Banks:				
Bank of Baroda	19,803,936	12	1,650,328	March 1, 2013
Central Bank of India	20,666,856	12	1,722,238	March 1, 2013
The Jammu & Kashmir Bank Ltd.	13,814,196	12	1,151,183	March 1, 2013
State Bank of Hyderabad	5,487,828	12	457,319	March 1, 2013
State Bank of India	22,895,664	12	1,907,972	March 1, 2013
Industrial Development Bank of India Ltd.	48,804,000	12	4,067,000	March 1, 2013
Total	131,472,480			
Related Parties:				
Infrastructure Leasing & Financial Services Ltd.	99,694,620	12	8,307,885	March 1, 2013
Other Parties:				
Gujarat Industrial Investment Corporation Ltd.	4,507,272	12	375,606	March 1, 2013
Infrastructure Development Finance Co. Ltd.	35,670,876	12	2,972,573	March 1, 2013
Life Insurance Corporation of India	11,070,276	12	922,523	March 1, 2013
Total	51,248,424			

Note: Rate of interest is 13% p.a. as per CDR scheme





GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

Notes To The Financial Statements

Note No. 11 - Short Term Provisions

Particulars	As At	As At
	March 31, 2013	March 31, 2012
	₹	₹
(a) Provision for Employee benefits.		
Provision for Performance Related Pay	3,000,000	3,000,000
Provision for leave encashment	485,617	378,606
Total	3,485,617	3,378,606





GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

Notes To The Financial Statements

Note No. 12 - Fixed Assets

Particulars	Gross Block				Accumulated Depreciation / Amortisation			Net Block				
	Opening balance as at April 1, 2012	Adjustments	Additions	Deletions	Closing balance as at March 31, 2013	Upto March 31, 2012	Adjustments	Depreciation charge for the year	On Disposals	Upto March 31, 2013	As At March 31, 2013	As At March 31, 2012
(a) Tangible Assets												
Furniture and Fixtures	1,174,866	-	98,683	46,901	1,226,648	1,082,160	-	44,616	46,901	1,079,875	146,773	92,706
Vehicles	4,119,685	-	1,614,800	-	5,734,485	2,383,726	-	789,612	-	3,173,338	2,561,147	1,735,959
Office equipment	2,703,957	-	172,350	172,586	2,703,711	1,715,866	-	218,817	138,778	1,795,904	907,807	988,092
Data Processing Equipments	19,077,657	-	945,549	63,480	19,959,726	11,077,770	-	3,184,738	55,051	14,207,457	5,752,269	7,999,887
Office Premises (Refer footnote 2)	6,572,317	-	-	-	8,572,317	1,771,067	-	138,003	-	1,909,070	6,663,247	6,801,250
Electrical Installations	508,559	-	-	18,400	490,159	416,182	-	12,350	14,259	414,273	75,866	92,377
Total	36,157,041	-	2,831,382	301,377	38,687,046	18,446,770	-	4,388,136	264,989	22,579,917	16,107,129	17,710,271
(b) Intangible Assets												
Software (Acquired)	3,272,932	-	-	-	3,272,932	2,619,545	-	568,474	-	3,188,019	84,913	653,387
Toll Road (Refer footnote 1 below)	3,104,726,563	-	940,871	-	3,105,667,434	538,636,886	-	51,555,488	-	590,192,374	2,515,475,060	2,586,089,677
- Ahmedabad Mehsana Road Project ("AMRP")	1,617,900,177	-	1,902,870	-	1,619,803,047	362,826,751	-	25,145,135	-	387,971,886	1,231,831,161	1,255,073,426
- Vadodara Halol Road Project ("VHRP")	4,725,899,672	-	2,843,741	-	4,728,743,413	904,083,162	-	77,269,097	-	981,352,279	3,747,381,134	3,821,816,490
Total	-	-	157,905	-	157,905	-	-	-	-	-	157,905	-
(c) Capital Work In Progress												
Total	-	-	157,905	-	157,905	-	-	-	-	-	157,905	-
Grand Total	4,767,099,952	-	5,833,028	301,377	4,767,588,364	922,529,952	-	81,657,233	264,989	1,003,932,196	3,763,656,168	3,839,526,761
March 31, 2012	4,767,099,952	119,870	7,747,534	2,910,643	4,762,066,713	841,010,345	-	98,447	1,749,137	922,529,952	3,839,526,761	-

Footnote:

Intangible Assets: Toll Roads Includes Assets In the Nature of:	March 31, 2013		March 31, 2012		March 31, 2012	
	AMRP Gross Amount (Rs.)	VHRP Gross Amount (Rs.)	AMRP Carrying Amount (Rs.)	VHRP Carrying Amount (Rs.)	AMRP Carrying Amount (Rs.)	VHRP Carrying Amount (Rs.)
Building	10,023,350	526,440	8,871,889	465,835	9,035,270	474,414
Plant & Machinery	21,336,421	8,802,073	10,901,823	4,777,665	11,644,753	3,377,151
Total	31,359,771	9,328,513	19,773,712	6,976,898	20,880,023	5,619,488

2 Cost of Office Premises includes cost of 2 shares of Rs. 100 each aggregating Rs 200 held in Shree Shapath Owners' Association





GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

Notes To The Financial Statements

Note No. 13 - Long - Term Loans And Advances

Particulars	As At March 31, 2013 ₹	As At March 31, 2012 ₹
(a) Security Deposits		
Unsecured, considered good		
Deposits	1,389,026	1,349,426
Advance payment of taxes (net of provision)	8,977,603	4,241,110
MAT Credit Entitlement	277,604,500	157,204,500
Total	287,971,129	162,795,036

Note No. 14 - Short - term loans and advances

Particulars	As At March 31, 2013 ₹	As At March 31, 2012 ₹
Prepaid expenses	5,016,821	3,669,028
Advances receivable in cash or kind (unsecured, considered good)	880,565	2,124,874
Total	5,897,386	5,793,902

Note No. 15 - Trade Receivables

Particulars	As At March 31, 2013 ₹	As At March 31, 2012 ₹
(a) Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	-	-
(b) Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	253,808	-
Unsecured, considered doubtful	530,000	530,000
Less: Provision for doubtful debts	530,000	530,000
	253,808	-
Total	253,808	-





GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

Notes To The Financial Statements

Note No. 16 - Cash and cash equivalents

Particulars	As At March 31, 2013 ₹	As At March 31, 2012 ₹
(a) Cash and cash equivalents		
Cash on hand	26,638	39,673
Cash at toll plaza (VHRP)	2,340,010	-
Bank balance in current accounts	33,265,676	20,973,940
Balance in Bank deposits	252,600,000	537,800,000
	288,232,324	558,813,613
(b) Other bank balances		
Balance in Bank deposits (Lien)	81,000,000	-
	81,000,000	-
Total	369,232,324	558,813,613

Note No. 17 - Other Non - Current Assets

Particulars	As At March 31, 2013 ₹	As At March 31, 2012 ₹
(a) Unsecured, considered good		
Toll Receivable Account	2,033,496,000	2,033,496,000
Less: Amortisation during the year	(39,928,137)	-
Total	1,993,567,863	2,033,496,000

Note No. 18 - Other Current Assets

Particulars	As At March 31, 2013 ₹	As At March 31, 2012 ₹
(a) Others		
Interest accrued on fixed deposits with banks	1,502,789	7,167,658
Insurance claim receivable	517,570	811,933
Total	2,020,359	7,979,591





GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

Notes To The Financial Statements

Note No. 19 - Contingent Liabilities and Commitments (to the extent not provided for)

Particulars	As At March 31, 2013 ₹	As At March 31, 2012 ₹
(A) Contingent Liabilities		
(a) In terms of the approved restructuring package, the lenders have a right of recompense, in respect of the sacrifices undertaken by them on account of reduction in interest rates and waiver of compound interest and liquidated damages, in the event the projects' cash flows (after adjusting the operating costs) are in excess of the revised debt servicing requirements.	Not ascertainable	Not ascertainable
(b) Cumulative dividend in arrears on Cumulative Preference Shares	5,152,055	5,152,055
(c) Tax on Cumulative dividend in arrears on Cumulative Preference	835,792	835,792
<u>(d) Claims against the company not acknowledged as debt:</u>		
(i) Income tax demands contested by the Company	-	85,778,810
(ii) In case of Income Tax disputes decided in favour of the Company at the First Appellate Authority for amounts disallowed amounting to Rs. 1,439,897,123 (March 31, 2012 Rs. 1,639,243,641), the Income Tax department has gone for further appeal in all the cases. If decided against the Company, it will result in reduction of unabsorbed depreciation as per the Income -Tax law		
(iii) In case of disputes decided against the company for amounts disallowed amounting to Rs. Nil (March 31, 2012 Rs. 16,137,960), the company has gone for further appeal in all the cases.		
(iv) Right of recompense claim by consortium of lenders Rs 504,343,957 (March 31, 2012 Rs. Nil).		
(B) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances of Rs. 157,905, March 31, 2012 Rs. Nil)	157,905	-





GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

Notes To The Financial Statements

Note No. 20 - Revenue From Operations

Particulars	For The Year Ended March 31, 2013 ₹	For The Year Ended March 31, 2012 ₹
(a) Revenue from operations		
Toll Revenue (Refer footnote below) (from Ahmedabad Mehsana Road and Vadodara Halol Road)	1,066,664,800	1,036,649,737
Total	1,066,664,800	1,036,649,737

Footnote: Toll Revenue represents toll auction proceeds earned from yearly auctioning of toll collection rights and also includes Rs. 242,379,370 (March 31, 2012 Rs. Nil) towards collection of toll carried out by the Company.

Note No. 21 - Other Income

Particulars	For The Year Ended March 31, 2013 ₹	For The Year Ended March 31, 2012 ₹
(a) Interest income		
Interest on bank deposits	43,176,581	29,126,367
Interest on late receipt of toll installments	2,143,948	982,910
(b) Other non-operating income		
Reimbursement of Project Development Expenses charged off in previous year	-	15,000,000
Income for laying cables, pipelines, etc.	8,121,034	4,179,403
Excess provision written back	1,599,434	1,117,196
Provision for doubtful debts written back	-	50,000
Miscellaneous income	11,647	-
Total	55,052,644	50,455,876

Note No. 22 - Operating Expenses

Particulars	For The Year Ended March 31, 2013 ₹	For The Year Ended March 31, 2012 ₹
(a) Operating expenses (of Ahmedabad Mehsana Road and Vadodara Halol Road)		
Operation and maintenance expenses	136,828,816	115,326,755
Total	136,828,816	115,326,755





GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

Notes To The Financial Statements

Note No. 23 - Employee Benefits Expenses

Particulars	For The Year Ended March 31, 2013	For The Year Ended March 31, 2012
	₹	₹
Employee benefits expenses (Refer footnote (a) below)		
(i) Salaries and wages	5,511,629	5,247,706
(ii) Contribution to provident and other funds	261,845	235,894
(iii) Staff welfare expenses	1,138,050	914,339
(iv) Deputation cost	5,190,679	5,082,392
Total	12,102,203	11,480,331

Footnote:

(a) Employee Benefit Obligations:

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

A sum of Rs. 179,302 (March 31, 2012 Rs. 175,919) has been charged to Statement of Profit and loss in this respect.

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

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

Gratuity (Funded Plan)	As At March 31, 2013	As At March 31, 2012
	₹	₹
Present Value of Commitments	470,887	339,974
Fair Value of Plans	585,576	454,155
Liability / (Asset)taken to the balance sheet	(114,689)	(114,181)

Defined benefit commitments:

Gratuity (Funded Plan)	As At March 31, 2013	As At March 31, 2012
	₹	₹
Opening Balance	339,974	242,500
Current Service Cost	55,044	45,731
Interest Expenses	28,898	20,006
Benefits Paid	-	-
Actuarial (Gain) / Loss	46,971	31,737
Closing Balance	470,887	339,974

Plan assets: Gratuity

Gratuity (Funded Plan)	As At March 31, 2013	As At March 31, 2012
	₹	₹
Opening Balance	454,155	382,461
Expected return on scheme assets	36,332	30,597
Contributions by the Company	83,051	34,195
Actuarial Gain / (Loss)	12,038	6,902
Benefits Paid	-	-
Closing Balance	585,576	454,155

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

Return on plan assets: Gratuity

Gratuity (Funded Plan)	For The Year Ended March 31, 2013	For The Year Ended March 31, 2012
	₹	₹
Expected return on plan assets	36,332	30,597
Actuarial Gain / (Loss)	12,038	6,902
Actual return on plan assets	48,370	37,499





GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

Notes To The Financial Statements

Expenses on defined benefit plan recognised in the statement of profit and loss:

Gratuity (Funded Plan)	For The Year Ended March 31, 2013	For The Year Ended March 31, 2012
	₹	₹
Current service costs	55,044	45,731
Interest expense	28,898	20,006
Expected return on investment	(36,332)	(30,597)
Net actuarial loss	34,933	24,835
Amount charged to the statement of profit and loss	82,543	59,975

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

Particulars	As At March 31, 2013	As At March 31, 2012
	Rate for discounting liabilities	8.50% p.a.
Expected salary increase rate	6.50% p.a.	6.50% p.a.
Expected return on scheme assets	8.00% p.a.	8.50% p.a.
Attrition	2.00% p.a.	2.00% p.a.
Mortality table used	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate

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

The present values of the obligation, fair value of the plan assets, surplus or deficit in the plan, experience adjustments arising on plan liabilities and plan assets as at March 31, 2013 is given below:

Gratuity (Funded Plan)	₹	₹	₹	₹	₹
	As At March 31, 2013	As At March 31, 2012	As At March 31, 2011	As At March 31, 2010	As At March 31, 2009
Defined benefit commitments	470,887	339,974	242,500	185,897	182,688
Plans assets	585,576	454,155	382,461	163,677	34,498
(Surplus) / Deficit	(114,689)	(114,181)	(139,961)	22,220	148,190

Gratuity (Funded Plan)	₹	₹	₹	₹	₹
	For The Year Ended March 31, 2013	For The Year Ended March 31, 2012	For The Year Ended March 31, 2011	For The Year Ended March 31, 2010	For The Year Ended March 31, 2009
Experience adjustments on plan commitments – (loss)	(35,001)	(13,658)	(25,041)	(23,025)	(414,395)
Experience adjustments on plan assets – gain	12,038	6,902	19,300	10,750	481

The contributions expected to be made by the Company during the financial year 2013-14 is Rs. Nil.





GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

Notes To The Financial Statements

Note No. 24 - Finance Cost

Particulars	For The Year Ended March 31, 2013 ₹	For The Year Ended March 31, 2012 ₹
(a) Interest expenses		
Interest on loans for fixed period	74,557,888	138,586,347
Interest on debentures	25,999,998	26,071,230
Interest on deep discount bonds	152,287,010	135,117,405
(b) Other borrowing costs		
Finance charges	10,006,466	16,558,744
Total	262,851,362	316,333,726

Note No. 25 - Other Expenses

Particulars	For The Year Ended March 31, 2013 ₹	For The Year Ended March 31, 2012 ₹
(a) Other expenses		
Auditors' remuneration (Refer footnote (a) & (b) below)	3,031,355	2,697,635
Advertisement fees	3,537,921	2,855,232
Legal and professional fees (Refer footnote (b) below)	5,143,524	7,939,584
Travelling and conveyance	3,716,828	3,236,259
Rent	41,000	489,432
Rates and taxes	101,765	70,270
Repairs and maintenance - others	1,867,342	1,069,430
Loss on sale of fixed assets	20,007	31,632
Communication expenses	999,485	808,075
Insurance charges	4,808,666	4,042,759
Printing and stationery	941,478	283,421
Electricity expenses	1,529,885	474,826
Directors' sitting fees	468,428	380,000
Miscellaneous expenses	550,943	767,753
Total	26,758,627	25,146,308

Footnote:

(a) Auditors' remuneration

Payments to the auditor as:

	₹	₹
a. auditor	1,635,000	1,400,000
b. for taxation matters	290,000	250,000
c. for other services	875,000	750,000
d. for reimbursement of expenses	16,291	22,276
e. service tax on above	215,064	275,359
	3,031,355	2,697,635

(b) A sum of Rs. 150,000 (March 31, 2012 Rs. 150,000), excluding service tax, has been paid to a firm in which some of the partners of the Auditors' firm are partners is included under the head "Legal and Professional Fees" above.



**GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED****Notes To The Financial Statements****Note No. 26 - Earnings Per Equity Shares**

Particulars	Unit	For The Year Ended March 31, 2013	For The Year Ended March 31, 2012
(a) Earnings Per Equity Shares:			
Profit after tax	Rupees	355,128,198	863,255,421
Less: Premium on Non Cumulative Redeemable Convertible Preference Shares including tax thereon (Refer footnote (a) below)	Rupees	18,759,719	18,811,116
Profit attributable to equity shareholders (Refer footnote (a) below)	Rupees	336,368,479	844,444,305
Equity Shares outstanding	Numbers	91,542,271	91,542,271
Nominal Value of Equity Shares	Rupees	10.00	10.00
Basic Earnings per Share	Rupees	3.67	9.22
Diluted Earnings per Share (Refer footnote (b) below)	Rupees	3.67	9.22

Footnote:

- (a) Consequent to the restrictions on declaration of dividend as explained in Note No. 2 - Footnote (d), dividend on preference shares has not been adjusted in computing the earnings per share.
- (b) As no equity shares were intended to be issued against the advance towards share capital, this sum has not been considered for computing the diluted earnings per share (Note No. 4 - Footnote (a)).

Note No. 27 - Segment Reporting

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





GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

Notes To The Financial Statements

Note No. 28 - Related Party Disclosures

Disclosures as required by the Accounting Standard (AS) 18 – “Related Party Disclosures” are made below:

(A) Name of the related parties and description of relationship:

Ultimate Holding Company:	Infrastructure Leasing & Financial Services Limited (IL&FS)
Holding Company:	IL&FS Transportation Networks Limited (ITNL)
Fellow Subsidiaries:	IL&FS Infrastructure Development Corporation Limited (IIDCL)
(only those with whom there has been transactions during the year)	IL&FS Trust Company Limited (ITCL)
	IL&FS Environmental Infrastructure & Services Ltd. (IEISL)
Key Management Personnel:	Mr. Mukund Sapre (Chief Executive Officer)
	Mr. Ankit Sheth (Manager & Company Secretary)

(B) Transactions for the year ended:

Nature of Transaction	Company	March 31, 2013	March 31, 2012
Commitment Charges	ITNL	4,961,491	6,930,942
Interest on loans for fixed period	IL&FS	20,476,613	39,772,351
Interest on debentures	IL&FS	25,999,998	26,071,230
Interest on deep discount bonds	IL&FS	56,131,178	49,747,585
Interest on loans for fixed period	ITNL	28,815,692	40,253,982
Term Loans Repaid	IL&FS	251,081,327	99,694,620
Term Loans Repaid	ITNL	308,800,000	-
Security Agent Fees	IL&FS	1,123,600	1,103,000
Takeout Assistance fees	IL&FS	2,944,862	2,325,467
Operation & Maintenance Expenses	ITNL	75,924,363	65,830,590
Deep Discount Bonds Trusteeship Fees	ITCL	112,360	110,300
Consultancy Fees	IEISL	-	211,776
Operation & Maintenance Expenses	IEISL	-	4,069,327
Remuneration	Mr. Ankit Sheth (Manager & Company Secretary)	1,419,314	1,265,625

Footnote:

(1) Reimbursement of cost is not included above.

(2) No Deputation charges have been claimed by holding company in respect of Mr. Mukund Sapre, Chief Executive Officer

(C) Balances outstanding as at:

Balance Outstanding	Company	March 31, 2013	March 31, 2012
Term Loans outstanding	IL&FS	-	251,081,327
Non Convertible Debentures outstanding	IL&FS	200,000,000	200,000,000
Deep Discount Bonds outstanding	IL&FS	141,085,000	141,085,000
Redemption premium accrued but not due on Deep Discount Bonds	IL&FS	347,149,193	291,018,015
Term Loans outstanding	ITNL	-	308,800,000
Commitment Charges Payable	IL&FS	28,731,685	28,731,685
Commitment Charges Payable	ITNL	32,396,861	27,931,520
Advance towards Capital/Debt	IL&FS	150,000,000	150,000,000
Advance towards Capital/Debt	ITNL	600,000,000	600,000,000
Trade payable	IL&FS	-	1,673
Trade payable	ITNL	4,524,976	2,796,465
Trade payable	IEISL	123,139	412,206
Advances receivable in cash or kind	IIDCL	24,500	33,500

Note No. 29: Previous year's figures have been regrouped / rearranged whenever necessary to conform to the classification of the current year.



For and on behalf of the Board

Chief Executive Officer

Director

Director

Chief Financial Officer

Manager & Company Secretary